

Honor the Texas flag;
I pledge allegiance to thee, Texas, one state under God,
one and indivisible.

NOTICE OF PUBLIC MEETING

BE IT KNOWN that the City Council of the City of Lake Jackson will meet in Regular Session on **Monday, November 7, 2016 at 6:30 P.M.** at 25 Oak Drive, Lake Jackson, Texas, Lake Jackson City Hall in the Council Chambers with the following agenda:

AGENDA

PLEDGE OF ALLEGIANCE

US FLAG
TEXAS FLAG

INVOCATION

VISITORS COMMENTS

This item is available for those citizens wishing to address City Council on an issue not on the agenda. Any item discussed cannot be voted on, but could be considered for placement on the agenda of the next regularly scheduled meeting.

COMMENDATIONS

COMMENDATION TO GARAGE DEPARTMENT FOR WORKING 7 YEARS WITHOUT A LOSS TIME ACCIDENT

At said meeting the council will deliberate, discuss, consider and or take final action on any or all of the following matters:

1. PRESENTATIONS

- A. INTRODUCTION OF THE FIRE DEPARTMENT ROOKIES
- B. PROCLAMATION – FESTIVAL OF LIGHTS – NOVEMBER 19, 2016

2. CONSENT AGENDA

All Consent Agenda items listed are considered routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council member or other interested persons so requests, in which event, the item will be removed from the Consent Agenda and considered in its normal sequence on the agenda. Information concerning Consent Agenda items is available for public review.

- A. APPROVAL OF MINUTES – OCTOBER 17, 2016
- B. MINUTES OF BOARDS AND COMMISSIONS
- C. ACCEPT FINANCIAL REPORT FOR SEPTEMBER 2016
- D. AN ORDINANCE AMENDING CHAPTER 14 OF THE CODE OF ORDINANCES TO ADOPT THE COMMERCIAL PROVISIONS IN THE 2015 ENERGY EFFICIENCY CONSERVATION CODE – SECOND READING
- E. MOVE CITY COUNCIL MEETING DATES FROM MONDAY, JANUARY 2, 2017 TO TUESDAY, JANUARY 3, 2017; MONDAY, JANUARY 16, 2017 TO TUESDAY, JANUARY 17, 2017; MONDAY, FEBRUARY 20, 2017 TO TUESDAY, FEBRUARY 21, 2017 AND FROM MONDAY, SEPTEMBER 4, 2017 TO TUESDAY, SEPTEMBER 5, 2017 DUE TO APPROVED HOLIDAYS

3. REGULAR AGENDA

- A. DISCUSS AND CONSIDER REQUEST TO CLOSE A PORTION OF THE WEST SIDE OF THE 200 BLOCK OF PARKING WAY ON TUESDAY, NOVEMBER 29, 2016 FROM 5:30 P.M. TO 8:00 P.M. FOR SANTA AT THE GAZEBO
- B. DISCUSS AND CONSIDER APPROVAL OF ORDINANCE AUTHORIZING THE ISSUANCE OF \$3.9 MILLION "CITY OF LAKE JACKSON, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016"; TO REPLACE LIFT STATION #25 FORCE MAIN; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO – FIRST AND FINAL READING
- C. DISCUSS AND CONSIDER APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF \$3 MILLION "CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2016"; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; FOR THE CONSTRUCTION OF 2 LANES OF THE PLANTATION DRIVE BRIDGE, WILLOW/BLOSSOM DRAINAGE, AND TRAFFIC SIGNAL LIGHT AT CIRCLE WAY AND OAK DRIVE THE ENGINEERING DESIGN FOR THE REPLACEMENT OF A PORTION OF THE STREETS IN THE WOODLAND PARK SUBDIVISION; AND APPROVING ALL OTHER MATTERS RELATED THERETO – FIRST AND FINAL READING
- D. DISCUSS AND CONSIDER APPROVAL OF AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON, TEXAS \$4,015,000 (\$3 MILLION NEW AND REFUNDING BONDS) WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2016; TO REPLACE LIFT STATION #25 FORCE MAIN; AN ESCROW AGREEMENT; A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO – FIRST AND FINAL READING
- E. DISCUSSION AND INTRODUCTION OF MICHAEL BROOKS WITH CENTER POINT
- F. DISCUSS AND CONSIDER REQUEST BY THE LAKE JACKSON VOLUNTEER FIRE DEPARTMENT TO PLACE BANNERS AT FIRE STATION 1 AND 2 ONCE A QUARTER FOR 30 DAYS EACH TIME.
- G. DISCUSS AND CONSIDER PROPOSED CHANGES TO THE SIGN ORDINANCE AS IT PERTAINS TO BANNERS
- H. DISCUSS AND CONSIDER AN ORDINANCE DESIGNATING THE BUS ENTRANCE NEAR FM2004 AT BESS BRANNEN ON THAT WAY AS A "DO NOT BLOCK" AND PROHIBITING A LEFT TURN SOUTH BOUND FROM THAT WAY INTO THE CIRCULAR DRIVE – FIRST AND FINAL READING
- I. DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 98 OF THE CODE OF ORDINANCES TO PROHIBIT PARKING OF BOATS AND TRAILERS ON CITY STREETS UNLESS LOADING OR UNLOADING – FIRST READING
- J. DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 62 OF THE CODE OF ORDINANCES TO LIMIT GARAGE SALES TO 3 CONSECUTIVE DAYS WITH A LIMIT OF TWO GARAGE SALES PER YEAR – FIRST READING
- K. DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 98 OF THE CODE OF ORDINANCES TO PROHIBIT PARKING ON EITHER SIDE OF THE STREET FROM THE 304/306 LOT LINE AND THE 305/307 LOT LINE ON ARROW WOOD TO ANCHUSA DURING ELEMENTARY SCHOOL DROP OFF AND PICK UP TIMES – FIRST READING
- L. DISCUSS AND CONSIDER CHANGES TO THE PERSONNEL POLICY AS IT PERTAINS

PARENTAL LEAVE

- M. APPROVE FUNDING FOR A GRANT IN THE AMOUNT OF \$57,265 TO FUND THE PURCHASE OF BODY CAMERAS AND THE ASSOCIATED COMPUTER SERVER ENVIRONMENT THE CITY'S REQUIRED MATCH WILL BE \$14,316.25
- N. DISCUSS AND CONSIDER RESOLUTION AMENDING THE EQUIPMENT REPLACEMENT FUND FOR THE COST OF THE BODY CAMERAS FOR THE POLICE DEPARTMENT BY INCREASING REVENUES BY \$42,945 AND INCREASING EXPENDITURES BY \$57,265
- O. DISCUSS AND CONSIDER RESOLUTION TO APPROVE 2015-16 BUDGET AMENDMENT TO THE ECONOMIC DEVELOPMENT FUND BY INCREASING TRANSFER TO THE GOLF COURSE FUND BY \$174,296 AND ADDING PROJECT FOR GOLF COURSE REPAIRS OF \$400,704 TO REFLECT ACTIONS TAKEN BY THE LAKE JACKSON DEVELOPMENT CORPORATION TO APPROVE EXPENDITURES RELATED TO THE FLOOD AT THE LAKE JACKSON WILDERNESS GOLF COURSE.
- P. DISCUSS AND CONSIDER AWARDDING BID FOR THE NORTH SANITARY SEWER SYSTEM EXTENSION FROM NORTH WATER PLANT TO EXISTING WASTEWATER TREATMENT PLANT AND LIFT STATION NO. 25 FORCE MAIN PIPE REPLACEMENT INSTALLATION TO WASTERWATER TREATMENT PLANT TO MATULA & MATULA IN AN AMOUNT NOT TO EXCEED \$4,416,281.20
- Q. AUTHORIZE CITY MANAGER TO EXECUTE A CONTRACT WITH DAMIAN & ASSOCIATES, INC. IN AN AMOUNT NOT TO EXCEED \$118,018.40 TO EXECUTE ENGINEERING, SURVEYING, AND DRAFTING SERVICES TO ANALYZE AND DESIGN DRAINAGE IMPROVEMENTS OF WILLOW DR., BLOSSOM, AND DAISY STREET'S CONVEYANCES AND OUTFALL STRUCTURES: 2016 BOND PROJECT
- R. UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE
- S. UPDATE ON CONSTRUCTION PROJECTS
 - a. CONSTRUCTION FUNDS FINANCIAL UPDATE
 - b. SIDEWALK PROJECTS
 - c. UTILITY REPAIR PROJECTS
 - d. DRAINAGE REPAIR PROJECTS
 - e. SOUTH PARKING PLACE
 - f. WAYSIDE PUB UPDATE
- T. ITEMS OF COMMUNITY INTEREST

4. **ADJOURNMENT**

The City Council may go into Executive Session on any item listed on the Agenda in accordance with Section 551.071 of the Government Code (attorney-client privilege).

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on Friday, November 4, 2016 at _____ p.m.

Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the _____ day of _____ 2016, at _____ a. /p.m.

Alice A. Rodgers, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-8823 for further information.

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Work Safety Program

Submitted by: David Van Riper, Director of Public Works

Expenditure Account:

Action Requested:

Alternatives:

Summary of Subject:

A goal was set for the Garage Department to work 365 days without a lost time accident or injury. The Garage Department has now worked since October 16, 2009, a period of 2,555 days (7 years) without a lost time accident or injury.

On behalf of the City of Lake Jackson, I would like to commend the Garage employees for exemplifying the character trait of Gratefulness as demonstrated by their commitment to continuously work safely.

A new goal has been set for the Garage employees to continue working without a lost time accident or injury for an additional 365 days.

PROCLAMATION

I Joe Rinehart, by virtue of the authority vested in me as
Mayor of the City of Lake Jackson, Texas, do hereby
Proclaim

November 2016

As

Festival of Lights Month

In the City of Lake Jackson, and urge each and every citizen
to join us this month in celebrating our 28th annual Festival
of Lights.

Whereas, we come to celebrate together as family, friends,
and neighbors in the spirit of this special season the 28th
annual Festival of Lights where you will enter a world of
holiday magic, as thousands of festive lights create a winter
wonderland for all to see; and

Whereas, on November 19th the city's downtown area will
be filled with the holiday spirit as people enjoy the
entertainment and food planned for the entire family; and

Whereas, the parade will feature fabulous displays of
lighted floats and holiday cheer. This holiday processional
will include area businesses, organizations and school
groups with childhood favorite Ole' Saint Nick in which he
will make his first official visit of the season; and

Now Therefore, We the Mayor and the City Council of the
City of Lake Jackson, do hereby proclaim the month of
November, 2016 as the Festival of Lights Month in the City
of Lake Jackson, Texas.

In Testimony whereof, witness my hand and
the seal of the City of Lake Jackson, this 7th day
of November, A.D. 2016.

Joe Rinehart, Mayor
City of Lake Jackson

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the City Council of the City of Lake Jackson met on Monday October 17, 2016 at 6:30 in Regular Session at 25 Oak Drive, Lake Jackson, Texas, in the Council Chambers at the Lake Jackson City Hall with the following in attendance:

Will Brooks, Mayor Pro Tem
Ralph Buster Buell, Council member
Heather Melass, Council member
J. B. Baker, Council member
Gerald Roznovsky, Council member

William P. Yenne, City Manager
Modesto Mundo, Asst. City Manager
Alice A. Rodgers, City Secretary
Sherri Russell, City Attorney
Jeremy Bubnick, Parks & Rec Director
Pam Eaves, Finance Director
Sal Aguirre, City Engineer
David Van Riper, Public Works Director
Rick Park, Police Chief
David Walton, Building Official

PLEDGE OF ALLEGIANCE

Council member Buell led the pledge of allegiance to the United States flag and the Texas Flag.

INVOCATION

Council member Buell led the invocation.

VISITORS

There were no visitors to speak on a non agenda item.

COMMENDATION TO THE STREETS AND DRAINAGE DEPARTMENT EMPLOYEES FOR WORKING 1 YEAR OR 365 DAYS WITHOUT A LOSS TIME ACCIDENT

David Van Riper, Public Works Director presented the Streets and Drainage Department employees with a commendation for working 1 year without a loss time accident.

INTRODUCTION OF JOSE SANCHEZ, THE NEW PERSONNEL DIRECTOR

Bill Yenne, City Manager introduced Jose Sanchez, Personnel Director.

PROCLAMATION – RED RIBBON WEEK – OCTOBER 23-31, 2016

Mayor Pro Tem Brooks presented the Lake Jackson Intermediate School P.A.L.S. with a proclamation for Red Ribbon Week October 23-31, 2016.

CONSENT AGENDA

- A. Approval Of Minutes –October 3, 2016 & August 8, 2016
- B. Minutes Of Boards And Commissions
- C. Ordinance Designating The Bus Entrance Near Fm2004 At Bess Brannen On That Way As A “Do Not Block” And Prohibiting A Left Turn South Bound From That Way Into The Circular Drive – Second Reading

On motion by Council member Baker second by Council member Buell with all members present voting “aye” the consent agenda was approved as follows:

- A. Approval Of Minutes –October 3, 2016 & August 8, 2016 - approved

- B. Minutes Of Boards And Commissions - accepted
- C. Ordinance Designating The Bus Entrance Near Fm2004 At Bess Brannen On That Way As A “Do Not Block” And Prohibiting A Left Turn South Bound From That Way Into The Circular Drive – Second Reading - passed and adopted on second and final reading.

DISCUSS AND CONSIDER A RESOLUTION ADOPTING THE LAKE JACKSON PARKS & OPEN SPACE MASTER PLAN

On motion by Council member Baker second by Council member Roznovsky to approve the resolution.

Katie Kolzarri, with Clark Condon Company presented the Parks and Open Space Master Plan.

She stated that the Lake Jackson City Council approved the development of a comprehensive Parks and Open Space Master Plan on December 21st, 2015. An 8-member task force was assembled to lead the Plan’s development along with the consultant team and City Parks and Recreation Department staff. Members included representatives from City Council, the Parks Board, Planning Commission, and the Oyster Creek Conservancy. The task force met frequently throughout the nine-month process and provided input and feedback as well as served as spokesman for the plan with the public and special interest groups.

Site tours of existing parks within Lake Jackson were facilitated in early February with the consultant team and the Parks and Recreation director. Existing facilities were photographed and inventoried and previous studies were evaluated. A community wide public meeting on February 24th attracted over 100 attendees and allowed citizens to provide individual feedback for facilities they would like to see in Lake Jackson. Over the next several months the team met with focus groups including the Parks Board, Hike and Bike Committee and sports groups to provide input regarding specific sports and interest groups. A final public meeting was held on September 14th to provide an overview of the recommendations for park and recreation development over the next 20 years.

Ms. Kolzarri reviewed the inventory, needs assessment, recommendation and implementation of the plan.

With all members present voting “aye” a resolution adopting the Lake Jackson Parks and Open Space Master Plan was passed.

DISCUSS AND CONSIDER APPROVAL OF AN ECONOMIC DEVELOPMENT 380 AGREEMENT WITH AC BRAZOS MALL PARTNERS LLC FOR SALES TAX REIMBURSEMENT CONTINGENT UPON THE AMOUNT AND TYPE OF IMPROVEMENTS THAT AC BRAZOS MALL PARTNERS INVESTS IN THE BRAZOS MALL

Over the past year the City has been negotiating the terms of a 380 agreement with the owners of the Brazos Mall, AC Brazos Mall Partners, LLC. The agreement outlines the requirements of the City and the mall for a maximum reimbursement of \$7.5 million or a maximum term of 15 years, whichever is reached first

Summary of City responsibilities include:

Once sales exceed \$63 million the city and mall will split the one cent sales tax as follows:

1. For the first five (5) years the City will reimburse 70% of the sales tax increment generated by the Brazos Mall above the base sales. For the following 10 years the City will reimburse 60% of the sales tax increment.
2. The City will make reimbursements up to the maximum grant payment amount (\$7.5 million), which is 37.5% of the total investment in the mall properties up to \$20 million.

Summary of AC Brazos Mall Partners, LLC responsibilities include:

1. Complete the initial conditions by investing at least \$8 million within three (3) years of the effective date of the agreement.
2. Remain current on all property taxes.

3. Budget and spend a minimum of \$100,000 annually for marketing, including a minimum of \$25,000 for community outreach.
4. By October 1st of each year, submit to the City the New Mall Tenant Information Sheet for any new tenants

Oliver Robinson, Centennial Real Estate stated they were based in Dallas and owned malls and shopping centers around the country. What they do is buy underperforming assets, invest in those assets and try to bring them to their potential. They identified the Brazos Mall as underperforming and in looking at the growth in the area felt the Mall could perform better. The old Sears end of the mall will be remodeled. They are working with a number of retailers that people drive to Sugarland or Pearland to get to. We are trying to bring those to the Mall so those dollars stay local. In a year and a half it will be a very different Mall than what there is now. As of now the biggest challenge is to get rid of the tire/auto portion of the Sears wing. That will be the only change to the footprint of the Mall. A lot of the façade will be changed to meet the identity of the retailers. They have added to the staff at the Mall and are happy with the employees.

He stated Centennial's goal is to start with the Sears section soon after the temporary Halloween tenants leave.

They are looking at an out parcel near Starbucks and Panda Express.

They will maintain the small cemetery at the rear of the property.

They have just put a new security team together and have looked at adding additional security cameras in the mall. They employ off duty police officers to help with security at the mall at certain peak hours.

It was suggested to them to look into WiFi connectivity and an entertainment aspect such as a bowling alley or skating venue.

On motion by Council member Roznovsky second by Council member Melass with all members present voting "aye" approval was granted for an economic development 380 agreement with AC Brazos Mall Partners LLC for sales tax reimbursement contingent upon the amount and type of improvements that AC Brazos Mall Partners invests in the Brazos Mall.

DISCUSS AND CONSIDER SCREENING OF THE YELLOW DOORS AT THE CLARK'S SMART STORAGE FACILITY ON LOGANBERRY

Sal Aguirre, City Engineer presented the following information:

This is a holdover item from previous council meetings. At the last discussion, engineering staff offered to bring back other options. The option of replacing 6 doors was considered but not unanimous.

During the discussion, the door replacement turned from a 6-door replacement offer to one that became a total door replacement estimated at 150 at the time and with a replacement cost estimate of \$800-900 per door. A closer look of the potentially visible door count shows this to be about 100.

Staff solicited proposals from local fence companies to provide us with their best product options to the screening conditions and the results we sought along with their associated costs.

The proposed options provided were those that they feel are structurally sound and reasonable priced within their conventional construction materials, means and methods.

Option 1 - 10' high pressure treated fence, conventional post, rail and board design.
The proposed cost of approximately 250 linear feet is of \$17,150.

Option 2 - privacy slatted chain link fence extension to the existing 6' wood privacy fence. The extension would be a 4' chain link portion above the current fence that would be supported by a pipe corner and line post set into the ground with added connection to the wood fence. The chain link fence would be a black pvc coated fabric and would have a 4' black pvc slat interweave (color negotiable). The proposed cost of approximately 250 linear feet is of \$13,300.

On motion by Council member Roznovsky second by Council member Buell to replace the back 6 doors to a color that meets the requirement of an earth tone color.

Danielle Clark 105 Loganberry stated she is agreeable with this and will have the doors replaced.

Mr. Perez 110 Flag Drive stated the storage buildings are right behind his house. His wife is opposed to replacing only 6 doors. She would prefer the bamboo where she would see nothing. The bamboo was agreed upon and was cut down.

Ms. Creech 106 Flag Drive stated she felt like the bamboo should have been replaced. She stated she moved in almost two years ago and can see the doors from her dining room.

Mr. Perez stated the residents have always had the option to put up screening in our own yards but they were not the ones that violated the ordinance.

With all members present voting "aye" approval was granted for the replacement of the back 6 doors in to a color that meets the requirement of an earth tone color.

DISCUSS AND CONSIDER REQUEST TO AMEND CHAPTER 78 SIGNS TO EXTEND THE NUMBER OF DAYS A BANNER CAN BE DISPLAYED – CASEY FRY – URBAN CREST

Casey Fry, Urban Crest was present to request clarification of the sign ordinance as it pertains to banners. They will have their first occupancy on Wednesday.

Mr. Yenne stated that the banner section of the sign ordinance allows people to have a banner up for 60 days within a calendar year. Each banner that is put up count cumulatively toward the 60 days. Three banners would be allowed to be up for 20 days.

Mr. Fry stated the intent of this section of the sign ordinance was for the opening of a salon in a strip center. The section discusses business operators of single occupancy structures. He addressed another section of the ordinance that pertains to real estate banners. The City Attorney interpreted the ordinance that this did not apply to them because they are not a business but are zoned R-4.

Ms. Russell stated they were a business. Apartments are businesses and not residential. She stated that the section discussing restricted environment did not pertain to Urban Crest because they do not have a restricted environment.

Mr. Fry stated he interpreted the restricted environment as this was not a strip center or single commercial building this is a 285 unit multifamily community. It is a different environment. It is important to them if they are to be successful to hit all the different avenues of marketing. They have to have the search engines, face book, social media, etc. They need to make it aware they are open for business.

Council member Roznovsky stated they could accomplish the same with a sign.

Mr. Yenne stated if the city determines this property is residential, which it is, no signs would be allowed at all. We have interpreted the use of the banner ordinance and every other apartment in town has complied with it for 25 years. If we need to adjust the ordinance we can. Right now we can allow 60 days. We can start working on a change.

Mr. Yenne stated that staff will start looking at the appropriate way for signage to be displayed. This project has generated so much discussion in town. Everyone knows they are there.

Mr. Fry said instead of a project that has a space available and putting out a banner that says “we have space available” he sees this as being different because it is new construction. It will be delivered in phases.

Mr. Yenne stated that for now the only thing they have to go by is the current banner ordinance that allows 60 days.

Council member Roznovsky asked if there was anything keeping them from putting up a “for lease” sign – not a banner.

Mr. Fry stated that with this massive project and a lot of activity a sign may not be visible from the road.

Mr. Mundo stated that the table for the permanent sign (within the sign ordinance) is only for businesses and does not pertain to R-4.

Alice Rodgers stated that the R-4 zone permits a 4:1 height to width ratio for a permanent sign.

David Walton, Building Official stated that in the process of the construction it was found that Urban Crest could use a 4:1 ratio for the sign. He asked if there was anything in the PURZ ordinance for this property.

Ms. Rodgers stated the PURZ did not specifically address the signs. However this property is zoned PURZ R-4, meaning you would go back to the R-4 zone for the signage allowed which allows 100 square feet with a 4:1 ratio.

David Walton stated that the ordinance does not require when the 60 days are used. It does not state they have to be consecutive. So Urban Crest could split those days up to meet the high traffic days.

Mr. Mundo stated that when the banner ordinance has been discussed in the past the multi family has not been addressed. That is something that staff needs to look into. Staff will begin research for this.

Mr. Fry asked for staff to look into signage for a multi family business that is going through the lease out process.

DISCUSS AND CONSIDER AN ORDINANCE AMENDING CHAPTER 14 OF THE CODE OF ORDINANCES TO ADOPT THE COMMERCIAL PROVISIONS IN THE 2015 ENERGY EFFICIENCY CONSERVATION CODE – FIRST READING

David Walton provided the following information in the Council packets.

This agenda item has 2 separate parts:

1. Amend Chapter 14 Sec 14-1 Adoption of technical codes to transition from the 2012 to 2015 International Energy code as required by House Bill codes.

2015 International Energy Conservation Code (IECC)

• The Legislature of the State of Texas has adopted the 2015 IECC as the minimum energy code standard effective 9-1-2016 (Residential) and 11-1-2016 (Commercial).

2. Amend Chapter 14 Sec 14-9 (b) to remove reference to Vernon’s Ann. C.C.P. and reference the Texas Code of Criminal Procedure,

3. Add Chapter 14 Sec 14-9 (c) as follows:

(c) All medical gas piping inspections and required third party inspections are the financial responsibility of the property owner or the property owner's designee. Prior to the issuance of the Certificate of Occupancy, reports for medical gas piping inspections and required third party inspections shall be submitted to the City of Lake Jackson Building Official

On motion by Council member Roznovsky second by Council member Baker with all members present voting "aye" an ordinance amending Chapter 14 of the Code of Ordinances to adopt the commercial provisions in the 2015 Energy Efficiency Conservation Code was passed on first reading.

DISCUSS AND CONSIDER AMENDING CHAPTER 98 OF THE CODE OF ORDINANCES TO PROHIBIT PARKING OF BOATS AND TRAILERS ON CITY STREETS UNLESS LOADING OR UNLOADING

Sherri Russell, City Attorney stated that this draft modifies 98-131 to cover only passenger vehicles and motorcycles and 98-152 to cover boats and trailers. Section 98-152 also gives loading/unloading boats and trailers a 4-hour time limit.

The ordinances do not specifically control parking for RVs, commercial vehicles, boats and trailers on non-residential streets. However, if these types of vehicles are causing a traffic hazard, they can be towed under 98-136.

Council asked that this be brought back in ordinance form at the next meeting

APPOINT 2 MEMBERS AND REAPPOINT 3 MEMBERS TO THE DANGEROUS STRUCTURE DETERMINATION BOARD

On motion by Council member Roznovsky second by Council member Melass with all members present voting "aye" Sal Aguirre, Ben Torres, Melanie Calvin, Nathan Phillips, Donnie Peltier were appointed to serve on the Dangerous Structure Determination Board.

DISCUSS AND CONSIDER APPROVING THE MUNICIPAL BUILDING STRIP LIGHTING POLICY

Modesto Mundo stated that the new LED Christmas lights have been installed on the Civic Center, Museum and Library and will be installed on City Hall, Police Department and Fire Station No. 1 in October. Since the lighting is permanent, we estimate that we will save approximately 192 man hours each Christmas season installing, removing and storing lights.

The lights have the ability to change colors. The opportunity to light the buildings other Christmas time now exist and may be approved under Section 110-10 for a Special Permit from the Planning Commission. Staff is requesting Council's guidance on whether it wishes to use the lighting other than during the Christmas season.

In September, Council appointed a sub-committee to study the issue. The sub-committee has drafted guidelines for Council's consideration.

City of Lake Jackson

Municipal Building Strip Lighting Guidelines

City staff may activate strip lighting on municipal buildings for the following occasions:

- A. Holidays and Observances:
 - a. Christmas season beginning Festival Lights and ending New Year's Day
 - b. Memorial Day
 - c. Independence Day – July 4th
 - d. Patriot Day – September 11th
 - e. Veteran's Day

B. By order of the Mayor or Council Resolution for special events or observances.

C. The Civic Center Manager may activate strip lighting at the Civic Center for a full facility rental and City special events held at the Civic Center, i.e. Spring Concerts. A renter for a full facility rental at the Civic Center may select the color of lighting. This allowance does not apply to any other City building.

On motion by Council member Melass second by Council member Buell with all members present voting “aye” approval was granted for the Municipal Building Strip Lighting Policy as presented.

DISCUSS AND CONSIDER LIMITING GARAGE SALES TO 3 CONSECUTIVE DAYS WITH A LIMIT OF TWO GARAGE SALES PER YEAR

On motion by Council member Melass second by Council member Buell with all members present voting “aye” approval was granted to limit garage sales to 3 consecutive days with a limit of two garage sales per year. Council asked that this be brought back in ordinance form.

AWARD BID FOR SUPPLYING AND DELIVERING GASEOUS CHLORINE AND SULFUR DIOXIDE IN ONE (1) TON CONTAINERS AND 150 POUND CONTAINERS FOR TREATMENT OF WATER AND WASTEWATER FOR THE FISCAL YEAR 2016-17 IN AN AMOUNT NOT TO EXCEED \$89,164.00.

David Van Riper presented information stating that the City of Lake Jackson uses gaseous chlorine and sulfur dioxide for the purpose of disinfecting wastewater and water, and sulfur dioxide to neutralize chlorine in wastewater prior to discharge.

The Contract is for delivering approximately 118,000 pounds of chlorine to the wastewater treatment plant in one (1) ton cylinders, and 32,000 pounds of chlorine to water facilities in 150 pound cylinders, and 70,000 pounds of sulfur dioxide to the wastewater treatment plant. The bid is for one year with the option to extend the contract for three (3) one-year terms.

On motion by Council member Melass second by Council member Baker with all members present voting “aye” bid was awarded for supplying and delivering gaseous chlorine and sulfur dioxide in one ton containers and 150 pound containers for treatment of water and wastewater for the fiscal year 2016-17 in an amount not to exceed \$89,164.00.

DISCUSS AND CONSIDER TRAFFIC RECOMMENDATION TO CONSIDER NO PARKING ON EITHER SIDE OF THE STREET FROM 304 ARROW WOOD TO ANCHUSA AT SCHOOL DROP OFF AND PICK UP TIMES

Council asked that this be brought back in ordinance form at the next meeting.

UPDATE ON DRAINAGE IN THE PARKWOOD SUBDIVISION NEAR MOSS, CHESTNUT AND PALM LANE

Athelstan Sanchez provided update information in the council packets.

PROJECT UPDATES

Continuing to work on the hydrologic analysis
Completed drainage area delineations
Completed land use delineations
Started flow path delineations

UPCOMING ACTIVITIES

Complete hydrologic analysis

PROJECT SCHEDULE AND UPCOMING DELIVERABLES

Brief memorandum documenting methodology and peak flows at key locations and electronic copy of models due December 2016

OUTSTANDING ISSUES OR INFO NEEDS

FNI is still waiting to receive the following data from the City:

LiDAR LAS points

H&H models for the following studies:

2002 H&H Impacts of Forest Bend Subdivision by Baker & Lawson

East Levee Pump Station Phase II

Hydrologic modeling and LiDAR Support by Dodson and Associates

Final Report on H&H of the Clute-Lake Jackson Drainage Channel by Baker & Lawson

1995 H&H Analysis of the Lake Bend and Blunk Slough Watershed

2007 City of Clute Storm Water Drainage Master Plan

Construction/ as built plans for recent development and/or channels/ ditches (specifically the **Kroger** at Dixie Drive and Oyster Creek Drive and the **Woodshore** Subdivisions)
Please note that if FNI does not receive any models, the hydraulic models will be created solely based on cross sections using the provided LiDAR data as detailed survey is not included in this first phase

UPDATE ON CONSTRUCTION PROJECTS

- a. CONSTRUCTION FUNDS FINANCIAL UPDATE
- b. SIDEWALK PROJECTS
- c. UTILITY REPAIR PROJECTS
- d. DRAINAGE REPAIR PROJECTS
- e. SOUTH PARKING PLACE
- f. WAYSIDE PUB UPDATE

There was no discussion on this item.

ITEMS OF COMMUNITY INTEREST

There were no items of community interest.

EXECUTIVE SESSION IN ACCORDANCE WITH THE TEXAS GOVERNMENT CODE SEC. 551.087(2) TO DISCUSS ECONOMIC DEVELOPMENT NEGOTIATIONS WITH AC BRAZOS MALL PARTNERS, LLC BECAUSE THE CITY DESIRES THAT THE MALL STAY AND/OR EXPAND IN CITY OF LAKE JACKSON

There was no executive session.

ADJOURNMENT

There being no further business the meeting adjourned at 8:45 p.m.

These minutes read and approved this _____ day of _____, 2016.

Joe Rinehart, Mayor

Alice A. Rodgers, City Secretary

NOTICE OF PUBLIC MEETING

BE IT KNOWN that the Traffic Commission of the City of Lake Jackson will meet in regular session on **TUESDAY, November 8, 2016 at 6:30 P.M.** at the **City Hall, 25 Oak Drive, Lake Jackson,** Texas with the following agenda:

AGENDA

1. PLEDGE OF ALLEGIANCE
2. APPROVAL OF MINUTES – OCTOBER
3. VISITORS' COMMENTS

At said meeting the Traffic Commission will deliberate, discuss, consider and or take final action on any or all of the following matters:

1. DISCUSS AND CONSIDER DESIGNATED TURNS ON PLANTATION DRIVE AT ITS INTERSECTION WITH OLEANDER
2. DISCUSS AND CONSIDER PROPOSED SIGNAGE FOR POTENTIAL BLINDING HAZARD ON THE LEFT SIDE FROM WALNUT DRIVE ONTO PLANTATION DRIVE TOWARDS FRONTAGE 288
3. DISCUSSION AND UPDATE ON WALNUT AND OLEANDER TRAFFIC CALMING SOLUTIONS
4. DISCUSS AND CONSIDER UPDATING THE CITY OF LAKE JACKSON STREET CLASSIFICATION MAP
5. DISCUSSION ON THE PROPOSED RIGHT TURN LANE EXPANSION AT OYSTER CREEK DRIVE AND FRONTAGE ROAD 288 N NEAR ANY WAY STREET
6. UPDATE ON RECOMMENDATIONS TO CITY COUNCIL
 - a. No parking on both sides of Arrow Wood during designated school zone drop off and pickup hours
7. ACCIDENT REPORTS – OCTOBER
8. ITEMS OF COMMUNITY INTEREST
9. ADJOURNMENT

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on FRIDAY, NOVEMBER 4, 2016 at _____ a/p.m.

Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the _____ day of _____, 2016, at _____ a./p.m.

Alice A. Rodgers, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (979) 297-8823 or email: arodgers@lakejacksontx.gov for further information.

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Traffic Commission of the City of Lake Jackson met on Tuesday, September 13, 2016 at 6:30 P.M. at 25 Oak Drive, Lake Jackson, Texas, in the City Hall Council Chambers with the following in attendance:

Andy Anderson, Secretary
Douglas Kincannon
Willem Mookhoek
Barry Tidwell
Mark Allen

William Yenne, City Manager
Modesto Mundo, Asst. City Manager
Giani Cantu, Asst. City Secretary
Bryan Sidebottom, Detective Lieutenant

Will Brooks, Council Liaison

PLEDGE OF ALLEGIANCE

Andy Anderson led the pledge of allegiance.

APPROVAL OF MINUTES – SEPTEMBER

On motion by Douglas Kincannon second by Barry Tidwell, with all present members voting “aye” the minutes of September were approved.

VISITORS’ COMMENTS

There were no visitor comments.

DISCUSS AND CONSIDER NO PARKING ON ARROW WOOD STREET NEAR ANCHUSA

Mark Allen reported that his review of the area and concern shows the vehicles back up on both sides of Arrow Wood during the morning drop off and afternoon pick up hours. The main concern of the residents is trying to keep the vehicles out of the yards. Of all the residents in the area that he was able to speak with, they were all in favor of no parking on both sides from the 5:00 am to 7:00 pm.

Mr. Mookhoek asked if the residents understood that the service contractors are not able to park on that street within those times as well.

Mr. Allen stated the topic came up during the last discussion and the consensus of the local police was that it would not be an issue.

Mr. Yenne reported on the approvals and changes being made to pick up and drop off routes for Brannen.

Mr. Allen stated the changes would not affect those parents who still choose to park on Arrow Wood and do not use the normal traffic flow route.

Mr. Kincannon asked if the commission would consider shorter times that covered during school drop off and pick up times only.

Mr. Allen stated that the residents are in favor of any times or resolution that gets the traffic off of their yard.

Douglas Kincannon made a motion to approve no parking on both sides of Arrow Wood during designated school zone drop off and pickup hours. Mark Allen seconded.

Mark Allen stated the key period would really be the afternoon hours.

Will Brooks, 216 Banyan, reported if approved, this change will need police enforcement to ensure that parents comply.

With all the present members voting "aye", the motion was passed and recommendation is made for City Council to consider approving no parking on both sides of Arrow Wood during designated school zone drop off and pickup hours.

DISCUSS AND CONSIDER POTENTIAL BLINDING HAZARD ON THE LEFT SIDE FROM WALNUT DRIVE ONTO PLANTATION DRIVE TOWARDS FRONTAGE 288

Leon Norton, 222 Moss Rose, reported there is a blind hazard for drivers traveling south on Walnut who are wishing to turn left onto Plantation Drive due to the fence of the property on the corner.

Mr. Kincannon asked if there was a city easement.

Mr. Yenne stated yes, the city has an easement. However, the fence is on private property.

Mr. Anderson asked if speed humps on Plantation Drive would be an option that would help traffic slow down.

Mr. Norton suggested a sign alerting drivers on Walnut to the hazard.

Mr. Mookhoek asked if making the right lane (westbound) on Plantation, near the intersection of Walnut, a right turn lane only would be an option.

Mr. Norton stated he would be satisfied with a sign.

Mr. Allen asked what was the outcome of research for a caution light.

Mr. Yenne reported that lights cannot be put mid-street. Signage could be used; however, the commission would have to decide if they wanted it on Walnut or Plantation.

Mark Allen made a motion to install a traffic sign on Walnut and a traffic sign on Plantation approaching the intersection warning of a hazardous intersection. Willem Mookhoek seconded.

Mr. Yenne stated staff will have to find signage that meets the uniform traffic control device standards.

With all present members voting "aye", the motion passed and the commission approved traffic control signs on Walnut and Plantation Drive approaching the intersection.

DISCUSSION AND UPDATE ON WALNUT AND OLEANDER TRAFFIC CALMING SOLUTIONS

Mr. Yenne reviewed the speed study data collected in September for Oleander and Walnut. The Oleander counters will be moved closer to Oak drive for the next meeting. To date the studies on Oleander show the volume remains the same and speeds are relatively good: 85% is at 31 mph. The volume on Walnut also remains the same, however, speeds on Walnut have drop below the target rates: 85% is at 28 mph. The data doesn't not show any excess traffic being pushed onto Oleander due to calming solutions on Walnut and is showing a great improvement to speed of traffic on Walnut.

Leon Norton, 222 Moss Rose, reported that the traffic counter on Oleander has been moved closer to Oak Drive.

Melissa Savant, 52 Oleander Ct, thanked the traffic commission for the timely adjustment of the barricade. She believes three way stop signs on Oleander would be great. The traffic on Oleander is horrible. It is mainly trucks that make a lot of noise coming thru around 7 -8 am and then again 5 - 6 pm.

Mr. Kincannon stated that is likely community residents coming and going for the day.

Discussion was held on the previous three way stop signs on Oleander.

Mr. Yenne stated, if the commission wished, it is an option to collect new survey data on proposed stop signs on Oleander.

Mr. Allen suggested a comparable speed table as solution, which seems to be working well on Walnut.

Mr. Yenne stated the traffic study data doesn't meet the criteria of the traffic plan for that type of option.

Ms. Savant stated that the stopped signs worked when they were in place.

Mark Allen made a motion to install notification for proposed stop signs for gathering data at Oleander and Yaupon. Motion failed for lack of a second.

No other discussion was held.

DISCUSS AND CONSIDER TRAFFIC PATTERNS OF CREEKSIDE SUBDIVISION AND OYSTER BEND SUBDIVISION

Mr. Yenne stated the data shows a little volume but the speed is not an issue.

Mr. Kincannon asked that it be reconsidered next year.

Mr. Yenne stated staff can keep collecting data and keep monitoring the traffic.

Mr. Allen stated he didn't see a need to keep collecting data when the current data shows there is no action necessary. The commission can revisit and reconsider when the subdivision is complete.

DISCUSS AND CONSIDER MAKING THE EASTBOUND RIGHT LANE ON OYSTER CREEK DRIVE AT DIXIE DRIVE A RIGHT TURN ONLY LANE

Mr. Allen asked what the concern was.

Mr. Kincannon stated he would like for the lane to be right turn only permanently because traffic is not complying with the time designation.

Mr. Tidwell stated he travels that road frequently and doesn't see an issue that needs to be addressed.

Mr. Kincannon reported that morning traffic is an issue.

Mr. Mookhoek stated the issue is one that could use more police enforcement.

Mr. Allen stated he is in support of more enforcement for now and he doesn't see an issue to be addressed.

Mr. Tidwell asked if the sign could be flagged again to grab drivers attention to it.

Mr. Yenne stated he will get with the Police Department for more enforcement and get the sign flagged.

No further discussion was held.

DISCUSS AND CONSIDER PLACING "DO NOT BLOCK" ON OYSTER CREEK DRIVE AT THE ENTRANCE/EXIT OF WALGREENS

Mr. Kincannon reported that traffic is blocking the entrance so vehicles traveling west bound on Oyster Creek Drive cannot enter the Walgreen's parking lot.

Mr. Mookhoek shared his concerns that this is a business and if we do this for one, then the city would have to do it for every business.

Further discussion was held on the traffic flow at the intersection of Oyster Creek Drive and That Way, to get into the parking lot.

No action was taken.

UPDATE ON RECOMMENDATIONS TO CITY COUNCIL

Paint "Do Not Block" on Oak Drive South at its intersections with Oleander and Walnut.

Mr. Yenne reported city council approved this and it will be painted this week.

At Bess Brannen: 1) Paint "Do Not Block" on That Way at the bus entrance near FM2004. 2) Prohibit left turn South Bound from That Way into the circular drive.

Mr. Yenne reported city council approved these recommendations.

Rasco: 1) Close entrances into Recreation Center from MacLean Park Road for an hour in the morning and an hour in the afternoon. 2) Provide stacking and pickup in MacLean Park at the pavilion for school traffic.

Mr. Yenne presented aerial photos of before and after traffic flow route for Rasco. The photos show the proposal is not working. There is just not enough stacking room. Unfortunately, he doesn't have a better solution.

Mr. Tidwell stated this is still a 20 -30 minute problem and then it's gone. He requested that staff continue to monitor the traffic.

Mr. Allen asked if it would help to allow the parents to use the back section of the Recreation Center parking lot for drop off and pick up.

Mr. Mookhoek stated the reason for the change was to get the traffic out of the parking lot for children safety.

The commission asked that city staff continue to monitor the traffic during drop off and pick up hours.

Prohibit parking of Boats, trailers, etc on City streets except for loading and unloading.

Mr. Yenne reported city council approved this. It is being brought in ordinance format for amendments to the existing ordinance.

ACCIDENT REPORTS – SEPTEMBER

The reports were approved as submitted.

ITEMS OF COMMUNITY INTEREST

Mr. Tidwell asked what happened with no parking on Abner Jackson. Mr. Yenne reported it was approved by City Council. Mr. Tidwell stated there are no signs and he saw a big trailer parked there with no cab attached to it. He also reported seeing 18-wheelers parking on the street in front of the hotel recently.

Mr. Kincannon asked about the information on Any Way. Mr. Yenne stated we will bring the item back on the next agenda.

Mr. Allen reported that the right turn lane stop sign on Sycamore directly off of Oyster Creek Drive is not being adhered to.

ADJOURNMENT

On motion by Barry Tidwell second by Willem Mookhoek, with all present members voting “aye” and there being no further business the meeting adjourned at 7:33 p.m.

These minutes read and approved this _____ day of _____, 2016.

Garrett Williams, Chairman

Andy Anderson, Secretary

NOTICE OF PUBLIC MEETING

BE IT KNOWN that the **KEEP LAKE JACKSON BEAUTIFUL COMMISSION** of the City of Lake Jackson will meet on **THURSDAY, NOVEMBER 10, 2016 AT 5:30 P.M.**, in the Council Chambers at Lake Jackson City Hall, 25 Oak Drive, Lake Jackson, Texas with the following agenda:

AGENDA

1. CALL MEETING TO ORDER
2. APPROVAL OF MINUTES – **OCTOBER 2016**
3. FINALIZE PLANS - FALL CLEAN UP – **SATURDAY, NOVEMBER 12TH**
4. REPORT ON AREAS OF RESPONSIBILITIES
5. ITEMS OF COMMUNITY INTEREST
6. DISCUSS NEXT MEETING DATE – **JANUARY 2016**
7. **ADJOURN INTO WORKSHOP**

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on **FRIDAY, NOVEMBER 4, 2016** at _____ **p.m.**

Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the _____ day of _____, 2016, at _____ a.m. / p.m.

Alice A. Rodgers, City Secretary

This facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Secretary's Office at (979) 415-2403 or FAX (409) 297-9804 for further information.

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN that the Keep Lake Jackson Beautiful Commission met in regular session on **Tuesday, October 18, 2016 at 6:00 p.m. at City Hall in Council Chambers** in Lake Jackson, Texas with the following present:

Amy Tasto, Chairman	Randi Streadi
Stacy Lewis, Vice Chair	Darren Merritt
Cassandra Zamoralez, Secretary	Constance Adams
Mike Coburn	Shirley Ann Miller
Corinne Cammarata	

Also, present: Terri Cardwell, Volunteer Coordinator
Bryce Carleton, Parks Superintendent
Debby Soltesz, Past Chairman
Buster Buell, Council Liaison

APPROVAL OF MINUTES

On a motion by Shirley Ann Miller, second by Stacy Lewis with all voting “aye” the minutes of the September meeting were approved as written.

FINALIZE PLANS FOR FALL CLEANUP “RECYCLING ROCKS”

It was discussed for the theme of the fall cleanup to be “Recycling Rocks” and hid rocks advertising the cleanup around the city the week before. Stacy volunteered to paint the rocks. Texas gulf Bank will sponsor shredding at the cleanup and we will also have oil recycling. Electronic waste will be sponsored by Keep Brazoria County Beautiful and will be held at the Angleton Fair Grounds. Setup will begin at 7:00 a.m. on Saturday morning with the event beginning at 7:30 to 11:00 a.m. The November meeting will be held on Thursday before beginning at 5:30 p.m. to get all the supplies ready for the event. This year we will hand out t-shirt, drinks and donuts.

PLANS FOR FALL PROJECTS

A. Xeriscape Park – Members meet on Saturday, October 8th at 8:00 a.m. and covered the beds with black plastic. They ran out of supplies and suggested another work was needed. It was suggested to form a committee of Corinne, Stacy, Debby and Shirley Ann to work with Bryce to develop a plan for the Xeriscape Park. The workday was set for Monday, October 24th at 4:00 p.m.

B. YAC Tree Trail – Members will meet on Tuesday, October 11th at 5:30 p.m. in front of HEB by Wendy’s to help YAC member’s measure trees along the Hike & Bike Trail for their YAC grant for their Tree Trail.

C. Habitat Walk – November 5th at MacLean Park at 8:00 a.m. Cassandra will drive the car and Randi will be Charlie for the Habitat Walk.

D. Festival of Lights –Saturday November 19th Parade of Lights. Darren will drive the car and Zach (YAC member) will be Charlie. Amy and Stacy will decorate car.

F. Business Affiliate Program – Members were asked to continue to promote the affiliate program and take bags to businesses. Terri discussed the new yellow “Don’t Mess with Texas” litter bags. Darren will talk to Dow about how to approach the Contractors to discuss placing them in their vehicles.

AREAS OF RESPONSIBILITIES

Members were reminded to check their areas of responsibilities and to email the Code Enforcement Officers if they had any issues.

ITEMS OF COMMUNITY INTEREST

No items for this month.

SET NEXT MEETING DATE

The next meeting will be Thursday, November 10th at 5:30 p.m. in Council Chambers to prepare for the cleanup.

ADJOURNED

The meeting was adjourned at 7:17 p.m.

These minutes read and approved this _____ day of _____, 2016.

Amy Tasto, Chairman

Cassandra Zamoralez, Secretary

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN THAT the Lake Jackson Youth Advisory Commission met in regular session at the Lake Jackson Police Department Training Room in Lake Jackson, Texas on **Monday, September 12, 2016, at 6:00 p.m.** with the following present:

Board Members:

Kallie Liondas, Chairman	Ashley Hidalgo
Zach Merritt, Vice Chair	Gwyneth Macrae
Emma Nguyen, Secretary	Emily Liondas
Mary Macrae, Event Coordinator	Annaleah Merritt
Vivian Jones, Adult Advisor	Emilio Razo
Brandt Carleton	

Also present: Terri Cardwell, Volunteer Coordinator
Heather Melass, Council Liaison

RESOURCE MEMBERS:

Montwin Delton, Meagen Fails, Christian Guerra, Alexia Boe, and Christian Melass.

CALL MEETING TO ORDER

Kallie Liondas called the meeting to order at 6:10 p.m.

APPROVAL OF MINUTES

Emma Nguyen presented the minutes from May 2016. On a motion by Mary Macrae, second by Zach Merritt with all voting "aye" the minutes were approved as written.

TEAM BUILDING ACTIVITY

Emma presented the "Team Building" activity "truth or lie". Members had to count off and get groups and give 2 truths about themselves and 1 lie and see if other members of the group could figure out the 1 lie. This was an interesting activity to find out more facts about the other YAC members.

OVERVIEW OF YAC

Kallie Liondas and Ms. Cardwell discussed the overview of the YAC Commission. Ms. Cardwell discussed the importance of attending meetings and why it is important that we have a quorum and to call if you are not able to attend the meeting. She discussed upcoming events, projects and the YAC Summit. It is very important to participate in these events if you would like to attend the Summit in February. More information will follow in the coming month. The budget, goals & objectives for the 2016-2017 were also discussed.

20th ANNIVERSARY TIME CAPSULE REPORT

Mary Macrae reported on the August 18th "20th Anniversary Time Capsule" Dedication at the Outdoor Pool. She reported that it was a great event with over 50 people in attendance ranging from the Mayor, Past Mayor, City Council Members, past YAC Members and community members. The Facts Newspaper was on hand for the event and it made the newspaper with an article and pictures. Thank you

cards were passed around for signatures to be mailed out to our guest. After the dedication everyone adjourned a “pool party” with pizza.

ACTIVITIES AND EVENTS FOR 2016-2017

Kallie and Ms. Cardwell discussed the calendar of events for the coming months. Ms. Cardwell listed the “fall events” on the whiteboard for discussion. We will begin our fall events with a new Random Act of Kindness by working with Military Moms in Angleton in September. November we will have the citywide cleanup and Festival of Lights Snowland. In January we will discuss activities for the spring such as Sr. Fest, YAC Summit and spring cleanup.

SET NEXT MEETING DATE

The next meeting was set for October 10th to go to Angleton to participate with Military Moms in a Random Act of Kindness and bring supplies for our soliders. We will meet at City Hall at 5:30 p.m.

ADJOURN

The meeting was adjourned at 7:07 p.m.

These minutes read and approved this _____ day of _____, 2016.

Kallie Liondas, Chairman

Emma Nguyen, Secretary

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF LAKE JACKSON

BE IT KNOWN THAT the Lake Jackson Youth Advisory Commission met in regular session at the Lake Jackson Police Department Training Room in Lake Jackson, Texas on **Monday, October 10, 2016, at 5:30 p.m.** with the following present:

Board Members:

Kallie Liondas, Chairman

Emma Nguyen, Secretary

Mary Macrae, Event Coordinator

Vivian Jones, Adult Advisor

Emilio Razo

Madeline Merritt

Gwyneth Macrae

Emily Liondas

Annaleah Merritt

Also present: Terri Cardwell, Volunteer Coordinator

RESOURCE MEMBERS:

Dillion Lackey, Lauren Read, Montwin Delton, Christian Guerra, Alexia Boe, and Christian Melass.

LEFT CITY HALL

Members gathered at the Lake Jackson Police Training Room and left for Military Moms in Angleton at 5:45 p.m.

RANDOM ACT OF KINDNESS

YAC Members had collected supplies and helped Military Moms pack “100” toiletry boxes for our American Soldiers overseas for the Christmas holidays.

ADJOURN

Finished packing boxes about 7:30 and left for return trip to Lake Jackson arriving about 7:45 p.m.

These minutes read and approved this _____ day of _____, 2016.

Kallie Liondas, Chairman

Emma Nguyen, Secretary

NOTICE OF PUBLIC MEETING

BE IT KNOWN that the Lake Jackson Youth Advisory Commission of the City of Lake Jackson will meet in regular session on **MONDAY, NOVEMBER 7, 2016 at 6:00 P.M.** at the **Lake Jackson Police Department Training Room**, 5 Oak Drive, Lake Jackson, Texas to discuss the following:

AGENDA

At said meeting the Lake Jackson Youth Advisory Commission will deliberate, discuss, consider and or take final action on any or all of the following matters:

1. CALL MEETING TO ORDER AT **6:00 P.M.** – **KALLIE LIONDAS**
2. APPROVAL OF MINUTES – **EMMA NGUYEN**
3. TEAMBUILDING ACTIVITY & BIRTHDAYS – **ZACH MERRITT**
4. REPORT ON HALLOWEEN – **FRIGHT FEST 2016**
5. DISCUSS & FINALIZE “**RECYCLING ROCKS**” CLEANUP – **SAT., NOV. 12, 2016**
6. DISCUSS & FINALIZE FESTIVAL OF LIGHTS “**SNOWLAND**” – **NOV. 19, 2016 –MARY MACRAE**
7. ITEMS OF COMMUNITY INTEREST
8. DISCUSS & SET NEXT MEETING DATE – **DECEMBER OR JANUARY**
9. ADJOURN MEETING

I hereby certify that this Public Notice was placed on the Official Bulletin Board at City Hall on FRIDAY, NOVEMBER 4, 2016 at _____ p.m.

Alice A. Rodgers, City Secretary

I hereby certify that this Public Notice was removed from the Official Bulletin Board at City Hall on this the _____ day of _____, 2016, at _____ a.m./p.m.

Alice A. Rodgers, City Secretary

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City Council Agenda Item

City of Lake Jackson

Meeting Date: 11/7/2016

Subject: financial reports

Submitted by: Pam Eaves

Expenditure Account: none

Action Requested: Accept financial reports

Alternatives: [Click here to enter text.](#)

Summary of Subject: preliminary numbers for September 2016

Action Taken:

Tabled

Deferred

Denied

Approved



City of
LAKE JACKSON

**MONTHLY
FINANCIAL REPORT**



PERFORMANCE AT A GLANCE

September 2016

	Current Month	Year to Date	Chart
GENERAL FUNDS			
Total Revenues	N/A	POSITIVE	A
Sales Tax Analysis	POSITIVE	POSITIVE	B
Property Tax Collection Analysis	NEGATIVE	NEGATIVE	C
Recreation Revenue Analysis	POSITIVE	POSITIVE	D
Civic Center Revenue Analysis	POSITIVE	POSITIVE	E
MOTEL OCCUPANCY FUND			
Motel Tax Revenue Analysis	NEGATIVE	NEGATIVE	F
PAYROLL/BENEFIT EXPENDITURE ANALYSIS			
Utility Fund	N/A	POSITIVE	I
General Fund	N/A	POSITIVE	J
INVESTMENTS			
Investment Report	N/A	N/A	K

PERFORMANCE INDICATORS :

- POSITIVE** Positive = Positive variance as compared to seasonal trend.
- NEGATIVE** Negative = Negative variance as compared to seasonal trend.

General Fund



CHART A

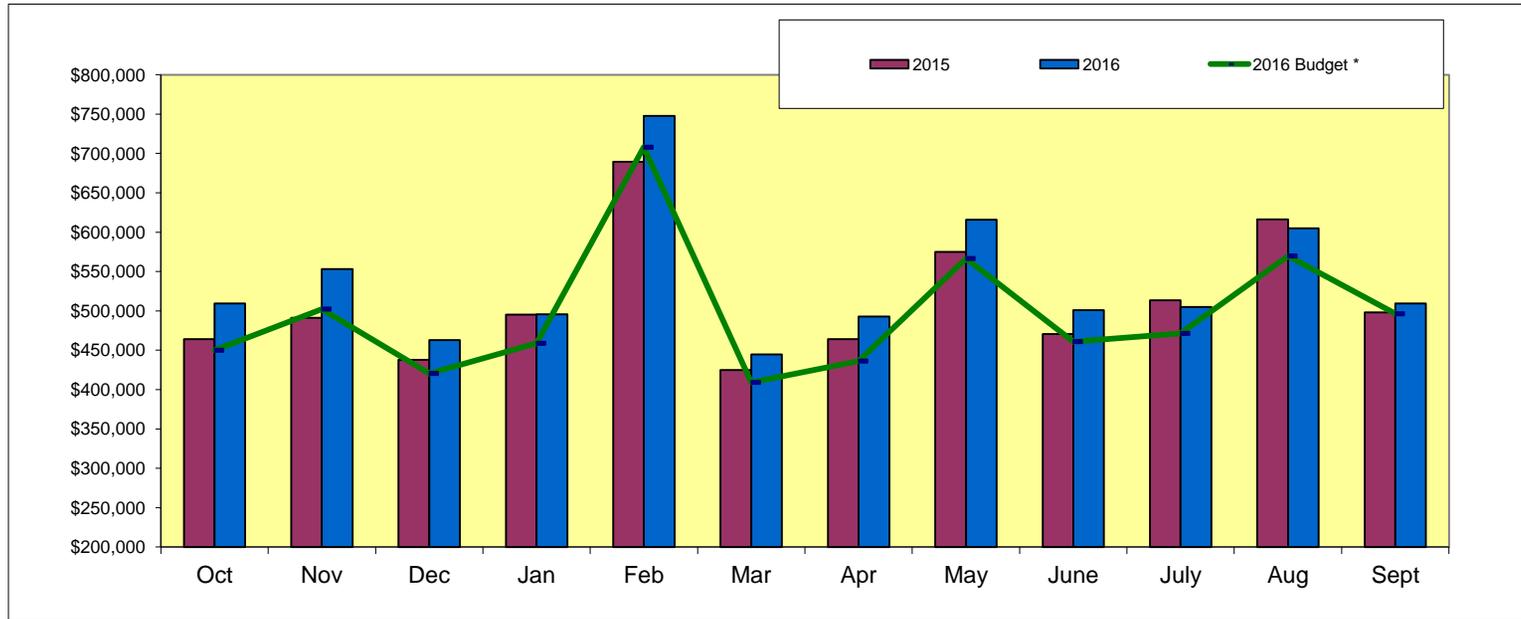
General Fund Revenues through 09-30-2016

	Original Budget	YTD Revenue	Percent of Budget Collected
Property Tax (excl. P&I)	3,802,612	3,773,882	99%
Sales Tax	5,950,000	6,165,692	104%
Franchise Tax	1,717,775	1,740,529	101%
Industrial District	4,278,632	4,317,295	101%
Licenses & Permits	416,045	496,068	119%
Grants & Shared Rev	124,000	154,559	125%
Recreation	881,200	962,535	109%
Civic Center	254,000	304,244	120%
Fines & Forfeits	576,424	469,734	81%
Miscellaneous	182,000	226,521	124%
Interest earned	16,000	29,778	186%
Trsf Econ. Devl Fund	350,000	350,000	100%
Trsf Gen. Contingency	-	-	0%
Trsf Utility Fund	438,390	438,390	100%
Total General Fund	18,987,078	19,429,228	102%

CHART B

SALES TAX ANALYSIS

Positive



* FY 2016 Budget is divided into months based on the monthly percentages of the last five years' activity of sales tax revenue.

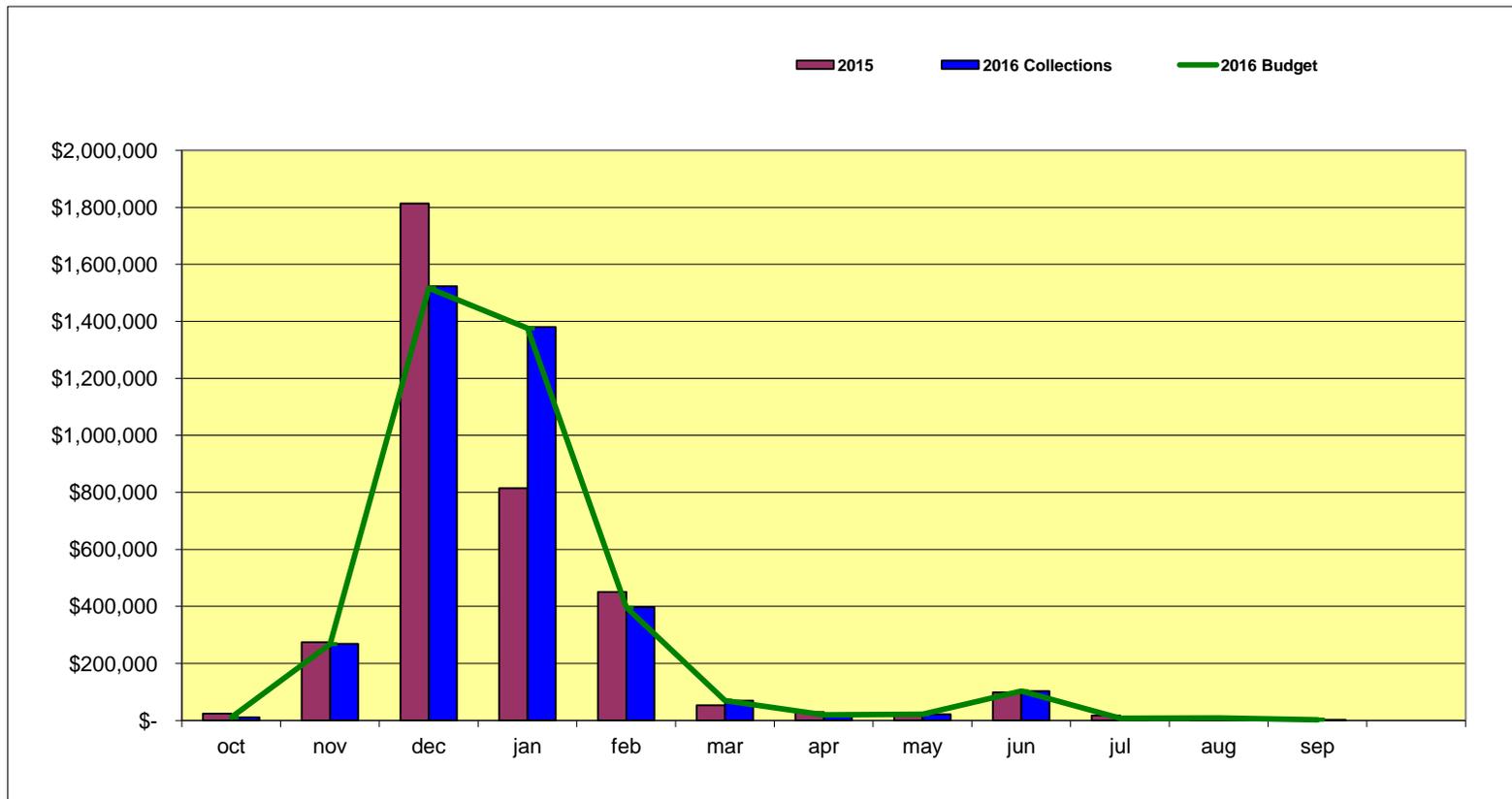
General Fund

Continued

CHART C

PROPERTY TAX COLLECTION ANALYSIS

Negative



* FY 2016 Budget is divided into months based on the monthly percentages of the last five years' activity of property tax revenue.

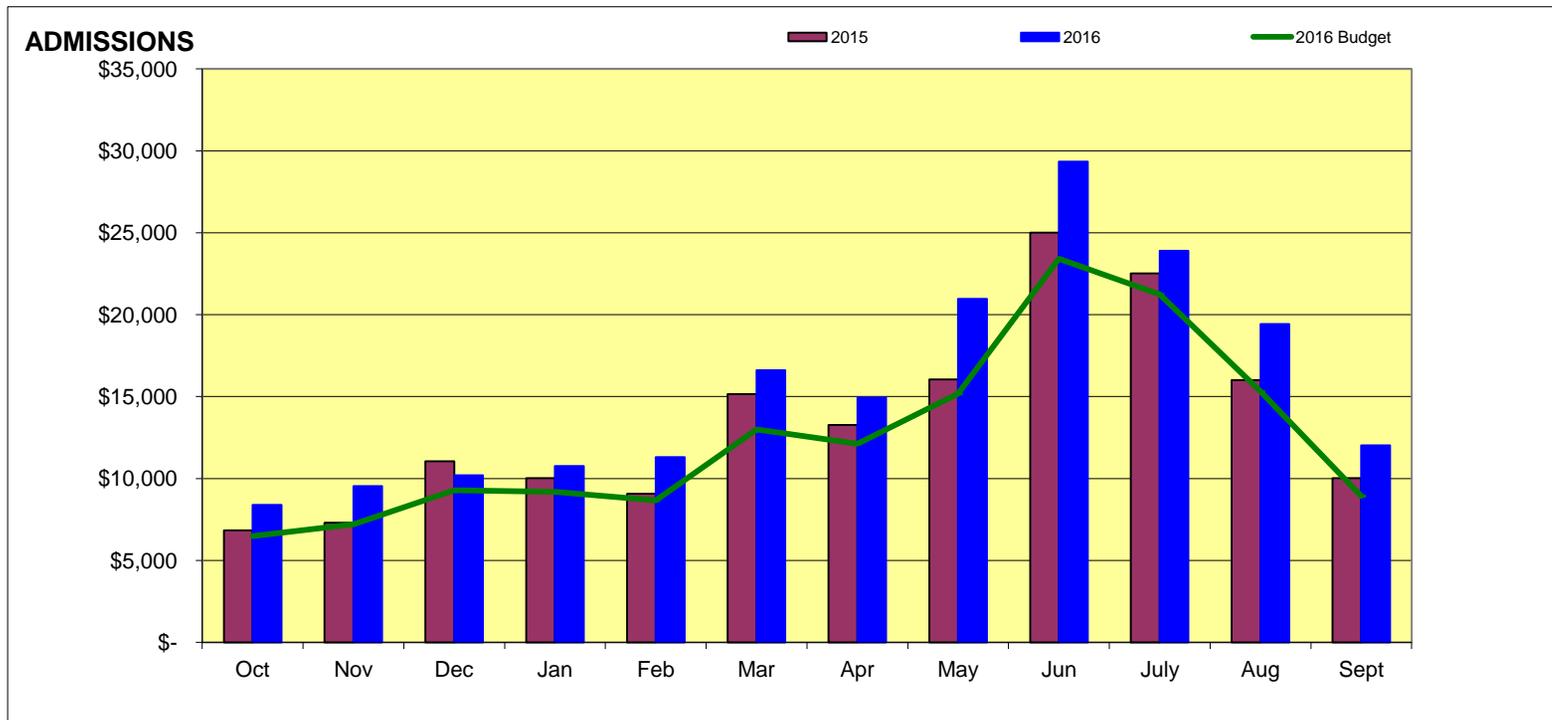
General Fund

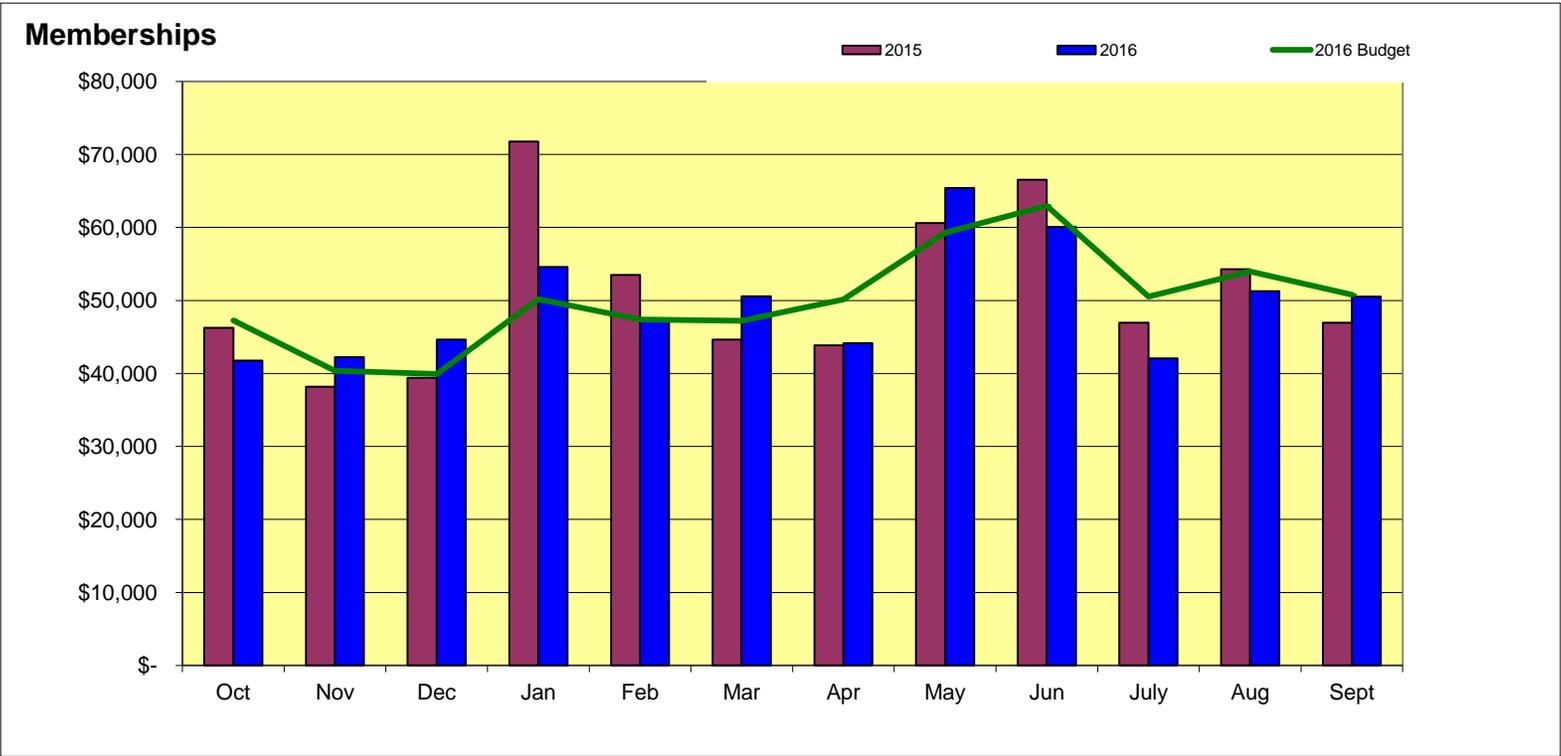
Continued

CHART D

RECREATION ADMISSIONS/MEMBERSHIP REVENUE ANALYSIS

Negative





* FY 2016 Budget is divided into months based on the monthly percentages of the last five years' activity of revenue.

General Fund

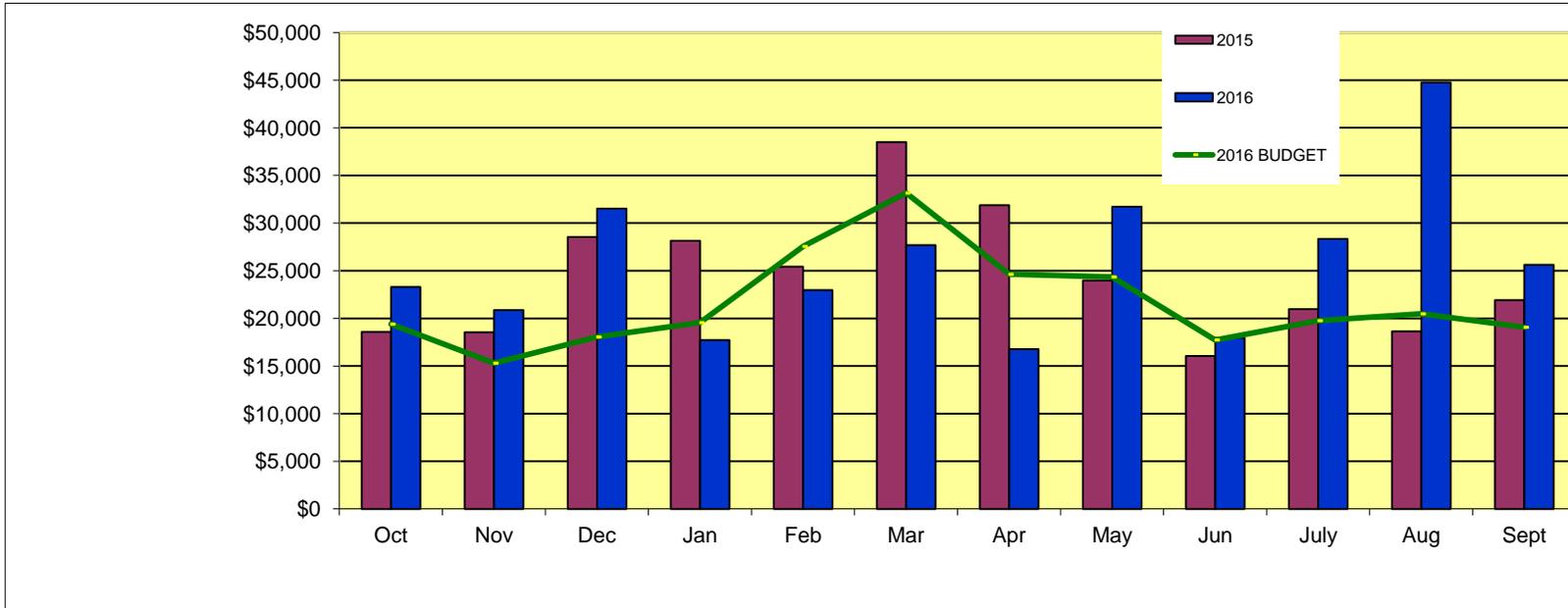
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CHART E

CIVIC CENTER REVENUE ANALYSIS

Positive



* FY 2016 Budget is divided into months based on the monthly percentages of the last five years' activity of revenue.

Motel Occupancy Fund

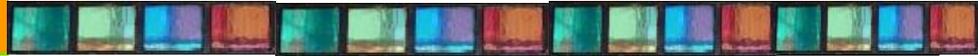
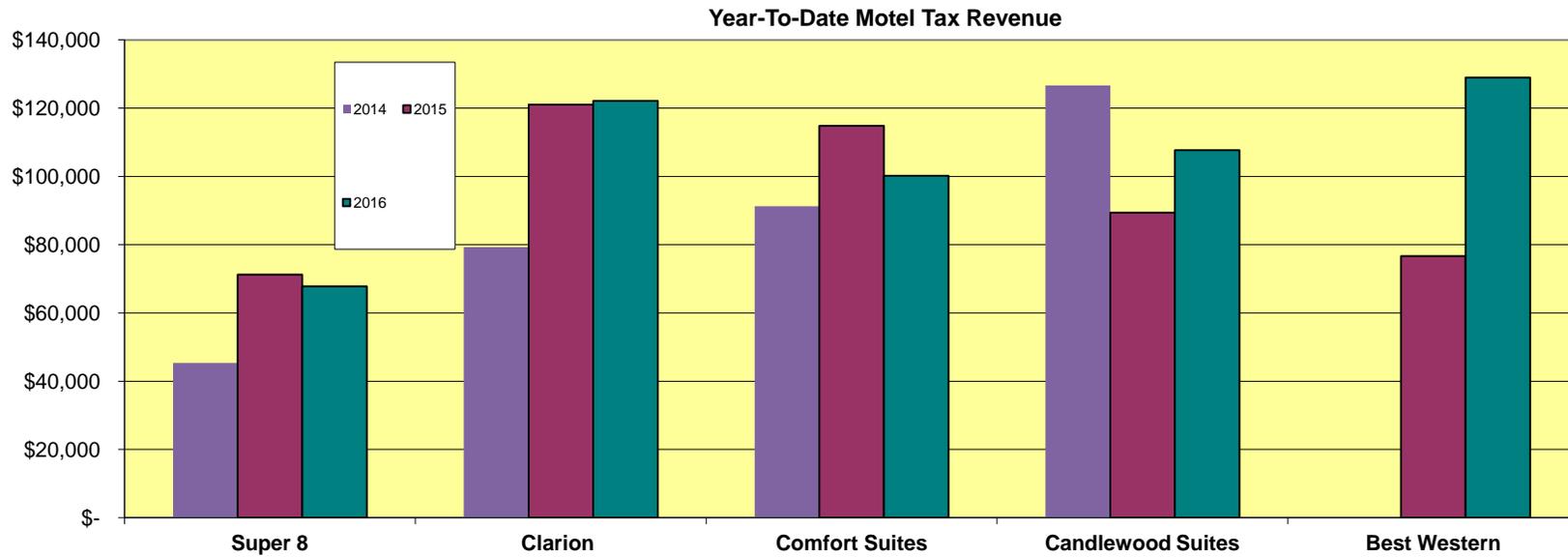


CHART F



Utility Fund



PAYROLL / BENEFITS EXPENDITURE ANALYSIS

Positive

CHART I

Payroll Periods to date: 26
 Total Payroll Periods 26
 % of Payroll Periods Expired: 100.00%

		FY 2016 Budget	Expended to Date	Percentage of Budget Expended
Service Maintenance	\$	1,311,100	\$ 1,014,219	77.36%
Office / Clerical		153,200	147,048	95.98%
Technical		385,100	359,686	93.40%
Management/Supervision		464,300	400,306	86.22%
Temp / Seasonal		-	-	0.00%
Overtime		226,000	363,170	160.69%
Contract Labor - Serv Maint-Budgeted		80,000	45,991	57.49%
Contract Labor - salary savings			134,598	
Group Insurance		372,000	310,060	83.35%
Employer FICA		194,200	171,524	88.32%
Retirement Contributions		308,800	279,582	90.54%
Workers Compensation		40,100	35,689	89.00%
TOTAL	\$	3,534,800	\$ 3,261,873	92.28%

General Fund



PAYROLL / BENEFITS EXPENDITURE ANALYSIS

Positive

CHART J

Payroll Periods to date: 26
 Total Payroll Periods 26
 % of Payroll Periods Expired: 100.00%

		FY 2016 Budget	Expended to Date	Percentage of Budget Expended
Service Maintenance	\$	1,313,600	\$ 929,085	70.73%
Office / Clerical		720,100	688,618	95.63%
Technical		1,114,700	1,137,369	102.03%
Sworn Personnel		2,227,100	1,952,857	87.69%
Professional		407,500	417,430	102.44%
Management/Supervision		2,414,500	2,381,271	98.62%
Temp / Seasonal		488,075	398,632	81.67%
Special Agreement Personnel		64,400	64,892	100.76%
Overtime		275,550	385,093	139.75%
Contract Labor - budgeted		22,640	31,145	137.57%
Contract Labor - salary savings			191,193	
Group Insurance		1,005,200	894,949	89.03%
Employer FICA		682,600	607,384	88.98%
Retirement Contributions		1,125,300	1,023,774	90.98%
Workers Compensation		74,700	66,559	89.10%
TOTAL	\$	11,935,965	\$ 11,170,251	93.58%

ECONOMIC DEVELOPMENT

CHART K

Lake Jackson has entered into three Section 380 sales tax agreements to promote economic development. In the first agreement with Prime Retail, Prime agreed to renovate the exterior of the the Brazos Mall property and add an expanded food court and large theatre. At an offsite property Prime removed an existing theatre and replaced it with three large big box retailers. In exchange, the City agreed to rebate Prime half of the City's additional sales tax revenues generated from these properties. This agreement expired at the end of 2016.

The second 380 agreement is with Kohls . To entice Kohl's to tear down an existing vacant building and build a Kohls store and an additional strip center the City agreed to rebate half of their sales tax revenue generated by the Kohls store.

The third 380 agreement is with HEB. Lake Jackson agreed to rebate half of their sales tax to entice them to locate in an area near downtown. The area was occupied by duplexes that were falling into a state of disrepair. For years an investment company had been purchasing the individually owned duplexes. This agreement was utilized to encourage HEB to purchase the remaining properties and develop a store on the

Total Sales Tax Rebates

<i>Fiscal Year</i>	<u>Prime Retail</u>	<u>Kohl's</u>	<u>HEB</u>	<u>Total</u>
2009	141,167.58	40,263.77		181,431
2010	102,856.57	41,230.25		144,087
2011	107,083.63	40,937.44		148,021
2012	211,788.59	39,133.83		250,922
2013	105,710.25	39,555.31		145,266
2014	239,706.90	38,132.06		277,839
2015	223,550.48	37,211.32	24,576.00	285,338
2016	200,335.73	35,389.37	65,269.00	300,994

Grants

AS OF 9/30/16

antor	Description	Award	Total Projected Expenditures	Expenditures To Date	City Grant Match Requirement	Grant Received	Grant Funds to be Received
FEMA	Hurricane Ike	\$ 2,041,646	\$ 2,288,961	\$ 2,288,961	10%	\$ 1,957,300	\$ 84,345
FEMA	Golf Course Storm Damage						
	Emergency work	\$ 39,254	\$ 52,339	\$ 22,726	25%	\$ 39,254	\$ -
	Permanent Repairs	\$ 81,009	\$ 108,012	\$ 68,178	25%	\$ 81,009	\$ (12,831)
H.U.D. Urban Develop	Water/Sewer Project						\$ -
Commun. Develop.							
CDBG (Funds interch 8 - Paralympic Chairs		\$ 12,500	\$ 12,500	\$ 19,440	n/a	\$ 19,440	
CDBG	15 - Pedestrian Crossing	\$ 75,000	\$ 75,000	\$ 101,896	n/a	\$ 68,811	\$ -
CDBG	6 - ADA Water Fountains	\$ 12,000	\$ 12,000	\$ 9,038	n/a	\$ 9,038	\$ 2,211
CDBG	50 - Sidewalk Ramps	\$ 77,000	\$ 77,000		n/a		\$ 77,000
CDBG	9 - Electronic Door Opener	\$ 58,500	\$ 58,500		n/a		\$ 58,500
		\$ 235,000	\$ 235,000	\$ 130,373		\$ 97,288	\$ 137,711
Body Worn Camera / Office of the Attorney General		\$ 42,949	\$ 57,265		25%		\$ 42,949
Dept. of Justice	Bullet Proof Vests	\$ 4,770	\$ 9,539	\$ 9,539	50%	\$ 1,275	\$ -
(Project #'s 111013, 0	2014	\$ 5,086	\$ 10,172	\$ 10,172	50%	\$ 4,664	\$ 422
	2015	\$ 6,156	\$ 12,312	\$ 4,694	50%		\$ 6,156
	2016	\$ 6,327	\$ 12,654	\$ 5,584			\$ 6,327
		\$ 22,339	\$ 44,677	\$ 29,989		\$ 5,939	\$ 12,905
Regional DWI Task	DWI	7000	7000	1115.01			\$ 1,115
Force Grant			465000	460045.14			
			500000	498382.24			
JAG-HGAC	Radio Grant	125000	125000			125000	\$ -
e	Education Grant	\$ 3,360	\$ 3,360	\$ 2,443	n/a	\$ 3,360	\$ -
TAP TXDOT	Sidewalks on Highway						\$ -
Galveston Cnty LIP	Saturday Transit Serv						\$ -
Houston Galveston Area	Community Trees	2000	2000	2000	n/a	2000	
Council (HGAC)							

INVESTMENTS



CHART L

Account Type	Purchase Date	Maturity Date	Yield 9/30/2016	Amount Invested 8/31/16	Amount Invested 9/30/16	% of Total 9/30/16
First National			0.054%	\$ 12,110,341	11,374,346	38.77%
TexPool			0.031%	6,534,326	6,536,366	20.92%
TexStar			0.034%	5,206,165	5,207,929	16.67%
First Public			0.053%	7,716,109	7,720,209	24.70%
CD's:						1.28%
TX. Gulf Bank	6/20/2015	6/19/2017	0.500%	100,000	100,000	
Int. Bank of Commerce	8/4/2014	8/4/2017	0.600%	100,000	100,000	
Compass	1/29/2015	8/31/2017	0.550%	100,000	100,000	
BBVA Compass (formerly Guaranty Federal)	2/13/2015	8/13/2016	0.050%	99,000	99,000	
	** \$99k CD cashed out 8-13-16 deposited 8-16-16.					
Total Invested				\$ 31,965,941	31,237,849	

Weighted Maturity

4 Days

Weighted Yield

0.05 %

Three Month Treasury Bill

0.29 %

[Daily Treasury Yield Curve Rates](#)

The City utilizes a "Pooled Cash" fund. This means that we combine all of the separate funds of the City into one fund (we call it the Clearing Fund) for investment and checking account purposes. Each individual fund then "owns" a portion of the Clearing Fund. As of 03/31/16 the ownership of the Clearing fund was as follows:

General fund	\$ 8,251,860
Payroll	137,753
General Contingency	906,260
Equipment Replacement	6,655,300
Unemployment Insurance	127,889
Park	146,532
Special Events	50,934
Motel Occupancy Tax Fund	45,334
Economic Development Fund	1,787,269
Economic Development Debt Service	9,303
General Projects Fund	498,844
Municipal Court & Emergency Operation	77,553
2007 W&S Bond Construction Fund	-5,318
General Debt Service Fund	685,096
Utility fund	3,474,134
Utility Contingency Fund	351,039
Utility Projects Fund	596,642
Utility Debt Service fund	2,428,639
2010 Drainage & Infrastructure	997,899
Golf Course Debt Service	0
Golf Course Special Revenue	706
2009 Bond Construction Fund	0
Red Light Revenue	0
Downtown Revitalization	0
2009 Revenue Bond	0
Police Seizure Funds	69,566
Public, Educational, and Governmental Programming	345,130
2013 Downtown Revitalization	1,884,695
2013 Infrastructure	976
2013 W&S Bond Construction Fund	1,228,973
2014 Economic Incentive	170,049
North East Sewer Construction	-94,454
Total Fund Equity	<u>\$ 30,828,602</u>

The City's investment portfolio is compliant to the investment strategy expressed in the Investment Policy and Chapter 2256 of the Public Funds Investment Act.

X

ORDINANCE NO. 16-2116

AN ORDINANCE AMENDING CHAPTER 14 OF THE CODE OF ORDINANCES OF THE CITY OF LAKE JACKSON, TEXAS, BY ADOPTING THE COMMERCIAL ENERGY CHAPTERS OF THE 2015 INTERNATIONAL ENERGY CONSERVATION CODE AND MANDATING THAT REQUIRED THIRD PARTY INSPECTIONS ARE THE FINANCIAL RESPONSIBILITY OF THE PROPERTY OWNER; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH SHALL BE REPEALED TO THE EXTENT OF THE CONFLICT ONLY; PROVIDING FOR A PENALTY; PROVIDING A SAVINGS CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

Section 1: That Section 14-1 shall be amended to read as follows:

Sec. 14-1. Adoption of technical codes.

(a) The following codes and the standards contained therein, are hereby adopted as the Minimum Building Standard Codes of the city, save and except those sections added, deleted or amended in this chapter:

(1) *Building code.* The 2012 International Building Code, including all appendixes except A (Employee Qualifications), B (Board of Appeals), H (Signs), and K (Administrative Provisions)

(2) *Fire code.* The 2012 International Fire Code, including all appendixes except A (Board of Appeals).

(3) *Electrical code.* The 2014 National Electrical Code, including the annexes.

(4) *Plumbing code.* The 2012 International Plumbing Code including all appendixes except A (Plumbing Permit Fee Schedule).

(5) *Swimming pool code.* The Texas Department of State Health Services, Standards for Swimming Pools and Spas.

(6) *Property maintenance code.* The 2012 International Property Maintenance Code, including the appendix.

(7) *Mechanical code.* The 2012 International Mechanical Code, including all appendixes except B (Permit Fee Schedule).

(8) *Residential code.* The 2012 International Residential Code (IRC), including all appendixes except G (Swimming Pools, Spas, and Hot Tubs), I (Private Sewage Disposal), L (Permit Fees),

and excluding Ch. 11. Ch. 11 of the 2015 International Residential Code is adopted. Any requirement that one- or two- family dwellings be protected by fire sprinkler systems shall not become effective until mandated by the State of Texas.

(9) *Fuel gas code.* The 2012 International Fuel Gas Code including the appendixes.

(10) *Life safety code.* The 2012 Life Safety Code, including supplements.

(11) *Energy code.* The 2015 International Energy Conservation Code.

(12) *Accessibility code for multi-family residences.* The 2009 ICC/ANSI A117.1 Accessible and Usable Buildings and Facilities Code.

(b) If there is a conflict between a state law and an adopted code or this chapter, then the state law will take precedence. In cases of conflicts between a provision of this chapter and these adopted codes, the provision of this chapter will take precedence. Otherwise, all structures shall be designed, built, and maintained in accordance with these adopted codes.

Section 2: That Section 14-9 shall be amended to read as follows:

Sec. 14-9. Inspections.

(a) The building official or his designee may enter a building to perform any inspection under this chapter with the express consent of a person in control of the property or if a building is unsecured to the extent that it could be entered by vagrants or other uninvited persons as a place of harborage or could be entered or used by children.

(b) If entry is refused, the building official is authorized to pursue recourse as provided by law, including all rights and authority granted under the Texas Code of Criminal Procedure, Article 18.05.

(c) All medical gas piping inspections and required third party inspections are the financial responsibility of the property owner or the property owner's designee. Prior to the issuance of the Certificate of Occupancy, reports for medical gas piping inspections and required third party inspections shall be submitted to the City of Lake Jackson Building Official.

Section 3: Unless otherwise specified in the ordinance, a violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-5 of the Code of Ordinances of the City of Lake Jackson. Each day that a violation of this ordinance shall be considered a separate violation.

Section 4: All ordinances or part of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 5: If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of the ordinance.

PASSED AND APPROVED on first reading on the 17th of October, 2016.

PASSED AND ADOPTED on second and final reading this 7th day of November, 2016.

Joe Rinehart, Mayor
City of Lake Jackson

ATTEST:

Alice Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: 11-07-16

Subject: Closing a portion of Parking Way

Submitted by:

Expenditure Account:

Action Requested DISCUSS AND CONSIDER REQUEST TO CLOSE A PORTION OF THE WEST SIDE OF THE 200 BLOCK OF PARKING WAY ON TUESDAY, NOVEMBER 29, 2016 FROM 5:30 P.M. TO 8:00 P.M. FOR SANTA AT THE GAZEBO

Alternatives:

Summary of Subject:

Please see the attached email.

From: [Debra R Perry](#)
To: [Alice Rodgers](#)
Subject: November City Council Meeting
Date: Thursday, October 27, 2016 2:42:15 PM

Hi Alice,

Can you please put us on the agenda for the Nov city council meeting?

Request closure of 200 Block of Parking Way (west bound lane only) starting right in front of George Franklin to end of street at stop sign. Several businesses in our strip will be participating in this event.

Santa in the Gazebo on Parking Way
Tuesday, November 29, 2016
5:30 pm – 8:00 pm

We will be hosting the Santa at the Gazebo again this year! Last year we had so many children running around with cars driving by that it was dangerous. We would like to request a barricade at the entrance of Parking Way.

We will have the “sleigh trailer” to take everyone around downtown to see the Christmas lights. Mike Dunlap from the city has agreed to be our driver.

There will be a showing of a Christmas movie and serving popcorn, serving hot chocolate, photo booth and activities for the kids to do. Each child gets a goodie bag from Santa!

Sincerely,
Debra Perry
George Franklin State Farm

City Council Agenda Item

City of Lake Jackson

Meeting Date 11/7/2016

Subject: Bond Sale

Submitted by: Pam Eaves

Expenditure Account: N/A

Action Requested: Approve Sale of \$3.9 M Certificates of Obligation

Alternatives: [Click here to enter text.](#)

Summary of Subject: Representatives (Joe Morrow) from First Southwest will be on hand with the bids (interest rates) on the sale of the above bonds. Paul Martin and/or Dan Martinez our bond counsel may also be on hand. Mr. Morrow will make a recommendation for council approval as to who the bonds will be sold to.

The proceeds of these bonds will be combined with the \$3.0 Million water and sewer bonds to extend Sewer to the Northwest and replace the Lift Station 25 force main

Action Taken:

Tabled

Deferred

Denied

Approved

ORDINANCE NO. 16-2117

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

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EXHIBIT A – Paying Agent/Registrar Agreement

ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

WHEREAS, the City Council of the City of Lake Jackson (the “City”) deems it advisable to issue Certificates of Obligation hereinafter described (the “Certificates”) for the purposes specified in Section 4 hereof;

WHEREAS, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to the Certificate of Obligation Act of 1971, Section 271.041 et seq, Texas Local Government Code, as amended (the “Act”);

WHEREAS, the City Council has heretofore, on September 1, 2016 passed a resolution authorizing and directing the City Secretary to give notice of intention to issue the Certificates, which notice has been duly published in *The Facts*, which is a newspaper of general circulation in the City, in its issues of October 1, 2016, and October 8, 2016, the date of the publication being at least 30 days prior to the tentative date stated in the notice for passage of this Ordinance;

WHEREAS, the City has received no petition from the qualified electors of the City protesting the issuance of the Certificates; and

WHEREAS, it is hereby determined that the terms of sale of the Certificates as hereafter provided are the most reasonably available and advantageous and are in the best interest of the City;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS, THAT:

Section 1. Authorization of the Certificates. There is hereby authorized to be issued and delivered, a series of certificates of obligation of the City, to be known as “CITY OF LAKE JACKSON, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2016” (the “Certificates”), in the original aggregate principal amount of \$_____ for the purposes provided in Section 4 herein.

Section 2. Date, Denominations, Numbers, and Maturities of the Certificates. The Certificates shall be dated as of December 1, 2016 (the “Dated Date”) shall be in denominations of \$5,000 each or any integral multiple thereof, shall be numbered I-1 for the Initial Certificate and consecutively from R-1 upward for the definitive certificates and shall mature on March 15 in each of the years as provided below unless theretofore called for redemption prior to maturity in accordance with the provisions of the Form of the Certificates contained in Section 4 hereof, and the Certificates shall bear interest at the rates per annum shown below from the Dated Date and are payable on March 15, 2017 and on each September 15 and March 15 thereafter through the respective maturity date or earlier redemption, to wit:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Years of Stated Maturity	Principal Installment (\$)	Interest Rate %	Years of Stated Maturity	Principal Installment (\$)	Interest Rate %
<u>March 15</u>			<u>March 15</u>		
2017			2027		
2018			2028		
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		

Section 3. Right of Prior Redemption. (a) Optional Redemption. The City reserves the right to redeem the Certificates maturing on or after March 15, 2026, in whole or in part in principal amount of \$5,000 or an integral multiple thereof, on March 15, 2025, or any date thereafter, at the redemption price of par plus interest accrued to the specific date of redemption, and shall direct the Paying Agent/Registrar to call by lot Certificates, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) Mandatory Redemption. The Certificates maturing on March 15, ____ and March 15, ____ (the "Term Certificates") are subject to mandatory redemption at par plus accrued interest in the amounts and the dates described in the General Characteristics and Form of the Certificates set forth in Section 4 of this Ordinance.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption requirements may be reduced, at the option of the City, by the principal amount of any such Term Certificate which, prior to the date of mailing of notice of such mandatory redemption, (1) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City, or (3) shall have been redeemed pursuant to the optional provisions described in the preceding paragraph and not theretofore credited against a mandatory redemption requirement.

(c) Notice of Redemption. Notice of any redemption shall be given as provided in the FORM OF CERTIFICATES included in Section 4 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Certificates, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the 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 Register all such redemptions of principal of the Certificates or any portion thereof. 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 the Certificates, or the portions thereof which are 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, the Certificates, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities and shall not bear interest after the date fixed for their redemption and shall not be regarded as being outstanding except for the right of the

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. 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 any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the City all as provided in this Ordinance.

(d) Conditional Notice of Redemption. The City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

Section 4. General Characteristics and Form of the Certificates. The Certificates shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Certificates shall be sealed) all as provided and in the manner indicated in the form set forth below. The Form of the Certificates, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on the Initial Certificate, the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Ordinance, and the definitions contained within each such form shall apply solely to such form:

FORM OF CERTIFICATES

[FORM OF DEFINITIVE CERTIFICATES]

United States of America
 State of Texas
 CITY OF LAKE JACKSON, TEXAS
 CERTIFICATE OF OBLIGATION,
 SERIES 2016

NUMBER	DENOMINATION
R-_____	\$_____
REGISTERED	REGISTERED

<u>INTEREST</u> <u>RATE</u>	<u>MATURITY</u> <u>DATE</u>	<u>DATED</u> <u>DATE</u>	<u>CUSIP NO.</u>
--------------------------------	--------------------------------	-----------------------------	------------------

March 15, ____ December 1, 2016

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ (\$_____)

THE CITY OF LAKE JACKSON, TEXAS (the "City"), being a municipal corporation and a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assigns (the "Owner"), on the Maturity Date, specified above, upon presentation and surrender of this Certificate at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the

Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the Dated Date, specified above. Interest on this Certificate is payable by check payable on March 15, 2017 and on each September 15 and March 15 thereafter, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar, as of the date which is the last business day of the month next preceding the interest payment date (the "Record Date"), or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new Record Date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar 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 the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar 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 manner set forth in the ordinance authorizing the issuance of the Certificates adopted by the City Council of the City on November 7, 2016 (the "Ordinance").

THIS CERTIFICATE is one of a series of Certificates (the "Certificates") dated as of the Dated Date, of like designation, date, and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance, in the original aggregate principal amount of \$_____ for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including (1) water and sewer system improvements, including force mains; and (2) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

THE CERTIFICATES are issued pursuant to the Ordinance whereunder the City Council of the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limits prescribed by law, for each year while any part of the Certificates are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Certificate as it becomes due, to provide a sinking fund for the payment of the principal of the Certificates when due, and to pay the expenses of assessing and collecting such tax, and this Certificate is additionally secured by and payable from a subordinate lien on and pledge of \$1,000 of the surplus revenues of the Issuer's Waterworks and Sewer System (the "System"), which amount is payable from the revenues remaining after payment of all operation and maintenance expenses of the System, and all debt service, reserve, and other requirements in connection with all of the Issuer's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the "Net Revenues". Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner. By acceptance of this Certificate, the Registered Owner consents to all of the provisions of the Ordinance, a certified copy of which is on file in the office of the City Secretary.

THE CITY RESERVES THE RIGHT to redeem the Certificates maturing on or after March 15, 2026, in whole or in part, on March 15, 2025 or on any interest payment date thereafter. Such optional redemption shall be at a redemption price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Certificates are to be redeemed, the

particular Certificates to be redeemed shall be selected by the City in integral multiples of \$5,000 within any one maturity.

THE CERTIFICATES MATURING IN ____ shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption) on March 15, in each of the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Final Maturity

THE CERTIFICATES MATURING IN ____ shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption) on March 15, in each of the years and in the amounts set forth below:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Final Maturity

THE PRINCIPAL AMOUNT OF THE TERM CERTIFICATE for a stated maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Certificate of like stated maturity which, at least 45 days prior to the mandatory redemption date, (i) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar at the request of the City, or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST 30 days prior to the date fixed for any such redemption, a notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Certificate or portion thereof to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. 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 thereof 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 any denomination or denominations in any integral multiple of \$5,000, 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.

THE CITY MAY MAKE ANY NOTICE OF REDEMPTION CONDITIONAL on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Certificate, or any unredeemed portion hereof, 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 any denomination or denominations in any integral multiple of \$5,000 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 for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, 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 any integral multiple of \$5,000 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 City shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring, converting and exchanging any Certificate or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer, conversion and exchange. 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 15 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 Certificates so selected for redemption when such redemption is scheduled to occur within 30 calendar days; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Certificate.

IF THE DATE for the payment of the principal of or interest on the Certificates shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where 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 business day; 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 TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If this Certificate is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If this Certificate is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Certificate shall be

deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Certificate to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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 Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owners.

BY BECOMING the Owner of this Certificate, the Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Certificate and the Ordinance constitute a contract between each Owner and the City.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Certificates in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Certificates by the levy of a continuing, direct, annual ad valorem tax upon all taxable property within the City, within the limit prescribed by law, and from the above described limited pledge of the Net Revenues of the System; and that issuance of the Certificates does not exceed any constitutional or statutory limitation.

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

CITY OF LAKE JACKSON, TEXAS

City Secretary

Mayor

(CITY SEAL)

* * *

FORM OF AUTHENTICATION CERTIFICATE

(Attached to or printed on Definitive Certificates only)

AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Ordinance, and this Certificate has been issued in conversion of and exchange for, or replacement of, a Certificate, Certificates, or a portion of a Certificate or Certificates of an issue which

was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., Dallas, Texas
Paying Agent/Registrar

Registration Date: _____ By _____
Authorized Signature

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

_____/_____
/_____

(Please insert Social Security or Taxpayer
Number of Transferee)

(Please print or typewrite name and address, including zip Identification
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 a member firm of the New York Stock
Exchange or a commercial bank or trust
company.

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.

The following abbreviations, when used in the Assignment above or on the face of the within
Certificate, shall be construed as though they were written out in full according to applicable laws or
regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

* * *

[FORM OF INITIAL CERTIFICATE]

The Initial Certificate shall be in the form set forth above for the Definitive Certificates, except the following shall replace the heading and the four paragraphs:

NO. I-1 \$ _____

United States of America
State of Texas
CITY OF LAKE JACKSON, TEXAS
CERTIFICATE OF OBLIGATION, SERIES 2016

DATED DATE: December 1, 2016

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ AND NO/100
DOLLARS (\$ _____)

THE CITY OF LAKE JACKSON, TEXAS (the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on March 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF STATED MATURITY</u>	<u>PRINCIPAL INSTALLMENT</u>	<u>INTEREST RATE</u>
	\$	%

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

INTEREST on the unpaid Principal Amount hereof from the Dated Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 15 and September 15 of each year, commencing March 15, 2017.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Certificate shall be paid to the Owner hereof upon presentation and surrender of this Certificate at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of principal installments and interest on this Certificate shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying

Agent/Registrar on, and payable solely from, funds of the City required 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, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the registration books kept by the Paying Agent/Registrar, as hereinafter described (the "Register"). The record date for determining the person to whom payments hereon shall be made (the "Record Date") means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new Record Date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar 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 the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Certificate it will make available to the Paying Agent/Registrar 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 manner set forth in the ordinance authorizing the issuance of the Certificates adopted by the City Council of the City on November 7, 2016 (the "Ordinance").

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

(Attached to Initial Certificate)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

WITNESS my signature and seal of office this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

* * *

[END OF FORMS]

In case any officer of the City whose manual or facsimile signature shall appear on any Certificate shall cease to be such officer before the delivery of any such Certificate, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Certificate which bears the facsimile signature of such person who at the actual time of the delivery of such Certificate shall be an officer authorized to sign such Certificate, but who at the date of such Certificate was not such an officer, shall be validly and sufficiently signed for all purposes as if such person had been such officer at the date of such Certificate. The City authorizes the printing of a true and correct copy of an opinion of Winstead PC, Bond Counsel, relating to the validity and enforceability of the Certificates under Texas law and the status of interest on the Certificates under federal income tax laws on the reverse side of each of the Certificates over a

certificate of identification executed by the facsimile signature of the City Secretary, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Certificates; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Certificate, or any errors therein, or in any part of the Certificate the form of which is not included in this Ordinance, shall in no way affect the validity or enforceability of the Certificates or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Certificates.

Section 5. Definitions. In addition to other words and terms defined in this Ordinance (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Additional Obligations” means such other bonds, certificates, or other evidences of indebtedness as may hereafter be authorized, payable from and equally secured by a pledge of the Net Revenues.

“Certificates” means any Certificate or Certificates or all of the Certificates, as the case may be, of that series styled “City of Lake Jackson, Texas Certificates of Obligation, Series 2016” in the original aggregate principal amount of \$_____ authorized by this Ordinance.

“City” means the City of Lake Jackson, Texas, a municipal corporation and a political subdivision of the State of Texas, or any successor thereto.

“Code” means the Internal Revenue Code of 1986, as amended.

“Government Obligations” means the (i) direct noncallable obligations of the United States, 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 of 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 and 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; or (iv) such other obligations as may be permitted from time to time by applicable Texas law .

“Initial Certificate” means the Certificate registered by the Comptroller of Public Accounts as described in Section 10 hereof.

“Initial Purchaser” means _____.

“Interest Payment Date” means when used in connection with any Certificate, shall mean March 15, 2017 and on each September 15 and March 15 thereafter until maturity or earlier redemption of such Certificate.

“Net Revenues” means all gross revenues of the System after deducting the necessary and reasonable expenses of operation and maintenance of the System, including all salaries, labor, material, repairs, and extensions necessary to render efficient service. Depreciation and payments into and out of the interest and sinking fund, the reserve fund, and any contingency fund shall never be considered as expenses of operation and maintenance.

“Ordinance” means this “Ordinance Authorizing the Issuance of ‘City of Lake Jackson, Texas Certificates of Obligation, Series 2016’ and Approving All Other Matters Related to the Issuance of the Certificates of Obligation” adopted by the City Council on November 7, 2016.

“Owners” means any person who shall be the registered owner of any outstanding Certificates.

“Parity Bonds Ordinances” means the ordinances authorizing the City’s bonds payable from a first lien on the Net Revenues and any additional bonds as defined therein.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A, Dallas, Texas and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement dated as of December 1, 2016, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Certificates.

“Record Date” means the date for determining the person to whom interest is payable on the next Interest Payment Date being the last business day of the month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“System” means the Issuer’s Waterworks and Sewer System.

Terms not otherwise defined herein are those used in the Parity Bonds Ordinances.

Section 6. City Funds. The City hereby confirms the establishment of the following funds of the City at a depository of the City:

(a) Interest and Sinking Fund, Tax Levy, and Pledge of Revenues. A special “City of Lake Jackson, Texas Certificates of Obligation Series 2016 Interest and Sinking Fund” (the “Interest and Sinking Fund”) is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. The net proceeds of 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 or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax 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 and maintain a sinking fund adequate to pay the principal thereof as such principal matures (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Certificates or interest thereon are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limit prescribed by law.

The Certificates additionally shall be payable from and secured by a subordinate lien on and pledge of \$1,000 of the surplus revenues of the System, pursuant to Chapter 1502, Texas Government Code, which amount is payable from the revenues remaining after payment of all operation and maintenance expenses of the System, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the "Net Revenues". The City shall deposit such pledged surplus revenues to the credit of the Interest and Sinking Fund created pursuant to this section.

The City reserves the right to issue, for any lawful purpose at any time, in one or more installments, bonds, certificates of obligation, and other obligations of any kind payable in whole or in part from, and secured by a pledge of the Net Revenues of the System that may be prior and superior in right to, on a parity with, or junior and subordinate to the subordinate pledge of the Net Revenues securing the Certificates.

(b) Project Fund. A special "City of Lake Jackson, Texas Certificates of Obligation Series 2016 Project Fund" (the "Project Fund") is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Project Fund is the fund into which the net proceeds of the Certificates shall be deposited. Money in the Project Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Certificates are issued.

Section 7. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the proceeds of ad valorem taxes and Net Revenues thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds and Net Revenues is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 8. Investments and Security. (a) Investment of Funds. The City may place money in any fund created by this Ordinance in time or demand deposits or invest such money as authorized by law at the time of such deposit; provided, however, that the City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in a fund shall be deemed to be a part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of the Project Fund may be retained in such fund or deposited to the Interest and Sinking Fund as determined by the City Council. Any amounts received from the investment of the Interest and Sinking Fund shall be deposited in the Interest and Sinking Fund.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

Section 9. Covenants of the City. (a) General Covenants. The City covenants and represents that:

(i) The City is a duly created city, operating and existing under the laws of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue the Certificates, all action on its part for the creation and issuance of the Certificates has been duly

and effectively taken, and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

(ii) The Certificates shall be ratably secured in such manner that no one Certificate shall have preference over other Certificates.

(b) Specific Covenants. The City covenants and represents that while the Certificates or any Additional Obligations are outstanding and unpaid, it will comply with and perform the covenants and agreements of the Parity Bonds Ordinances.

(c) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

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

(ii) To take any action to assure that no more than 10% of the proceeds of the Certificates or the projects financed therewith are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith 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% of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Certificates or the projects financed therewith, then the amount in excess of 5% 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;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Certificates 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;

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

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, 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.

(vii) 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);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, 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% 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% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Certificates.

For the purposes of the foregoing, in the case of a refunding bond, the term proceeds includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the refunded bonds.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of 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 modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income 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 exclusion from gross income of interest on the Certificates under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Certificates are hereby authorized and directed 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.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Certificates.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Certificates and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Certificates under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

Section 10. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Certificates and the City is hereby authorized to enter into the Paying Agent/Registrar Agreement attached hereto as Exhibit A. The principal of and interest on the Certificates shall be payable, without exchange or collection charges, in any coin or currency of the

United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the principal corporate trust office of the Paying Agent/Registrar. The interest on each Certificate shall be payable by check payable on the Interest Payment Date mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register, or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name any Certificate is registered as the absolute Owner of such Certificate for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, and for the further purpose of making and receiving payment of the interest thereon and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Certificate in accordance with this Ordinance shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

So long as any Certificates remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance.

The City may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar; provided that any such Paying Agent/Registrar shall be a corporation organized and doing business under the laws of the United States of America or any State, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and a transfer agent registered with the Securities and Exchange Commission. In such event, the City shall give notice by certified mail to each Owner at least 30 days prior to the effective date of such substitution. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Ordinance.

The Mayor and City Secretary are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the City on this date.

Section 11. Initial Certificate; Exchange or Transfer of Certificates. Initially, one Certificate (the "Initial Certificate") numbered I-1 as described in Section 2, and representing the entire principal amount of the Certificates shall be registered in the name of the Initial Purchaser and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature, and the Initial Certificate shall be effective and valid without the Authentication Certificate being signed by the Paying Agent/Registrar. At any time thereafter, the Owner may deliver the Initial Certificate to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or designee designating the persons, maturities, and principal amounts to and in which the Initial Certificates are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than three days, register and deliver such Certificates upon authorization of the City as provided in such instructions.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon presentation of any Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business days after such presentation, a new Certificate or Certificates, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Certificate or Certificates so presented.

All Certificates shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Certificate or Certificates presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Certificates in accordance with this Ordinance and each Certificate so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such Certificate is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Certificate. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

Neither the City nor the Paying Agent/Registrar shall be required to accept any Certificate for transfer or exchange (i) during the period commencing with the close of business on any Record Date immediately preceding a principal or interest payment date of such Certificates and ending with the opening of business on the next following such principal or interest payment date or (ii) with respect to any Certificate or portion called for redemption prior to maturity, within 30 days prior to the date fixed for redemption of such Certificate; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Certificate called for redemption in part.

Section 12. Book-Entry Only System. (a) The definitive Certificates shall be initially issued in the name of Cede & Co., as nominee of DTC, as Registered Owner of the Certificates, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Certificates. Beneficial owners of definitive Certificates will not receive physical delivery of Certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Certificates as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Certificates is to receive, hold, or deliver any Certificates. No person shall acquire or hold any beneficial interest in any Certificate representing a portion of the principal amount of such Certificate which is other than \$5,000 or an integral multiple thereof.

(b) Replacement definitive Certificates may be issued directly to beneficial owners of Certificates other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Certificates (which determination shall become effective no less than 90 days after written notice to such effect to the Issuer and the Paying Agent/Registrar); or (ii) the Issuer has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Certificates) that DTC is incapable of discharging its duties as securities depository for the

Certificates; or (iii) the Issuer has determined (which determination is conclusive as to DTC and the beneficial owners of the Certificates) that the interests of the beneficial owners of the Certificates might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the Issuer shall use its best efforts to attempt to locate another qualified securities depository. If the Issuer fails to locate another qualified securities depository to replace DTC, the Issuer shall cause to be executed, authenticated, and delivered replacement Certificates, in certificate form, to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the Issuer. In the event that the Issuer makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Certificates of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Certificates in certificate form to the DTC participants having an interest in the Certificates as shown on the records of DTC provided by DTC to the Issuer. The Issuer undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Issuer to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Certificates, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Certificates shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

(d) If at any time DTC ceases to hold the Certificates, all references herein to DTC shall be of no further force or effect.

Section 13. City Officers' Duties. (a) Issuance of Certificates. The Mayor shall submit the Initial Certificate, the record of the proceedings authorizing the issuance of the Certificates, and any and all other necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the Mayor shall cause the Initial Certificate to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the City are authorized to execute and deliver on behalf of the City such certificates and instruments as may be required, necessary, or appropriate prior to delivery of and payment for the Certificates to and by the Initial Purchaser and to accomplish the purposes of this Ordinance.

(b) Execution of Ordinance. The Mayor and the City Secretary are authorized to execute the Certificate to which this Ordinance is attached on behalf of the City and to do any and all things proper and necessary to carry out the intent thereof.

Section 14. Remedies of Owners. In addition to all rights and remedies of any Owner of the Certificates provided by the laws of the State of Texas, the City covenants and agrees that in the event the City defaults in the payment of the principal of or interest on any of the Certificates when due, fails to make the payments required by this Ordinance to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Ordinance, the Owner of any of the Certificates shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City and other officers of the City to observe and perform any covenant, obligation, or condition prescribed in this Ordinance. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Ordinance shall be available to any Owner of any of the Certificates and shall be cumulative of all other existing remedies.

Section 15. Additional Obligations. The City shall hereafter have the right to issue Additional Obligations as may hereafter be authorized by the City Council.

Section 16. Lost, Stolen, Destroyed, Damaged, or Mutilated Certificates; Destruction of Paid Certificates. (a) Replacement Certificates. In the event any outstanding Certificate shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the City shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Certificate of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Certificate, or in lieu of and substitution for such Certificate, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d) and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Certificates shall be made to the City. In every case the applicant for a substitute Certificate shall furnish to the City such deposit for fees and costs as may be required by the City to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Certificate, the applicant shall also furnish to the City indemnity to the City's satisfaction and shall file with the City evidence to the City's satisfaction of the loss, theft, or destruction and of the ownership of such Certificate. In every case of damage or mutilation of a Certificate, the applicant shall surrender the Certificate so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Certificates. 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 payment of the principal of or interest on the Certificates, 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 substitute Certificate, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expenses of Issuance. Upon the issuance of any substitute Certificate, the City may charge the owner of such Certificate with all fees and costs incurred in connection therewith. Every substitute Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated 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 to Issue Substitute Certificates. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Certificate without necessity of further action by the City or any other body or person, and the issuance of such substitute Certificates is hereby authorized, notwithstanding any other provisions of this Ordinance.

(f) Destruction of Paid Certificates. At any time subsequent to the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Certificates duly paid, and promptly after any such destruction, the Paying Agent/Registrar shall furnish to the City a certificate evidencing such destruction.

Section 17. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Certificate, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a "Defeased Certificate") when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided

for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Certificate. To cause a Certificate scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Certificate to become a Defeased Certificate, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Certificates, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Certificates in full on the maturity or redemption date thereof (the "Verification"); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Finance Director certifying that the amount deposited with a Depository is sufficient to pay the Defeased Certificates in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Certificates are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Certificates. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Certificates shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, and all herein required criteria have been met, such Certificate and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the City has reserved the option to be exercised at the time of the defeasance of the Certificates, to call for redemption, at an earlier date, those Certificates which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption; (ii) gives notice of the reservation of that right to the Registered Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Certificates and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

Section 18. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, of the Certificates, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) in connection with the issuance of any Additional Obligations, (iii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iv) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of a majority in aggregate principal amount of Certificates then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided, however, that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof to the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on Additional Obligations on a parity with the lien of the Certificates, (ii) give any preference of any Certificate over any other Certificate, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission to be given as described above for a notice of redemption. When at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the appropriate number of Owners of the Certificates then outstanding affected by any such amendment, addition, or rescission requiring the consent of Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 19. Continuing Disclosure Undertaking. (a) Annual Reports. The City will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") via its Electronic Municipal Market Access System ("EMMA") annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables numbered 1 through 6 and Appendix B authorized by Section 21 of this Ordinance. The City will update and provide this information within six months after the end of each fiscal year ending in or after 2016. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B of the final Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB through EMMA.

(b) Material Event Notices. The City will file with the MSRB notice of any of the following events with respect to the Certificates in a timely manner (and not more than 10 business days after 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 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 federal income tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) obligation calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. Neither the Certificates nor the Ordinance make any provision for debt service reserves, credit enhancement, or liquidity enhancement. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports”.

For these purposes, any event described in the immediately preceding paragraph (12) 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.

(c) Notice of Failure to Timely File. The City also will notify the MSRB through EMMA, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with the provisions described above.

(d) Amendments. The City may amend its continuing disclosure agreement 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, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions 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. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

(e) Limitations, Disclaimers, and Amendments. 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 Rule 15c2-12 (the “Rule”), except that the City in any event will give notice of any deposit made in accordance with Section 18 above that causes the Certificates no longer to be outstanding and any call of Certificates made in connection therewith.

The provisions of this Section are for the sole benefit of the 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.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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.

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 provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) 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, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Certificates in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Certificates consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Certificates, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

Section 20. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as “qualified tax-exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during 2016 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Certificates as “qualified tax-exempt obligations.”

Section 21. Sale of Certificates; Approval of Official Statement. (a) Sale. The sale of the Certificates to the Initial Purchaser pursuant to the taking of competitive bids at a price of \$_____, (which amount is equal to par of \$_____, plus an original issue premium on the Certificates of \$_____, less Initial Purchaser’s discount of \$_____) plus accrued interest to the date of delivery is hereby confirmed. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which resulted in the lowest net effective rate to the City, and delivery of the Certificates to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The officers of the City are hereby authorized and directed to execute and deliver such Certificates, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance. The proceeds from the sale of the Certificates shall be used in the following manner: (i) accrued interest on the Certificates of \$_____ plus a contingency of \$_____ shall be deposited to the credit of the Interest and Sinking Fund; (ii) \$_____ shall be deposited to the credit of the Project Fund to be used to accomplish the purposes for which the Certificates were issued; and (iii) \$_____ of premium shall be used to pay the costs of issuance for the Certificates.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement dated September 29, 2016, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser’s obligation to accept delivery of the Certificates is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Certificates.

(d) Registration and Delivery. Upon the registration of the Initial Certificate, the Comptroller of Public Accounts of the State of Texas is authorized and instruct to deliver the Initial Certificate pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

Section 22. Further Procedures. The Mayor, the City Secretary, the City Manager, the Finance Director, the City’s Financial Advisor, and all other officers, employees, attorneys, and agents of the Issuer, 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 seal and on behalf of the Issuer, 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, the Certificates, and the Official Statement. Prior to the initial delivery of the Certificates, the Mayor and Bond Counsel to the Issuer are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office.

Section 23. Other Documents. The Mayor and the City Secretary are hereby authorized to execute and attest to such other documents, certificates, letters of instruction, tax information forms, and other agreements of any kind which, in the opinion of Bond Counsel, are necessary or advisable in order to issue the Certificates and verify that the interest on the Certificates will be exempt from gross income of the holders thereof under current federal tax law.

Section 24. Nonpresentment of Certificates. In the event any Certificate shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Certificates shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Certificate shall have been made available by the City to the Paying Agent/Registrar for the benefit of the Owner thereof, all liability of the City to the Owner thereof for the payment of the principal of or interest on such Certificate shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Owner of such Certificate who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance with respect to the principal of or interest on such Certificate. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

Section 25. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Certificates and that, based upon the principal amount of the Certificates, such fee is \$_____. Bond Counsel is accommodating the City by paying such fee upon such submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Certificates are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such repayment with proceeds of the Certificates.

Section 26. Miscellaneous Provisions. (a) General. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Ordinance.

(b) Incorporation of Preamble. The preamble and recitals to this Ordinance are incorporated by reference in this Ordinance.

(c) Titles Not Restrictive. 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.

(d) Inconsistent Provisions. All 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 circumstances 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 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) Immediate Effect. This Ordinance authorizes the issuance of public securities as described in Section 1201.028, Texas Government Code, and is, therefore, effective immediately notwithstanding any charter provision.

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS this November 7, 2016.

/s/ Alice Rodgers
City Secretary
City of Lake Jackson, Texas

/s/ Joe Rinehart
Mayor
City of Lake Jackson, Texas

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of December 1, 2016 (this "Agreement"), by and between the CITY OF LAKE JACKSON, TEXAS (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of its "City of Lake Jackson, Texas Certificates of Obligation, Series 2016" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof as provided in the "Order" (hereinafter defined);

WHEREAS, the City has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the Owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the City and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The City hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the City the principal and interest on the Securities as the same become due and payable to the Owners thereof, all in accordance with this Agreement and the Order.

The City hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the City books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Schedule "A" attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the City on or before 90 days prior to the close of the Fiscal Year of the City, and shall be effective upon the first day of the following Fiscal Year.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions

hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the City in writing of any change in location of the Bank Office.

“City Request” and “City Order” means a written request or order signed in the name of the City by its Mayor Judge, Director of Finance, or City Secretary, or any one or more of said officials, and delivered to the Bank.

“Financial Advisor” means First Southwest, a Division of Hilltop Securities Inc., Houston, Texas.

“Fiscal Year” means the fiscal year of the City, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Order” means the order of the governing body of the City pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the City and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Order).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the City providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank”, “City”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 Payment Dates. The City hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

ARTICLE IV. REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the City at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates. The City shall provide an adequate inventory of printed Security certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Security certificates will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such certificates in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the City at any time requested by the City, upon payment of the required fee, a copy of the information contained in the Security Register. The City may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the City so that the City may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Certificates. The Bank will, at such reasonable intervals as it determines, surrender to the City, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost, or Stolen Securities. The City hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07 Transaction Information to City. The Bank will, within a reasonable time after receipt of written request from the City, furnish the City information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities

pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V. THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the City's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the City as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02 Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the City.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03 Recitals of City. The recitals contained herein with respect to the City and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the City, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the City and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Order to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the City, and the Holder of such Security shall thereafter look only to the City for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the City does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.06 Indemnification. To the extent permitted by law, the City agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and City where the administrative offices of the City are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services

or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09 Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the City, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treating as interest on the Securities and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein made by the City shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08 Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.09 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by

either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the City.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.**
Dallas, Texas

By _____

Title _____

Address: 2001 Bryan Street
Dallas, Texas 75201

ATTEST:

By: _____

Name: _____

Title: _____

Attest:

CITY OF LAKE JACKSON, TEXAS

By _____
City Secretary

By _____
Mayor
Address: 25 Oak Drive
Lake Jackson, Texas 77566

(CITY SEAL)

SCHEDULE A

Paying Agent/Registrar Fee Schedule

City Council Agenda Item

City of Lake Jackson

Meeting Date 11/7/2016

Subject: Bond Sale

Submitted by: Pam Eaves

Expenditure Account: N/A

Action Requested: Approve Sale of \$3,000,000 General Obligation Bonds This is the first issue from the \$16 M in bonds approved by the voters in May.

Alternatives: [Click here to enter text.](#)

Summary of Subject: Funds from these bonds will be used for the additional 2 bridge lanes on plantation at the Flag Lake Channel, Willow/Blossom Drainage improvements, traffic light at Oak and Circle Way and begin the design work on the residential streets to be replaced. Representatives (Joe Morrow) from First Southwest will be on hand with the bids (interest rates) on the sale of the above bonds. Dan Martinez, our bond counsel, will also be on hand. Mr. Morrow will make a recommendation for council approval as to who the bonds will be sold to.

Action Taken:

Tabled

Deferred

Denied

Approved

ORDINANCE NO. 16-2118

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2016”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

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ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2016”; ENTERING INTO A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

WHEREAS, the City of Lake Jackson, Texas (the “City”) has been organized, created, and established pursuant to the laws of the State of Texas as a home rule city of the State of Texas; and

WHEREAS, at an election duly called and held for and within the City on May 7, 2016, the duly qualified resident electors of the City authorized the City Council of the City (the “Council”) to issue bonds in the minimum amount of \$9,900,000 for the (i) purpose of making permanent public improvements for public purposes in the downtown area, (“Downtown Revitalization Proposition”); \$1,000,000 for the purpose of making permanent public improvements to the Plantation Bridge (the “Plantation Bridge Proposition”); \$3,800,000 for the purpose of making permanent public improvements to residential streets (the “Residential Streets Proposition”); \$800,000 for the purpose of making permanent public improvements for drainage purposes (the “Drainage Proposition”); and \$500,000 for the purpose of making permanent public improvements for traffic improvements (the “Traffic Proposition”).

To issue the Bonds (defined below), the Council allocates \$250,000 from the Downtown Revitalization Proposition, leaving \$9,650,000 authorized but unissued therefrom; \$1,000,000 from the Plantation Bridge Proposition, leaving \$0 authorized but unissued therefrom; \$450,000 from the Residential Streets Proposition, leaving \$3,350,000 authorized but unissued therefrom; \$800,000 from the Drainage Proposition, leaving \$0 authorized but unissued therefrom; and \$500,000 from the Traffic Proposition, leaving \$0 authorized but unissued therefrom.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON TEXAS THAT:

Section 1. Authorization of the Bonds. There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 1331, Texas Government Code, as amended, a series of bonds of the City to be known as “CITY OF LAKE JACKSON, TEXAS LIMITED TAX BONDS, SERIES 2016” in the total amount of \$_____ (the “Bonds”), payable from ad valorem taxes as provided in this Ordinance, for the purposes described in the “Form of Bonds” contained in Section 4 hereof.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds. The Bonds shall be dated December 1, 2016 and shall be in the denomination of \$5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Initial Bond (as hereinafter defined) being number I-1 and the Definitive Bonds (as hereinafter defined) numbered consecutively from R-1 upward, payable to the Initial Purchaser (as hereinafter defined), or to the registered assigned or assignees of the Bonds or any portion or portions thereof (in each case, the “Registered Owner”).

The Bonds shall mature on March 15 in each of the years and in the amounts and bear interest as set forth in the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Installment</u>	<u>Interest Rate</u>	<u>Years of Stated Maturity</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
2018			2028		
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		
2027			2037		

Section 3. Right of Prior Redemption.

(a) Optional Redemption. The City reserves the right to redeem the Bonds maturing on or after March 15, 2026, in whole or in part in principal amount of \$5,000 or an integral multiple thereof, on March 15, 2025, or any date thereafter, at the redemption price of par plus interest accrued to the specific date of redemption, and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) Mandatory. The Bonds maturing on March 15 in the years ____, ____, ____, and ____ are subject to mandatory redemption as described in the Form of Bonds in Section 4 hereof.

(c) Notice of Redemption. Notice of any redemption shall be given as provided in the FORM OF BONDS included in Section 4 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the 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 Register all such redemptions of principal of the Bonds or any portion thereof. 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 the Bonds, or the portions thereof which are 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, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities and shall not bear interest after the date fixed for their redemption and shall not be regarded as being outstanding except for the right of the 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. 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 any denomination or denominations in any integral multiple of \$5,000, at the written request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon the surrender thereof for cancellation, at the expense of the City all as provided in this Ordinance.

(d) Conditional Notice of Redemption. The City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional

Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Ordinance authorizing the issuance of the Bonds adopted by the City Council of the city on November 7, 2016 (the "Ordinance").

IF THE DATE for the payment of the principal of or interest on the Bonds shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where 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 business day; 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 December 1, 2016 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance, in the original aggregate principal amount of \$_____ for the purpose of making permanent public improvements, to-wit: for design of downtown revitalization projects, for completion of downtown parking facilities, for construction of a bridge, for traffic control improvements, for drainage improvements, for street improvements and associated utility and drainage improvements, , and to pay the costs of issuance of the Bonds, by virtue of the laws of the State of Texas, including particularly Chapter 1331, Texas Government Code, as amended.

THE BONDS are issued pursuant to the Ordinance whereunder the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limitations prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner.

THE CITY RESERVES THE RIGHT to redeem the Bonds maturing on or after March 15, 2026, in whole or in part, on March 15, 2025 or on any interest payment date thereafter. Such optional redemption shall be at a redemption price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected by the City in integral multiples of \$5,000 within any one maturity.

THE BONDS maturing in ____, ____, ____ and ____ (the "Term Bonds") shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption), on March 15 in each of the years and in the amounts set forth below:

Bonds Maturing ____	Bonds Maturing ____
<u>Year</u> <u>Amount</u>	<u>Year</u> <u>Amount</u>
Bonds Maturing ____	Bonds Maturing ____
<u>Year</u> <u>Amount</u>	<u>Year</u> <u>Amount</u>

AT LEAST 30 days prior to the mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed. Any Term Bonds, or a portion thereof, not selected for prior redemption shall be paid on the date of final maturity. To the extent, however, that the Term Bonds of a maturity which at least 50 days prior to a mandatory redemption date (i) have been previously purchased by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments therefore shall be reduced by the amount obtained by multiplying the principal amount of the Term Bonds of such maturity so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment therefore bears to the total sinking fund payments for such maturity, and by rounding each such payment to the nearest \$5,000 integral.

AT LEAST 30 days prior to the date fixed for any such redemption, a notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond or portion thereof to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. 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 thereof 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 any denomination or denominations in any integral multiple of \$5,000, 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.

THE CITY MAY MAKE any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Bond, or any unredeemed portion hereof, 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 any denomination or denominations in any integral multiple of \$5,000 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 for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, 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 any integral multiple of \$5,000 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 City shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring, converting and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer, conversion and exchange. 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 15 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 30 calendar days; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Bond shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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 Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the City; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each Owner and the City.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF LAKE JACKSON, TEXAS

City Secretary

Mayor

(SEAL)

* * *

[FORM OF INITIAL BOND

The Initial Bond shall be in the form set forth above for the Definitive Bonds except the following shall replace the heading and the first two paragraphs:

NO. I-1 \$ _____

United States of America
State of Texas
CITY OF LAKE JACKSON, TEXAS
LIMITED TAX BONDS,
SERIES 2016

Dated Date: December 1, 2016

Registered Owner: _____

Principal Amount: _____ AND NO/100 DOLLARS
(\$ _____)

THE CITY OF LAKE JACKSON, TEXAS (the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on March 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

YEARS OF PRINCIPAL INTEREST
STATED MATURITY INSTALLMENT RATE

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

INTEREST on the unpaid Principal Amount hereof from the Dated Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 15 and September 15 of each year, commencing March 15, 2017.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the registration books kept by the Paying Agent/Registrar (the "Register") at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required 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, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30

days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar 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 the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the ordinance authorizing the issuance of the Bonds adopted by the City Council of the City on November 7, 2016 (the "Ordinance").

* * *

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS

(TO BE PRINTED ON OR ATTACHED TO THE INITIAL BOND ONLY)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts of the State of Texas

* * *

FORM OF AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Ordinance described on the face of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds 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.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., Dallas, Texas
as Paying Agent/Registrar

Dated _____

By _____
Authorized Representative

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____
/ _____ / _____

(Please insert Social Security or _____ (Please print name and address, including zip code, of Transferee)
Taxpayer Identification 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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

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.

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common
- UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
- under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

In case any officer of the City whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The City authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Ordinance, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Bonds.

Section 5. Definitions. In addition to other words and terms defined in this Ordinance (except those defined and used in Section 4), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Bonds” means any bond or bonds or all of the bonds, as the case may be, of that series styled “City of Lake Jackson, Texas Limited Tax Bonds, Series 2016” in the original aggregate principal amount of \$_____ authorized by this Ordinance.

“Chapter 1331” means the Texas Government Code, Chapter 1331, as amended.

“City” means the City of Lake Jackson, Texas, acting by and through its City Council.

“Code” means the Internal Revenue Code of 1986, as amended.

“Defeased Bond” means any Bond, and the interest thereon, deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bond.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Government Obligations” means (i) direct noncallable obligations of the United States, 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 of instrumentality and that, on the date the Board 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 Board adopts or approves the proceedings and 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; or (iv) such other securities that may be authorized from time to time under Texas law to be used as defeasance securities.

“Initial Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 11 hereof.

“Initial Purchaser” means FTN Financial Capital Markets, Memphis, TN.

“Interest Payment Date” means, when used in connection with any Bond, March 15, 2017 and each September 15 and March 15 thereafter until maturity.

“Official Statement” means the disclosure document describing the Bonds dated _____, 2016.

“Ordinance” means this “Ordinance Authorizing the Issuance of City of Lake Jackson, Texas Limited Tax Bonds, Series 2016; Entering into a Paying Agent/Registrar Agreement; and Approving All Other Matters Related Thereto” adopted by the City Council of the City on November 7, 2016.

“Owner” means any person who shall be the registered owner of any outstanding Bonds.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N. A., Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement dated December 1, 2016, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, substantially in the form attached hereto as Exhibit “A”.

“Record Date” means the last business day of the calendar month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Registered Owner” means any person who shall be the registered owner of any outstanding Bonds, or the registered assigned or assignees of the Bonds or any portion or portions thereof.

Section 6. City Funds. The City hereby confirms the establishment of the following funds of the City at a depository of the City:

(a) Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of 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. The net proceeds of 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 principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

(b) Construction Fund. A special “Construction Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of the City. The Construction Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the costs associated with the purposes for which the Bonds are issued, and, to the extent not otherwise provided for, to pay the costs and expenses in connection with issuance of the Bonds.

Section 7. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 8. Investments and Security.

(a) Investment of Funds. The City may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. It is provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America 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.

(c) Security for Funds. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

Section 9. Covenants of the City.

(a) General Covenants. The City covenants and represents that:

(i) The City is a duly created and existing home-rule municipality of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms; and

(ii) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(b) Specific Covenants. The City covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax, within legal limits, that will be sufficient to provide funds to pay the current interest on the Bonds and to provide the necessary sinking fund, all as described in this Ordinance; and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Ordinance, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

(c) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Bonds or the projects financed therewith are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith 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% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the “private business use” described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith, then the amount in excess of 5% 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;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds 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;

(v) To refrain from taking any action which would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, 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.

(vii) 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);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, 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% 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% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and sections 141 and 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Bonds; and

(x) To comply with the information reporting requirements of section 149(e) of the Code.

(xi) The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of 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 modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income 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 exclusion from gross income of interest on the Bonds under section 103 of the Code.

(xii) Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed 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.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code, the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Bonds and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

Section 10. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 4 hereof.

The City, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Ordinance shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance.

The City may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the City shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Ordinance.

The Mayor and the City Secretary of the City are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the City on this date.

Section 11. Initial Bond; Exchange or Transfer of Bonds. Initially, one Bond (the “Initial Bond”) numbered I-1 and being in the principal amount as shown in Section 2 for each year of maturity, and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bond to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bonds upon authorization of the City as provided in such instructions.

Each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business day after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Ordinance and each Bond so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

Section 12. Book-Entry Only System. Initially the Bonds will be registered so as to participate in a securities depository system (the “DTC System”) with The Depository Trust Company, New York, New York, or any successor entity thereto (“DTC”), as set forth herein. The definitive Bonds shall be issued in the form of a separate single definitive Bond for each maturity. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The City and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including a “Letter of Representations” (the “Representation Letter”).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a “Depository Participant”) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an “Indirect Participant”). Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the

accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, or (ii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a registered owner of a Certificate, of any amount with respect to principal of or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the holder, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

In the event that (a) the City determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the City determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify the Paying Agent/Registrar, DTC, and Depository Participants of the availability within a reasonable period of time through DTC of certificated certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the City may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the City, or such depository's agent or designee, and if the City and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever names the registered owners of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 13. City Officers' Duties.

(a) Issuance of Bonds. The Mayor of the City shall submit the Initial Bond, the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the Mayor of the City shall cause the Initial Bond to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the City are authorized to execute and deliver on behalf of the City such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) Execution of Ordinance. The Mayor and the City Secretary of the City are authorized to execute the certificate to which this Ordinance is attached on behalf of the City and to do any and all things proper and necessary to carry out the intent hereof.

Section 14. Remedies of Owners. In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State of Texas, the City and the City Council covenant and agree that in the event the City defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Ordinance to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Ordinance, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City and other officers of the City to observe and perform any covenant, obligation, or condition prescribed in this Ordinance. No delay or omission by any

Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Ordinance shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

Section 15. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds.

(a) Replacement Bonds. In the event any outstanding Bond shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the City shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the Paying Agent/Registrar. In every case the applicant for a substitute Bond shall furnish to the Paying Agent/Registrar such deposit for fees and costs as may be required by the City to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the Paying Agent/Registrar indemnity to the Paying Agent/Registrar's satisfaction and shall file with the City evidence to the City's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. 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 or interest on the Bonds, 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 substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the City may charge the owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds 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 to Issue Substitute Bonds. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the City or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Ordinance.

(f) Destruction of Paid Bonds. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the City a certificate evidencing such destruction.

Section 16. Defeasance.

(a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Order (a

“Defeased Bond”) when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by section 1207.061(a), Texas Government Code, as amended (a “Depository”), with respect to the safekeeping, investment, administration, and disposition of a deposit made under section 1207.061, Texas Government Code, as amended, for such payment (the “Deposit”) (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the “Verification”); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Mayor certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Order, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the City has reserved the option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Registered Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Order.

Section 17. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 18. Continuing Disclosure Undertaking.

(a) Annual Reports. The City will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the “MSRB”) via its Electronic Municipal Market Access System (“EMMA”) annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables numbered 1 through 6 and Appendix B authorized by Section 21 of this Ordinance. The City will update and provide this information within six months after the end of each fiscal year ending in or after 2016. The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix B of the final Official Statement or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation.

The City’s current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB through EMMA.

(b) Material Event Notices. The City will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after 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 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 federal income tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) obligation calls, if material, and tender offers; (9) defeasances; (10) release,

substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material. Neither the Bonds nor the Ordinance make any provision for debt service reserves, credit enhancement, or liquidity enhancement. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports”.

For these purposes, any event described in the immediately preceding paragraph (12) 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.

(c) Notice of Failure to Timely File. The City also will notify the MSRB through EMMA, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with the provisions described above.

(d) Amendments. The City may amend its continuing disclosure agreement 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, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions 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. If the City so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

(e) Limitations, Disclaimers, and Amendments. 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 Rule 15c2-12 (the “Rule”), except that the City in any event will give notice of any deposit made in accordance with Section 18 above that causes the Bonds no longer to be outstanding and any call of Bonds made in connection therewith.

(f) The provisions of this Section are for the sole benefit of the 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.

(g) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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.

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 provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) 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, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

Section 19. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during 2016 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations."

Section 20. Sale of Bonds; Approval of Official Statement.

(a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the taking of competitive bids at a price of \$_____ (which amount is equal to par, plus an original issue premium on the Bonds of \$_____ less Initial Purchaser's discount of \$_____) plus accrued interest to the date of delivery is hereby confirmed. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which resulted in the lowest net effective rate to the City, and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The officers of the City are hereby

authorized and directed to execute and deliver such Bonds, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance. The proceeds from the sale of the Bonds shall be used in the following manner: (i) accrued interest on the Bonds of \$ _____, plus a contingency of \$ _____ shall be deposited to the credit of the Interest and Sinking Fund; (ii) \$ _____ shall be deposited to the credit of the Construction Fund to be used to accomplish the purposes for which the Bonds were issued; and (iii) \$ _____ of premium shall be used to pay the costs of issuance for the Bonds.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement dated October __, 2016, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser’s obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bond.

(d) Registration and Delivery. Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instruct to deliver the Initial Bond pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

Section 21. Further Procedures. The Mayor and the City Secretary of the City and all other officers, employees, attorneys, 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 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, the Bonds, 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. Prior to the initial delivery of the Bonds, the Mayor and the City Secretary of the City and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General’s office.

Section 22. Other Documents. The Mayor and the City Secretary are hereby authorized to execute and attest to such other documents, certificates, letters of instruction, tax information forms, and other agreements of any kind which, in the opinion of Bond Counsel, are necessary or advisable in order to issue the Bonds and verify that the interest on the Bonds will be exempt from gross income of the holders thereof under current federal tax law.

Section 23. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have

been made available by the City to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the City to the Registered Owner thereof for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Order with respect to the principal of or interest on such Bond. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, as amended, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, as amended.

Section 24. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is \$_____. Bond Counsel is accommodating the City by paying such fee upon submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such payment with proceeds of the Bonds.

Section 25. Miscellaneous Provisions.

(a) General. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Ordinance.

(b) Incorporation of Preamble. The preamble and recitals to this Ordinance are incorporated by reference in this Ordinance.

(c) Titles Not Restrictive. 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.

(d) Inconsistent Provisions. All 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, as amended.

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of December 1, 2016 (this “Agreement”), by and between the CITY OF LAKE JACKSON, TEXAS (the “Issuer”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its “City of Lake Jackson, Texas Limited Tax Bonds, Series 2016” (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof as provided in the “Order” (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the Owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I.

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal and interest on the Securities as the same become due and payable to the Owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule “A” attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Financial Advisor” means First Southwest Company, San Antonio, Texas.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by its Mayor Judge, Director of Finance, or City Secretary, or any one or more of said officials, and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Secretary or any other officer of the Issuer and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Order).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Certificates. The Issuer shall provide an adequate inventory of printed Security certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Security certificates will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such certificates in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Certificates. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost, or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and

charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's Financial Advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the Financial Advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the Issuer.

The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.03. Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the Issuer and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Order to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.06. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and Issuer where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt

requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treating as interest on the Securities and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein made by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of Page Intentionally Left Blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.**
Dallas, Texas

By _____

Title _____

Address: 2001 Bryan Street
Dallas, Texas 75201

ATTEST:

By: _____

Name: _____

Title: _____

Attest:

CITY OF LAKE JACKSON, TEXAS

By _____
City Secretary

By _____
Mayor
Address: 25 Oak Drive
Lake Jackson, Texas 77566

(CITY SEAL)

EXHIBIT A
FEE SCHEDULE

City Council Agenda Item

City of Lake Jackson

Meeting Date 11/7/2016

Subject: Bond Sale

Submitted by: Pam Eaves

Expenditure Account: N/A

Action Requested: Approve Sale of \$4,015,000 Water and Sewer Bonds. This includes \$3.0 M in new money and a small refunding

Alternatives: [Click here to enter text.](#)

Summary of Subject: Representatives (Joe Morrow) from First Southwest will be on hand with the bids (interest rates) on the sale of the above bonds. Dan Martinez, our bond counsel, will also be on hand. Mr. Morrow will make a recommendation for council approval as to who the bonds will be sold to.

The proceeds of these bonds will be combined with the \$3.9 Million in Certificates of Obligations to extend Sewer to the Northwest and replace the Lift Station 25 force main

Action Taken:

Tabled

Deferred

Denied

Approved

ORDINANCE NO. 16-2119

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2016; AN ESCROW AGREEMENT; A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

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ORDINANCE NO. _____

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2016; AN ESCROW AGREEMENT; A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER MATTERS RELATED THERETO

WHEREAS, the City Council (the “Council”) of the City of Lake Jackson, Texas (the “City”) has heretofore issued the following described outstanding bonds (collectively, the “Outstanding Parity Bonds”), to-wit:

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2007, dated as of April 15, 2007, in the original principal amount of \$2,000,000 and now outstanding in the amount of \$1,100,000 (the “Series 2007 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2009, dated as of November 15, 2009, in the original principal amount of \$1,690,000 and now outstanding in the amount of \$1,180,000 (the “Series 2009 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Refunding Bonds, Series 2010, dated as of May 15, 2010, in the original principal amount of \$8,775,000 and now outstanding in the amount of \$3,815,000 (the “Series 2010 Bonds”);

City of Lake Jackson, Texas Waterworks and Sewer System Revenue Bonds, Series 2013, dated as of June 1, 2013, in the original principal amount of \$2,000,000 and now outstanding in the amount of \$1,700,000 (the “Series 2013 Bonds”);

WHEREAS, all of the Outstanding Parity Bonds are secured by a pledge of the net revenues from the operation of the City’s waterworks and sewer system and are on a parity with each other (and any Parity Bonds, hereinafter defined, which are hereafter authorized, issued, and delivered) and the Council deems it necessary and desirable to proceed with the issuance of the bonds described herein (i) for extensions and improvements to the City’s waterworks and sewer system (the “System”), (ii) to refund the City’s outstanding debt described in Schedule I attached hereto (the “Refunded Bonds”), and (iii) to pay certain costs incurred in connection with the issuance of the Bonds;

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a trust company or commercial bank not a depository of the City, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds;

WHEREAS, the Council hereby finds and declares a public purpose and deems it advisable to refund the Refunded Bonds in order to effect present value savings; and

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS THAT:

Section 1. Authorization of the Bonds. Pursuant to Chapters 1207, 1501, and 1502, Texas Government Code, and other applicable law, the City’s bonds are hereby authorized to be issued to be designated as the “CITY OF LAKE JACKSON, TEXAS WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2016” in the aggregate principal amount of \$ _____ (the “Bonds”) (i) for extensions and improvements to the City’s System, (ii) to refund the City’s outstanding debt described in Schedule I, and (iii) to pay certain costs incurred in connection with the issuance of the Bonds.

Section 2. Date, Maturities, and Interest Rates. The Bonds shall be dated December 1, 2016, shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered I-1 for the Initial Bond and consecutively from R-1 upward for the definitive bonds, and shall mature on the maturity date, in each of the years, and in the amounts, respectively, as set forth in the following schedule and shall bear interest at the following rates per annum:

MATURITY DATE: April 15

<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE (%)</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE (%)</u>
2017			2027		
2018			2028		
2019			2029		
2020			2030		
2021			2031		
2022			2032		
2023			2033		
2024			2034		
2025			2035		
2026			2036		

Such interest shall be payable on April 15, 2017, and semiannually thereafter on October 15 and April 15. Said interest shall be payable to the registered owner of any such Bond in the manner provided in the FORM OF BONDS set forth in this Ordinance.

Section 3. Right of Prior Redemption.

(a) *Optional.* The City reserves the right to redeem the Bonds maturing on or after April 15, 2026, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on April 15, 2025, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all the Bonds are to be redeemed, the City shall select the maturities of Bonds to be redeemed. If less than all of the Bonds in a maturity are to be redeemed by the City, the City shall determine the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption.

(b) *Mandatory.* The Bonds maturing on April 15 in the years ____, ____, and ____ are subject to mandatory redemption as described in the Form of Bonds in Section 5 hereof.

(c) *Notice.* Notice of such redemption shall be given as provided in the FORM OF BOND in Section 5 hereof. If such notice of redemption is given, and if due provision for such payment is made, the Bonds, or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their 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 the Bonds or any portion thereof. 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 the Bonds or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. 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 any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unreserved 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 this Ordinance.

(d) *Conditional Notice of Redemption.* The City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

Section 4. Paying Agent/Registrar. (a) The City shall keep or cause to be kept at the principal corporate trust office of the Paying Agent/Registrar herein named, or such other bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform duties of and services of Paying Agent/Registrar, named in accordance with the provisions of (g) of this Section (the "Paying Agent/Registrar"), books or records of 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 such 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, 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 of such bond to the Paying Agent/Registrar 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 the bond, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have the 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 unless otherwise required by law; 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 of such bonds, and all replacements of such bonds, 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, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such bond at the principal corporate 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 BONDS set forth in this Ordinance, in the denomination of \$5,000, or any integral multiple of \$5,000 (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 unpaid or unredeemed 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 a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. 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 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 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 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. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such bond, date such by dating the Authentication Certificate in the manner set forth above, and manually sign such Certificate, and no such bond shall be deemed to be issued or outstanding unless such 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 Council or any other body or person so as to accomplish the foregoing exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute bonds in the manner prescribed herein, and said bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength pursuant to Chapter 1201, Texas Government Code, as amended, the duty of such exchange or replacement of bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of the aforementioned Paying Agent/Registrar's 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 (1) to issue, transfer, or exchange any Bond subject to redemption during a period beginning at the opening of business 15 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 Bond after it is selected for redemption, in whole or in part when such redemption is scheduled to occur within 30 calendar days; provided, however, that such limitation shall not be applicable to an exchange by the owner of the uncalled principal balance 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 BONDS set forth in this Ordinance.

(f) The City shall pay all of the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers, conversions, and exchanges of the Bonds in accordance with an agreement between the City and the Paying Agent/Registrar, 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. In addition, the City hereby covenants with the registered owners of the Bonds that it will 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 the Bonds, when due.

(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 entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar, 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 promptly it will 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, 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 5. Form of the Bonds. The Bonds shall be issued, shall be payable, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated, in the form set forth below. The Form of the Bonds, including the Form of Paying Agent/Registrar's Authentication Certificate, the Form of Assignment, and the Form of the Comptroller's

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 books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the registered owner of this Bond that no later than each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar 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 manner set forth in the Ordinance authorizing the issuance of the Bonds adopted by the Council of the City on November 7, 2016 (the "Ordinance").

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where 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 of like tenor and effect except as to denomination, number, maturity, interest rate and right of prior redemption, issued (i) for extensions and improvements to the City's System, (ii) to refund the City's outstanding debt described in Schedule I attached hereto (the "Refunded Bonds"), and (iii) to pay certain costs incurred in connection with the issuance of the Bonds;

THE BONDS of this series scheduled to mature on and after April 15, 2026 may be redeemed prior to their scheduled maturities in whole, or in part in principal amounts of \$5,000 or any integral multiple thereof, at the option of the City, on April 15, 2025, or any date thereafter, for the principal amount thereof plus accrued interest to the date fixed for redemption.

THE BONDS maturing in ____, ____, and ____ (the "Term Bonds") shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption), on April 15 in each of the years and in the amounts set forth below:

<u>Year</u>	<u>Bonds Maturing</u> _____	<u>Year</u>	<u>Bonds Maturing</u> _____
	<u>Amount</u>		<u>Amount</u>
	<u>Year</u>	<u>Bonds Maturing</u> _____	<u>Amount</u>

At least 30 days prior to the mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed. Any Term Bonds, or a portion thereof, not selected for prior redemption shall be paid on the date of final maturity. To the extent, however, that the Term Bonds of a maturity which at least 50 days prior to a mandatory redemption date (i) have been previously purchased by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments therefore shall be reduced by the amount obtained by

multiplying the principal amount of the Term Bonds of such maturity so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment therefore bears to the total sinking fund payments for such maturity, and by rounding each such payment to the nearest \$5,000 integral.

AT LEAST 30 days prior to the date fixed for any such redemption, a notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid to the registered owner of each Bond or portion thereof to be redeemed at its address as it appeared on the Registration Books on the 45th day prior to such redemption date; provided, however, that the failure to send, mail or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. 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 thereof 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 any denomination or denominations in any integral multiple of \$5,000, 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.

NOTWITHSTANDING ANYTHING IN THE ORDINANCE TO THE CONTRARY, the City may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the City chooses to provide a conditional notice of redemption, the City shall include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Ordinance, this Bond, or any unredeemed portion hereof, 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 any denomination or denominations in any integral multiple of \$5,000 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 for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, 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 any integral multiple of \$5,000 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 City shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for transferring, converting and exchanging any Bond or portion thereof; provided, however, that any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such transfer, conversion and

exchange. 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 15 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 30 calendar days; provided, however, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

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 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.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, acknowledges that the 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 Ordinance constitute a contract between each registered owner hereof and the City.

THE BONDS are on a parity with certain outstanding bonds payable from, and the City has reserved the right, subject to the restrictions stated, and adopted by reference, in the Ordinance, to issue additional parity revenue bonds, without notice to or consent of the registered owners, which also may be made payable from, and secured by, a first lien on and pledge of the "Net Revenues" of the City's combined waterworks and sewer system (as defined and described in the Ordinance).

THE REGISTERED OWNER HEREOF shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation, or from any source whatsoever other than the aforesaid Net Revenues.

IT IS HEREBY certified 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 special obligation; and that the principal of and interest on this Bond together with outstanding parity revenue bonds are payable from, and secured by a first lien on and pledge of, the Net Revenues.

IN TESTIMONY WHEREOF, the Council has caused the seal of the City to be duly impressed or placed in facsimile hereon, and this Bond to be signed with the imprinted facsimile signature of the Mayor and countersigned by the facsimile signature of the City Secretary.

CITY OF LAKE JACKSON, TEXAS

City Secretary

Mayor

(CITY SEAL)

* * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(Attached to or printed on definitive Bonds only)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Ordinance described on the face of this Bond; and that this Bond has been issued in exchange for or replacement of a bond, bonds, or a portion of a bond or bonds 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.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION, Dallas, Texas
as Paying Agent/Registrar

Dated _____

By _____
Authorized Representative

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/ _____ / _____
(Please insert Social Security or Taxpayer Identification Number of Trustee) (Please print or typewrite 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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

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.

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties

maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required 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, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last calendar day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar 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 the registered owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar 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 manner set forth in the ordinance authorizing the issuance of the Bonds adopted by the Council of the City on November 7, 2016 (the "Ordinance").

FORM OF COMPTROLLER'S CERTIFICATE
(ATTACHED TO THE INITIAL BOND)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

[END OF FORMS]

Section 6. Definitions. As used in this Ordinance, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Additional Bonds" means the additional parity obligations which the City reserves the right to issue in the future, as provided in Section 16 of this Ordinance.

"Authorized Officer" means the City Manager or Finance Director.

“Bond” or “Bonds” means any bond or bonds or all of the bonds, as the case may be, of that series styled “City of Lake Jackson, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016” authorized by this Ordinance.

“Chapter 1207” means the Texas Government Code, Chapter 1207, as amended.

“City” means the City of Lake Jackson, Texas, a home-rule city and a political subdivision of the State of Texas, or any successor thereto.

“Code” means The Internal Revenue Code of 1986, as amended.

“Contingency Fund” means the fund provided for in Section 13 herein.

“Council” means the governing body of the City of Lake Jackson, Texas.

“Defeased Bond” means any Bond, and the interest thereon, deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bonds.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Escrow Account” means the “City of Lake Jackson, Texas, Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 Escrow Account.”

“Escrow Agent” means the Bank of New York Mellon Trust Company, N.A, Dallas, Texas.

“Escrow Agreement” means the agreement substantially in the form of Exhibit “A”.

“Government Obligations” means direct noncallable obligations of the United States, including (i) obligations that are unconditionally guaranteed by, the United States; (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; or (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 of not less than “AAA” or its equivalent.

“Initial Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 22 herein.

“Initial Purchaser” means _____.

“Interest and Sinking Fund” means the fund provided for in Section 11 herein.

“Interest Payment Date” means, when used in connection with any Bond, April 15, 2017 and each April 15 and October 15 thereafter until maturity.

“Net Revenues” means all gross revenues of the System after deducting the necessary and reasonable expenses of operation and maintenance of the System, including all salaries, labor, material, repairs, and extensions necessary to render efficient service. Depreciation and payments into and out of the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund shall never be considered as expenses of operation and maintenance.

“Official Statement” means the disclosure document describing the Bonds dated the date of the Bond Purchase Agreement.

“Ordinance” means this “Ordinance Authorizing the Issuance of the City of Lake Jackson, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016; An Escrow Agreement; A Paying Agent/Registrar Agreement; and Approving all Other Matters Related Thereto” adopted by the City Council of the City on November 7, 2016.

“Outstanding Parity Bonds” means the outstanding bonds described in the preamble herein.

“Owners” means any person who shall be the registered owner of any outstanding Bonds.

“Parity Bonds” means collectively the Outstanding Parity Bonds, the Bonds, and any Additional Bonds.

“Parity Bonds Ordinances” means collectively the ordinances authorizing the Parity Bonds.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, National Association, Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement, dated December 1, 2016, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit “B”.

“Record Date” means the last business day of the calendar month next preceding the applicable Interest Payment Date.

“Refunded Bonds” means the Bonds set out in Schedule I of this Ordinance.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

“Reserve Fund” means the fund provided in Section 12 herein.

“Rule” means Rule 15(c)2-12 promulgated by the United States Securities Exchange Commission found at 17 C.F.R. Section 240.15c2-12.

“System” means the City’s entire existing waterworks and sewer system, together with all future extensions, enlargements, additions, replacements, and improvements thereto.

“System Fund” means the fund described in Section 9 herein.

“Year” or “fiscal year” means the regular fiscal year used by the City in connection with the operation of the System, which may be any 12 consecutive months period established by the City, presently from October 1 to September 30 of the following year.

Section 7. Pledge. The Parity Bonds, redemption premium, if any, and any interest payable thereon, are and shall be secured by and payable from an irrevocable first lien on and pledge of the Net Revenues, and the Net Revenues are further pledged irrevocably to the establishment and maintenance of the funds created by the Parity Bonds Ordinances. The Parity Bonds are not and will not be secured by or payable from a mortgage or deed of trust on any real, personal, or mixed properties constituting the System. The owners of the Parity Bonds shall never have the right to demand payment of such obligations out of any funds raised or to be raised by taxation, or from any source whatsoever other than the Net Revenues. This Ordinance shall not be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System, but nothing herein shall be construed as preventing the City from doing so.

Section 8. Rates. The City covenants and agrees with the holders of the Parity Bonds that it will:

(a) fix and maintain rates and collect charges for the facilities and services afforded by the System which will provide revenues sufficient at all times: (i) to pay all operation, maintenance, depreciation, replacement, and betterment charges of the System; (ii) to establish and maintain the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund; and (iii) to pay promptly the Parity Bonds as and when the same become due; and

(b) deposit as collected all revenues derived from the operation of the System into the System Fund.

Section 9. System Fund. There has been created and established, and hereby confirmed, on the books of the City, to be accounted for separate and apart from all other funds of the City, a special fund entitled the “City of Lake Jackson, Texas, Waterworks and Sewer System Fund”. All gross revenues of every nature received from the operation and ownership of the System shall be deposited into and credited to the System Fund immediately upon receipt. The necessary and reasonable expenses of operation and maintenance of the System shall first be paid from the System Fund and then deposits and transfers shall be made from the Net Revenues to the Interest and Sinking Fund, the Reserve Fund, and the Contingency Fund, as described herein.

Section 10. Escrow Fund and Construction Fund. (a) A special “City of Lake Jackson Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 Escrow Fund” is hereby created and shall be established as described in the Escrow Agreement and shall be kept separate and apart from all other funds of the City. The Escrow Fund is the fund into which the proceeds of the Bonds shall be deposited. Money in the Escrow Fund shall be used to pay the redemption price of the Refunded Bonds and costs of issuance of the Bonds.

All amounts remaining in the Escrow Fund after the completion of the redemption of the Refunded Bonds shall be used as described in Section 29.

(b) A special “City of Lake Jackson Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 Construction Fund” is hereby created and shall be established and maintained by the City at an official depository bank of the City and shall be kept separate and apart from all other funds of the City. The Construction Fund is the fund into which the proceeds of the Bonds shall be deposited. Money in the Construction Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued and for payment of the costs of issuance of the Bonds.

All amounts remaining in the Construction Fund after the completion of the redemption of the Refunded Bonds shall be used as described in Section 29.

Section 11. Interest and Sinking Fund. For the sole purpose of paying the principal of, redemption premium, if any, and interest on the Parity Bonds, as the same come due, there has been created and established, and hereby confirmed, on the books of the City a separate fund entitled the “City of Lake Jackson, Texas Waterworks and Sewer System Interest and Sinking Fund”. Payments into Interest and Sinking Fund shall be made from the System Fund in equal monthly installments, as will be sufficient to pay the principal and interest scheduled to come due on the Bonds on the next principal and interest payment dates. Any investment income in the Interest and Sinking Fund shall be credited against the succeeding payment requirements.

Section 12. Reserve Fund. There has been created and established, and hereby confirmed, on the books of the City a separate fund entitled “City of Lake Jackson, Texas Waterworks and Sewer System Reserve Fund”. The aggregate amount to be accumulated and maintained in the Reserve Fund shall be an amount equal to the succeeding year’s principal and interest requirements for the Parity Bonds, and that such amount shall be so accumulated within 61 months from the date of the Parity Bonds by the deposit in the Reserve Fund of equal monthly installments. The aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased by an additional amount equal to the succeeding year’s principal and interest requirements for any Additional Bonds, and such amount shall be so accumulated within 61 months from the date of the Bonds by the deposit in the Reserve Fund of equal monthly installments beginning on the 15th day of the month following the initial delivery of such Additional Bonds. The aggregate amount to be accumulated in the Reserve Fund, however, shall never be required to exceed the succeeding year’s principal and interest requirements for all outstanding Parity Bonds (the “Reserve Requirement”). If any money in the Reserve Fund is ever used to pay principal or interest on the Parity Bonds, the City shall replenish the Reserve Fund from the Net Revenues to the Reserve Requirement as soon as possible but in no event more than 61 months from the date such money was withdrawn from the Reserve Fund. The City may credit any interest earnings or excess amount in the Reserve Fund against such payment obligation with the effect that only the Reserve Requirement described herein needs to be maintained in the Reserve Fund.

In the event that the Series 2000 Bonds are no longer outstanding (whether by maturity or defeasance), which will occur with delivery of the Bonds, the City may replace the cash in the Reserve Fund with a surety bond or other credit instrument then authorized by law and of sufficient credit quality to not adversely affect the then rating or ratings on any Parity Bonds remaining outstanding.

Section 13. Contingency Fund. There has been created and established, and hereby confirmed, on the books of the City a separate fund entitled “City of Lake Jackson, Texas Waterworks and Sewer System Contingency Fund”. After making payments to the Interest and Sinking Fund and the Reserve Fund, the City shall deposit \$200 per month from the Net Revenues to the Contingency Fund until such time there is on hand in the Contingency Fund \$50,000. The money in the Contingency Fund shall be used only (a) to pay unusual maintenance and operating expenses and (b) to pay the principal of or interest on the Parity Bonds at any time when there are not sufficient amount in the Interest and Sinking Fund and the Reserve Fund for such purpose. Any amount in the Contingency Fund in excess of \$50,000 may be used by the City for any lawful purpose.

Section 14. Investments. Money in any Fund established by the Parity Bonds Ordinances may, at the option of the City, be placed or invested in any investments then permitted by Texas law.

Section 15. Funds Secured. Money in all Funds created by this Ordinance, to the extent not invested, shall be secured in the manner prescribed by law for securing funds of the City.

Section 16. Additional Bonds. In addition to inferior lien bonds authorized by Section 1502.061, Texas Government Code, the City expressly reserves the right hereafter to issue additional parity bonds and other evidences of indebtedness now or hereafter authorized by the Legislature of Texas (collectively, the “Additional Bonds”), and the Additional Bonds, when issued, may be secured by and payable from a first lien on and pledge of the Net Revenues in the same manner and to the same extent as the outstanding Parity Bonds but subject to the remaining provisions hereof, and the Outstanding Parity Bonds, the Bonds, and the Additional Bonds may be in all respects of equal dignity. It is provided, however, that no Additional Bonds shall be issued unless:

(a) No default exists in connection with any of the covenants or requirements of the ordinance or ordinances authorizing the issuance of all then outstanding Parity Bonds;

(b) The Interest and Sinking Fund and the Reserve Fund contain the amount then required to be on deposit therein;

(c) A certificate is executed by a Certified Public Accountant to the effect that in his opinion the Net Earnings (described below) of the System for the last fiscal year, or for any 12 consecutive calendar month period ending not more than 90 days prior to the adoption of the ordinance authorizing the issuance of such Additional Bonds, were at least 1.25 times the average annual principal and interest requirements for all then outstanding Parity Bonds and for the series of Additional Bonds then proposed to be issued. Provided, however, should the certificate of the accountant certify that the Net Earnings of the System for the period covered thereby were, in either case, less than required above, and a change in the rates and charges for services afforded by the System became effective at least 60 days prior to the scheduled date of adoption of the ordinance authorizing such Additional Bonds, then such Additional Bonds may nevertheless be issued if, a Certified Public Accountant or an independent registered professional engineer or engineering firm containing a registered professional engineer, certifies that, had such change in rates and charges been effective for the period covered by the accountant’s certificate, the Net Earnings for the System for the period covered by the accountant’s certificate would have met the tests specified herein (the term “Net Earnings” as used herein shall mean the operating revenues of the System (excluding amounts received specifically for capital items) after deducting the reasonable expenses of operation and maintenance of the System (excluding expenditures for capital items, provisions for depreciation, and interest on bonded debt));

(d) The Additional Bonds are made to mature on April 15 in each of the years in which they are scheduled to mature; and

(e) The ordinance authorizing the issuance of such Additional Bonds shall provide that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased by an additional amount not less than the next succeeding year’s principal and interest requirements for said Additional Bonds, and that such additional amount shall be so accumulated within 61 months from the date of the Additional Bonds, by the deposit in the Reserve Fund of the necessary sums in equal monthly installments; provided, however, that the aggregate amount to be accumulated in the Reserve Fund shall never be required to exceed the Reserve Requirement or, a surety bond or other credit instrument then authorized by law and of sufficient credit quality to not adversely affect the then rating or ratings on any Parity Bonds remaining outstanding may be obtained by the City.

Section 17. Covenants of the City. (a) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), the interest on which is not includable in “gross income” for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Bonds or the projects financed therewith are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith 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% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the “private business use” described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith, then the amount in excess of 5% 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;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds 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;

(v) To refrain from taking any action which would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, 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;

(vii) 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);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, 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% 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% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Bonds.

For the purposes of the foregoing, in the case of a refunding bond, the term “proceeds” includes transferred proceeds and, for purposes of paragraphs (ii) and (iii); the term “proceeds” includes “disposition proceeds”, as defined in the regulations relating to section 141 of the Code; and, in the case of refunding bonds, “transferred proceeds” (if any) and proceeds of the refunded bonds.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of 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 modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income 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 exclusion from gross income of interest on the Bonds under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed 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.

Notwithstanding any other provision in this Ordinance, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(b) Designation As Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as “qualified tax exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 of “qualified tax exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax exempt obligations issued during 2016 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Certificates as “qualified tax-exempt obligations”.

(c) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Bonds and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

(d) General Covenants. The City further covenants, warrants, and agrees that in accordance with and to the extent required or permitted by law while the Parity Bonds are outstanding and unpaid:

(i) *Performance.* It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in each Parity Bonds Ordinances, and in each and every Parity Bond; it will promptly pay or cause to be paid the principal of and interest on every Parity Bond, on the dates and in the places and manner prescribed in the Parity Bonds Ordinances; and it will, at the times and in the manner prescribed, deposit, or cause to be deposited, the amounts required to be deposited into the Interest and Sinking Fund, the Reserve Fund, and Contingency Fund; and any holder of the Parity Bonds may require the City, its officials and employees, to carry out, respect, or enforce the covenants and obligations of the Parity Bonds Ordinances by all legal and equitable means, including specifically, but without limitation, the use and filing of

mandamus proceedings in any court of competent jurisdiction against the City, its officials and employees;

(ii) *Legal Authority.* It is a duly created and existing home rule city of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue the Parity Bonds; all action on its part for the creation and issuance of said obligations has been duly and effectively taken; and said obligations in the hands of the holders and owners thereof are and will be valid and enforceable special obligations of the City in accordance with their terms;

(iii) *Operation of System; No Free Service.* It shall continuously and efficiently operate the System and maintain the System in good condition, repair, and working order, all at reasonable cost. No free service of the System shall be allowed, and should the City or any of its agencies or instrumentalities, lessees, or concessionaires make use of the services and facilities of the System, payment monthly of the standard retail price of the services provided shall be made by the City or any of its agencies or instrumentalities, lessees, or concessionaires out of funds from sources other than the revenues of the System, unless made from surplus Net Revenues;

(iv) *Records and Audits.* It shall keep proper books and records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the System. Upon written request made not more than 60 days following the close of the fiscal year, the City shall furnish to any holder of any Parity Bonds, complete financial statements of the System in reasonable detail covering such fiscal year, certified by the City's auditor. Any holders of 25% in principal amount of the Parity Bonds at the time outstanding shall have the right at all reasonable times to inspect the System and all records, accounts, and data of the City relating thereto;

(v) *Governmental Agencies.* It has or will obtain and keep in full force and effect all franchises, permits, authorization, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the System, and it will comply with all of the terms and conditions of any and all franchises, permits and authorizations applicable to or necessary with respect to the System;

(vi) *No Competition.* It will not operate, or grant any franchise or, to the extent it legally may, permit the acquisition, construction, or operation of, any facilities which would be in competition with the System, and to the extent that it legally may, the City will prohibit any such competing facilities; and

(vii) *Insurance.* It shall insure, or self-insure, to the extent deemed necessary by the Council such parts of the System as are usually insured by municipalities operating like properties, and insurance premiums shall be a part of the operating expenses of the System.

Section 18. Amendment of Ordinance. (a) The owners of the Parity Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Parity Bonds shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the City; provided, however, that without the consent of the owners of all of the Parity Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Parity Bonds so as to:

- (1) Make any change in the maturity of the outstanding Parity Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Parity Bonds;

- (3) Reduce the amount of the principal payable on the outstanding Parity Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Parity Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the holders of less than all of the Parity Bonds then outstanding; or
- (6) Change the minimum percentage of the principal amount of Parity Bonds necessary for consent to such amendment.

(b) If at any time the City shall desire to amend this Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all owners of Parity Bonds. Such publication is not required, however, if notice in writing is given to each owner of the then Outstanding Parity Bonds.

(c) Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of all Parity Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Council may pass the amendatory ordinance in substantially the same form.

(d) Upon the passage of any amendatory ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory ordinance, and the respective rights, duties and obligations under this Ordinance of the City and all the owners of then outstanding Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the owner of a Parity Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Parity Bond during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the holder who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the City, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then outstanding Parity Bonds as in this Section defined have, prior to the attempted revocation, consented to and approve the amendment.

(f) For the purpose of this Section the fact of the owning of Parity Bonds issued in registered form without coupons and the amounts and numbers of such Parity Bonds and the date of their holding same shall be proved by the Registrar. The City may conclusively assume that such ownership continues until written notice to the contrary is served upon the City.

(g) The foregoing provisions of this Section notwithstanding, the City by action of the Council may amend this Ordinance for any one or more of the following purposes:

- (1) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to

the owners, or to surrender, restrict, or limit any right or power herein reserved to or conferred upon the City;

- (2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting, or supplementing any defective provision contained in this Ordinance, or in regard to clarifying matters or questions arising under this Ordinance, as are necessary or desirable and not contrary to or inconsistent with this Ordinance and which shall not adversely affect the interests of the owners of the Parity Bonds; or
- (3) To modify any of the provisions of this Ordinance in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Parity Bonds outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Additional Bonds issued after the date of the adoption of such modification.

Section 19. Damaged, Mutilated, Lost, Stolen, or Destroyed Bonds. (a) 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 of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant 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 applicant 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 applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) 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) Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the 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) This Ordinance shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of 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 this Ordinance for Bonds issued in exchange for other Bonds.

Section 20. Book-Entry Only System. (a) The Definitive Bonds shall be initially issued in the name of Cede & Co., as nominee of DTC, as owner of the Bonds, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of Definitive Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate. No person shall acquire or hold any beneficial interest in any Bond representing a portion of the principal amount of such Bond which is other than \$5,000 or an integral multiple thereof.

(b) Replacement Definitive Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

(d) If at any time, DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 21. Defeasance and Purchase. (a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a "Defeased Bond") when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a

date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the "Verification"); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Mayor of the City certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the City may exercise its right to call the Bonds prior to stated maturity if it has reserved such option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Registered Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) The City reserves the right to purchase any of the Bonds for cancellation at any time and at any price.

Section 22. Sale of Bonds. (a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the taking of competitive sealed bids at a price of \$_____ (_____% of par), is hereby confirmed. The City, upon consultation with the City's Financial Advisor, hereby finds that the terms of the sale are in the City's best interest. It is hereby officially found, determined, and declared that the Initial Purchaser submitted the bid which results in the lowest net effective interest rate to the City and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the terms of sale. The Initial Bond shall be registered in the name of the Initial Purchaser. The officers of the City are hereby authorized and directed

to execute and deliver such certificates, instructions, or other instruments as are required or necessary to accomplish the purposes of this Ordinance.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement, dated June 3, 2016, prior to the date hereof is hereby ratified and confirmed. The Board finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Initial Purchaser’s obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Winstead PC, Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

Registration and Delivery. Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond pursuant to the instruction of the Mayor for delivery to the Initial Purchaser.

Section 23. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of revenues thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the revenue proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 24. Approval and Registration of Bonds. The Mayor of the City is hereby authorized to have control of the Bonds 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 Initial Bond, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller’s Registration Certificate. The Bonds thus registered shall remain in the custody of the Mayor (or his designee) until delivered to the Initial Purchaser.

Section 25. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, as amended by Senate Bill 495, Acts of the 79th Legislature Regular Session, 2005, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Bonds. Bond Counsel is accommodating the City by paying such fee upon submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such payment with proceeds of the Bonds.

Section 26. Further Procedures. The Mayor, the City Secretary, the City Manager, Finance Director, and all other officers, employees, attorneys, 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 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, the Escrow Agreement, the Bonds, 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. Prior to the initial delivery of the Bonds, the Mayor, the City Manager, and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance; (ii) comply with requirements of any bond insurer; (iii) obtain a rating from any of the national bond rating agencies; or (iv) obtain the approval of the Bonds by the Texas Attorney General's office.

Section 27. Paying Agent/Registrar Agreement. The Paying Agent/Registrar Agreement, between the City and the Paying Agent/Registrar, in substantially the form attached hereto as Exhibit "B", is hereby approved, and the Mayor is authorized to execute and the City Secretary is authorized to attest same.

Section 28. Continuing Disclosure. (a) Annual Reports. The City shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to its Electronic Municipal Market Access System ("EMMA"), within six months after the end of each fiscal year ending in or after 2016, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 22 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" hereto 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, the City shall provide audited financial statements for the applicable fiscal year to the MSRB when and if the audit report on such statements becomes available.

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 (including an official statement or other offering document) if it is available from the MSRB that theretofore has been provided to the MSRB or filed with the Securities and Exchange Commission.

(b) Material Event Notices. The City shall notify the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (vii) modifications to rights of holders of the Bonds; (viii) calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) rating changes.

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 this Section by the time required by this Section.

(c) Limitations, Disclaimers, and Amendments. 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 Section 21 above that causes the Bonds no longer to be outstanding and any call of Bonds made in connection therewith.

The provisions of this Section are for the sole benefit of the 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.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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.

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 provisions of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) 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, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

Section 29. Proceeds of Sale of the Bonds. The proceeds of the Bonds in the amount described in Section 2 shall be deposited in accordance with the Escrow Agreement and applied as described therein to refund the Refunded Bonds. A portion of the proceed of the Bonds shall be used to pay the costs of issuance of the Bonds. The accrued interest on the Bonds, if any, shall be deposited into the Interest and

Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 17 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 Ordinance. Any remaining proceeds not required to be rebated will be deposited to the Interest and Sinking Fund.

Section 30. Redemption of Refunded Bonds. (a) The City hereby irrevocably calls the Refunded Bonds for redemption prior to maturity on December 19, 2016 and authorizes and directs notice of such redemption to be given in accordance with the ordinances securing the Refunded Bonds and in the forms attached to this Ordinance as Exhibit “D”.

(b) The discharge of the Refunded Bonds shall be effected by having the Escrow Agent pay to the owners of the Refunded Bonds on the date of redemption all amounts necessary to pay the Refunded Bonds in full and the Mayor and the City Secretary are authorized to execute the Escrow Agreement and directed to take all other necessary and appropriate actions to accomplish the same.

(c) The Escrow Agreement, attached hereto as Exhibit “A”, is hereby approved and may be executed and delivered on behalf of the City.

Section 31. Miscellaneous Provisions. (a) Titles Not Restrictive. The titles assigned to 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.

(b) Inconsistent Provisions. All orders, ordinances, 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.

(c) 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 Council hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

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

(e) Open Meeting. The Council 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, as amended.

(f) Incorporation of Recitals. The recitals to this Ordinance are hereby incorporated by reference herein as if copied in full.

Section 32. Effective Date. Pursuant to Section 1201.028, Texas Government Code, this Ordinance shall be effective on the date of adoption without regard to the City Charter’s rule requiring ordinances to be read on two separate days.

PASSED AND ADOPTED by the Council of the City of Lake Jackson, Texas, this 7th day of November, 2016.

/s/ Joe Rinehart
Mayor, City of Lake Jackson, Texas

ATTEST:

/s/ Alice A. Rodgers
City Secretary, City of Lake Jackson, Texas

APPROVED AS TO FORM:

/s/ Sherri Russell
Sherri Russell
City Attorney

(CITY SEAL)

SCHEDULE I

Refunded Bonds

Waterworks and Sewer System Revenue Bonds, Series 2007

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount (\$)</u>	<u>Call Date</u>	<u>Price</u>
4/15/2007	2018	4.000	100,000	12/19/2016	100.000
	2019	4.000	100,000	12/19/2016	100.000
	2020	4.000	100,000	12/19/2016	100.000
	2021	4.000	100,000	12/19/2016	100.000
	2022	4.000	100,000	12/19/2016	100.000
	2023	4.000	100,000	12/19/2016	100.000
	****	****	*****	*****	*****
	2025*	4.000	200,000	12/19/2016	100.000
	****	****	*****	*****	*****
	2027*	4.000	<u>200,000</u>	12/19/2016	100.000
			<u>\$1,000,000</u>		

EXHIBIT A

ESCROW AGREEMENT

Date: December 1, 2016

This Escrow Agreement is entered into by and between the City of Lake Jackson, Texas (the "City") a duly organized and political subdivision of the State of Texas, and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas as escrow agent (the "Escrow Agent"), a national banking association with trust powers duly organized and existing under the laws of the United States of America.

The Bank of New York Mellon Trust Company, N.A. serves as the paying agent for the City's Waterworks and Sewer System Revenue Bonds, Series 2007, dated April 15, 2007, in the original principal amount of \$2,000,000 (the "Series 2007 Bonds"). The City has elected to call for redemption the Series 2007 stated to mature on April 15, 2018 through 2027 in the aggregate principal amount of \$1,000,000 (the "Refunded Bonds") on November 15, 2016 (the "Redemption Date").

The Escrow Agent understands that The Bank of New York Mellon Trust Company, N.A. is the paying agent for the Refunded Bonds, that the Refunded Bonds will be called for redemption on the Redemption Date, and that the Refunded Bonds will be redeemed with proceeds from the City's Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016 (the "Bonds"), in exchange for the purchase price thereof which are scheduled for delivery on December 7, 2016 (the "Closing Date"). On the Closing Date, the Escrow Agent in reliance on the sufficiency certificate prepared by Hilltop Securities Inc., the City's Financial Advisor, attached hereto as Exhibit A, will receive via wire transfer \$_____ representing an amount equal to the principal amount, premium, if any, and interest to the Redemption Date of the Refunded Bonds.

After receipt of such amount on the Closing Date, the Escrow Agent agrees to hold \$_____ in cash in a segregated, collateralized, trust account (the "Escrow Fund"). Such amount in excess of FDIC coverage shall be fully collateralized. The Escrow Fund shall be invested, in whole or in part, upon the direction of the City only in direct obligations of the United States of America or its agencies and instrumentalities, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America which may be in book-entry form. The City intends that this deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds as required by the provisions of the laws of the State of Texas.

The City agrees to pay the Escrow Agent a reasonable fee for its services under this Escrow Agreement, which fee may be fixed by a separate agreement, but the agreement herein to pay such reasonable fee is deemed and confessed to be full and valid consideration to the Escrow Agent for its services hereunder. The Escrow Agent agrees that the fee for this Escrow Agreement shall be \$_____. This Escrow Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

The Escrow Agent shall act only in the capacity of an Escrow Agent and shall be responsible and liable solely for a faithful account of the funds and any earnings thereon. The Escrow Agent assumes no liability except as expressed in this Escrow Agreement and in the observance of due diligence in accordance with ordinary business practices.

The City may terminate this Escrow Agreement with the Escrow Agent by giving the Escrow Agent (a) 30 days written notice of termination and (b) an executed copy of an agreement with a successor escrow agent (which agent is qualified under Chapter 1207, as amended, Texas Government Code) of the City's choosing which provides that the funds shall be transferred and held by the successor escrow agent on terms and conditions substantially the same as herein provided. In addition, upon disbursement of all of the funds this Escrow Agreement shall terminate and the Escrow Agent shall provide the City with a final accounting of all of the funds disbursed from the Escrow Fund.

The Escrow Agent may consult with legal counsel in the event of a dispute or question as to the Escrow Agent's duties hereunder, and the Escrow Agent shall incur no liability and shall be fully protected in acting in accordance with the good faith, opinion and instruction of such counsel.

It is the intention of the City and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability for its good faith performance of any of its duties or the exercise of any of its rights and powers hereunder.

Should the Escrow Agent become involved in litigation in any manner whatsoever on account of this Escrow Deposit Agreement or the funds, in the absence of negligence or bad faith on the part of the Escrow Agent, the City hereby binds and obligates itself to pay, to the extent permitted by law, the Escrow Agent in addition to any charge made hereunder for acting as the Escrow Agent, reasonable attorney's fees incurred by the Escrow Agent, and any other disbursements, expenses, losses, costs, and damages in connection with and resulting from such litigation. The Escrow Agent's right to indemnification shall survive the resignation or removal of the Escrow Agent and the termination of this Escrow Deposit Agreement.

The Escrow Agent shall be protected in acting upon any written notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other paper or document which the Escrow Agent in good faith believes to be genuine and what it purports to be. The Escrow Agent shall have only those duties as are specifically provided herein, which shall be deemed purely ministerial in nature, and shall under no circumstance be deemed a fiduciary for any of the parties to this Escrow Deposit Agreement. The Escrow Agent shall neither be responsible for, nor chargeable with, knowledge of the terms and conditions of any other agreement, instrument or document between the other parties hereto, in connection herewith.

This Escrow Deposit Agreement sets forth all matters pertinent to the escrow contemplated hereunder, and no additional obligations of the Escrow Agent shall be inferred from the terms of this Escrow Deposit Agreement or any other agreement.

On the redemption date, December 19, 2016, the Escrow Agent is hereby irrevocably instructed to transfer from the balances in the Escrow Fund the amount required to pay the principal, premium, if any, and interest of the Refunded Bonds. Any balance remaining in the Escrow Fund after all final transfers have been made for the payment of such principal, premium, if any, and interest on the Refunded Obligations shall be transferred to the City, and the Escrow Agent shall there upon be discharged from any further duties pertaining to the Escrow Fund.

This Escrow Deposit Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, and all counterparts shall together constitute one and the same instrument.

EXECUTED as of the date first written above.

CITY OF LAKE JACKSON, TEXAS

By: _____

Name: _____

Title: _____

**BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION**
Dallas, Texas, as Escrow Agent hereunder

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT A

CERTIFICATE REGARDING SUFFICIENCY OF FUNDS FOR REFUNDED OBLIGATIONS

[See Tab No. ____]

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT (this "Agreement") is entered into as of December 1, 2016, by and between the CITY OF LAKE JACKSON, TEXAS (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, a national banking association, duly organized and existing under the laws of the United States of America (hereinafter designated as the "Bank").

RECITALS

WHEREAS, the City Council of the City has duly authorized and provided for the issuance of its "City of Lake Jackson, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016" (the "Bonds"), such Bonds to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Bonds are scheduled to be delivered to underwriter thereof as provided in the "Ordinance" (hereinafter defined);

WHEREAS, the City has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Bonds and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the City and has full power and authority to perform and serve as Paying Agent/Registrar for the Bonds;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I

**APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR**

Section 1.1 Appointment. The City hereby appoints the Bank to act as Paying Agent with respect to the Bonds, to pay to the Registered Owners of the Bonds in accordance with the terms and provisions of this Agreement and the Ordinance, the principal of, redemption premium (if any), and interest, on all or any of the Bonds.

The City hereby appoints the Bank as Registrar with respect to the Bonds.

The Bank hereby accepts its appointment, and agrees to act as Paying Agent and Registrar.

Section 1.2 Compensation. As compensation for the Bank's services as Paying Agent and Registrar, the City hereby agrees to pay the Bank the fees set forth in the Bank's fee schedule attached as "Exhibit A" hereto. The Bank reserves the right to amend the fee schedule at any time, provided the Bank shall have furnished the City with a written copy of such amended fee schedule at least 75 days prior to the date that the new fees are to become effective.

ARTICLE II

DEFINITIONS

Section 2.1 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank” means The Bank of New York Mellon Trust Company, NATIONAL ASSOCIATION, Dallas, Texas, a national bank duly organized and existing under the laws of the United States of America.

“Bond Register” means the system of registration kept by the Bank in which are maintained the names and addresses of, and principal amounts of the Bonds registered to, each registered owner.

“Bond” or “Bonds” means any one or all of the “City of Lake Jackson, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016.”

“City” means the City of Lake Jackson, Texas.

“Ordinance” means the ordinance passed by the City Council of the City on November 7, 2016 entitled “Ordinance Authorizing the Issuance of up to \$_____ City of Lake Jackson, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2016; An Escrow Agreement; A Paying Agent/Registrar Agreement; and Approving all Other Matters Related Thereto” pursuant to which the Bonds are issued.

“Paying Agent” means the Bank when it is performing the function of paying agent.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Registrar” means the Bank when it is performing the function of registrar associated with such term in this Agreement.

All other capitalized terms shall have the meanings assigned in the Ordinance.

ARTICLE III

DUTIES OF THE BANK

Section 3.1 Initial Delivery of Bonds. The Bonds will be initially registered and delivered to the underwriter designated by the City as set forth in the Ordinance. If such underwriter delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, exchange the Bonds initially delivered for Bonds of authorized denominations, registered in accordance with the instructions in such request and the Ordinance.

Section 3.2 Duties of Paying Agent. The Bank is authorized to transfer funds relating to the closing and initial delivery of the securities in the manner disclosed in the closing memorandum approved

by the City as prepared by the City's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

As Paying Agent, the Bank shall, provided adequate funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the principal of, redemption premium, if any, and interest, on each Bond in accordance with the provisions of the Ordinance.

Section 3.3 Duties of Registrar. As Registrar, the Bank shall provide for the proper registration of the Bonds and the exchange, replacement and registration of transfer of the Bonds, in accordance with the provisions of the Ordinance, and shall establish and maintain the Bond Register at the Bank's corporate trust office in Dallas, Texas.

Section 3.4 Unauthenticated Bonds. The City shall provide an adequate inventory of unauthenticated Bonds to facilitate transfers. The Bank covenants that it will maintain such unauthenticated Bonds in safekeeping and will use reasonable care in maintaining such Bonds in safekeeping, which shall be not less than the care it maintains for debt securities of other governmental entities or corporations for which it serves as registrar, or which it provides for its own bonds.

Section 3.5 Reports. The Bank will provide the City reports not less often than once each year, which reports will describe in reasonable detail all transactions pertaining to Bonds and the Bond Register. The City may also inspect and make copies of the information in the books of registration at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the content of the Bond Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a subpoena or court order or as otherwise required by law. Upon receipt of any such subpoena, court order, or lawful request for disclosure, the Bank will notify the City immediately so that the City will have the opportunity to, but shall not be required to, contest the subpoena, court order, or request.

Section 3.6 Canceled Bonds. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Bank and, if not already canceled, shall be promptly canceled by the Bank. The City may at any time deliver to the Bank for cancellation any Bonds previously authenticated and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Bank. All canceled Bonds held by the Bank shall be destroyed and evidence of such destruction furnished to the City; provided, however, that if laws or regulations prohibit the Bank from destroying the canceled Bonds, the Bank shall return the canceled Bonds to the City.

Section 3.7 Standards. The Bank undertakes to perform the duties set forth herein and in the Ordinance and agrees to use reasonable care in the performance thereof. The Bank hereby agrees to use the funds deposited with it for payment of the principal of and interest on the Bonds as the same shall become due.

Section 3.8 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank by the City.

(b) The Bank shall not be liable to the City for actions taken under this Agreement so long as it acts in good faith and exercises due diligence, reasonableness, and care, as prescribed by law, with regard to its duties hereunder.

(c) This Agreement is not intended to require the Bank to expend its own funds for performance of any of its duties hereunder.

(d) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys.

Section 3.9 Indemnification. To the extent permitted by Law, the Company shall indemnify, defend and hold harmless the Trustee, its directors, officer, employees, agents and affiliates (each an indemnified person) against all liabilities, expenses (including the fees and expenses of in house and outside counsel), judgments, claims, taxes (other than income taxes imposed on fees earned by the Trustee hereunder) and other losses of any kind whatsoever (losses) incurred by an indemnified person in connection with (a) the Trustee's execution, delivery and performance of the Trust Agreement, except with respect to any indemnified person to the extent that a court of competent jurisdiction determines that any such loss was due to the negligence or bad faith of such indemnified person, or (b) any action taken or inaction suffered by an indemnified person in connection with the Trust Agreement as the result of any instruction, order, request, notice or other communication from the Company.

Section 3.10 Depository/Information Services

(a) Money held by the Bank hereunder shall be held in trust for the benefit of the registered owners of the Bonds.

(b) The Bank shall be under no obligation to pay interest on any money received by it hereunder.

(c) All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the City.

(d) Except to the extent provided otherwise in the Ordinance, any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any Bond and remaining unclaimed for three years after the date such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

Section 3.11 Depository/Information Services.

(a) It is hereby represented and warranted that, in the event the Bonds are otherwise qualified and accepted for Depository Trust Company or equivalent depository trust service by other organizations, the Bank has the capability and, to the event within its control, will comply with all operational arrangements, procedures and requirements for such type depository trust services, including,

but not limited to, requirements for the timeliness of payments and funds availability, transferred turnaround time, and notification of redemptions and calls.

(b) Depositories will be given notice in accordance with the then current guidelines of the Securities and Exchange Commission (“SEC”) regarding redemptions/refundings and any other addresses or such other depositories as the City may designate in writing to the Paying Agent.

(c) Information services will be given notice in accordance with the then current guidelines of the SEC regarding redemptions/refundings and such other services providing information with respect to the called/refunded bonds.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1 Recitals of City. The recitals contained in the Ordinance and the Bonds shall be taken as the statements of City, and the Bank assumes no responsibility for their correctness.

Section 4.2 May Own Bonds. The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent and Registrar for the Bonds.

Section 4.3 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 4.4 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other

Section 4.5 Merger, Conversion, Consolidation, or Succession. Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

Section 4.6 Notices. Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown herein, or such other address as may have been given by one party to the other by 15 days written notice.

Section 4.7 Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 4.8 Successors and Assigns. All covenants and agreements herein by the City and the Bank shall bind their successors and assigns, whether so expressed or not.

Section 4.9 Severability. If any provision of this Agreement shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

Section 4.10 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 4.11 Ordinance Governs Conflicts. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent and Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 4.12 Term and Termination. This Agreement shall be effective from and after its date for so long as any of the Bonds remain outstanding, but may be terminated for any reason by the City or the Bank at any time upon 30 days written notice; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder. In the event of early termination regardless of circumstances, the Bank shall deliver to the City or its designee all funds, Bonds and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Bonds, including, but not limited to, the Bond Register.

Section 4.13 Governing Law. This Agreement shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement in several copies, each of equal dignity, as of the day and year first above written.

CITY OF LAKE JACKSON, TEXAS

By: _____
Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers, City Secretary

THE BANK OF NEW YORK MELLON,
TRUST COMPANY, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

EXHIBIT A
FEE SCHEDULE

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

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

Annual Financial Statements and Operating Data

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

1. The audited financial statements of the City for the most recently concluded fiscal year.
2. The information included in the Official Statement under the headings “THE SYSTEM”, “DEBT INFORMATION”, and “FINANCIAL INFORMATION”, in Tables 1 through 6, and in Appendix B.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, as such principles may be changed from time to time to comply with state law or regulation.

EXHIBIT D

NOTICE OF REDEMPTION

To the Holders of
THE FOLLOWING NAMED SERIES OF
CITY OF LAKE JACKSON, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2007
Dated April 15, 2007

NOTICE IS HEREBY GIVEN that the **CITY OF LAKE JACKSON, TEXAS** has called for redemption **ON DECEMBER 19, 2016 AT A PRICE OF PAR, PLUS ACCRUED INTEREST** the following described outstanding bonds (the "Obligations") of the above described series as follows:

MATURITY DATES	PRESENT CUSIP	PRINCIPAL
<u>(April 15)</u>	<u>NUMBERS</u>	<u>AMOUNT REDEEMED</u>
2018	510066LN1	\$ 100,000
2019	510066LP6	100,000
2020	510066LQ4	100,000
2021	510066LR2	100,000
2022	510066LS0	100,000
2023	510066LT8	100,000
****	*****	*****
2025*	510066LV3	200,000
****	*****	*****
2027*	510066LX9	200,000
TOTAL		<u>\$1,000,000</u>

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing THE BANK OF NEW YORK MELLON TRUST COMPANY, NATIONAL ASSOCIATION, Dallas, Texas, the Paying Agent for the Bonds, with funds sufficient to pay the redemption price of the Bonds equal to the principal amount of the Bonds and the interest thereon to the redemption date. In the event the Bonds, or any of them, are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the redemption date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

Please Note: THIS CONDITIONAL NOTICE OF REDEMPTION and the payment of the principal of and interest on the Defeased Bonds are subject to the issuance, sale, and delivery by the City of a sufficient principal amount of the City's refunding bonds on or before the redemption date. Delivery of such refunding bonds is subject to market conditions. In the event such refunding bonds are not so issued and delivered, the conditional redemption of the Defeased Bonds shall be null and void and of no force and effect, and any such Defeased Bonds delivered for redemption shall be returned to the respective Registered Owners thereof. In such case, said Defeased Bonds shall remain outstanding as though this Notice of Redemption had not been given.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

First Class/Registered/Certified

The Bank of New York
Global Corporate Trust
Post Office Box 2320
Dallas, Texas 75221-2320

Express Delivery Only

The Bank of New York
Global Corporate Trust
2001 Bryan Street, 9th Floor
Dallas, Texas 75201

By Hand Only

The Bank of New York
Global Corporate Trust
101 Barclay Street, 1st Floor East
New York, NY 10286

IMPORTANT NOTICE: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 and broker reporting requirements, the redeeming institution is required to withhold 30.50% of the principal amount of your holdings redeemed unless it is provided with a W-9 Form certifying your social security number or federal employer tax identification number.

EXECUTED UNDER MY HAND and seal of office this Ordinance Date.

/s/ Joe Rinehart
Joe Rinehart, Mayor, Lake Jackson, Texas

Any questions regarding this notice may be addressed to (800) 275-2048.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, NATIONAL ASSOCIATION**
as Paying Agent

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: LJVFD request for banners

Submitted by:

Expenditure Account:

Action Requested DISCUSS AND CONSIDER REQUEST BY THE LAKE JACKSON VOLUNTEER FIRE DEPARTMENT TO PLACE BANNERS AT FIRE STATION 1 AND 2 ONCE A QUARTER FOR 30 DAYS EACH TIME.

Alternatives:

Summary of Subject:

Please see attached email.

From: [Bill Yenne](#)
To: [Alice Rodgers](#); [Giani Cantu](#)
Subject: Fwd: November City Council meeting
Date: Saturday, October 22, 2016 9:28:16 AM
Attachments: [image002.png](#)

Sent from my iPhone

Begin forwarded message:

From: "Gann, Garry (G)" <GMGann@dow.com>
Date: October 22, 2016 at 5:55:46 AM CDT
To: Bill Yenne <wylene@lakejacksontx.gov>
Cc: "Kang, Danny (D)" <dkang1@dow.com>, "McCain, Jason (JD)" <JDMcCain@dow.com>
Subject: **November City Council meeting**

Bill, we would like to introduce the new fire department Rookie's at the next city council meeting. I believe the date is November 7th. We would also like to ask city council if we could post our banner asking for volunteers at each station once a quarter for 30 days at a time.

Garry Gann
جاري جان

Sr Production Technologist, M&E
Activity Coordinator / Gatekeeper
Polyethylene 5 & 6
gmgann@dow.com
979-238-5512
979-236-2993 cell
979-238-9335 fax



GO TEXANS!



City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Sign Ordinance: Increase of Banner Days

Submitted by: Modesto A. Mundo, Asst. City Mgr.

Expenditure Account:

Action Requested:

Discuss and consider proposed changes to the sign ordinance as it pertains to banners.

Alternatives:

Summary of Subject:

At your last Council meeting Mr. Fry with Urban Crest Apartments requested additional time to set out banners at the new Urban Crest apartments.

Currently we have applied the banner provisions for businesses to apartments and have allowed apartments to have banners for a total of sixty days. If a business or apartment has two banners then they will have 30 days per banner available for display. In the case of Urban Crest they have placed three 45 ft² on their property thus staff has given them 20 days per banner for display.

A quick survey of 10 surrounding and benchmark cities in our area reveal that we are about the middle of the pack in our banner provisions.

Attachments:

1. Lake Jackson Code of Ordinances: Sec. 78-13 (11)
2. Temporary Sign Survey
3. Lake Jackson Apartment Photos

Lake Jackson Code of Ordinances: Sec. 78-13

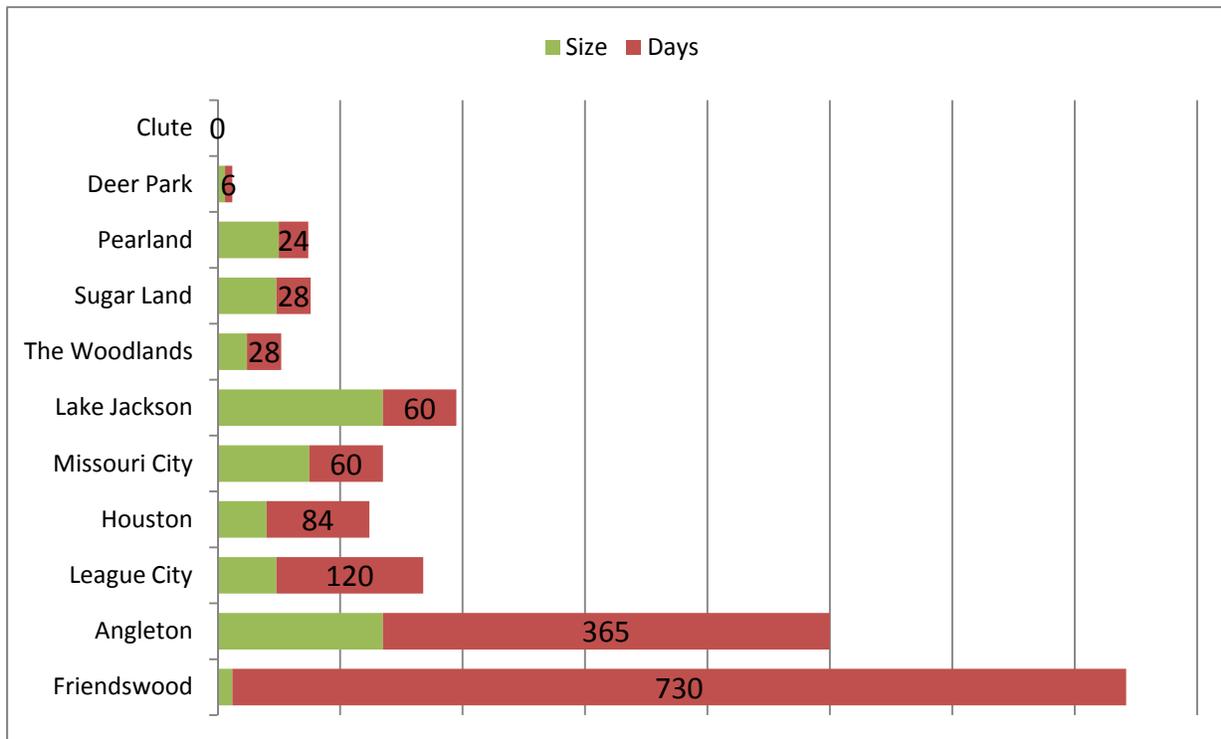
(11) Banners, except:

- a. As the city council may itself determine to erect for the general benefit of the city as a whole; or
- b. For businesses, for a period not to exceed a cumulative total of sixty (60) days pro rata per calendar year. If a business opens in November or December, an extra ten (10) days display time will be given to the business for that calendar year.
 1. This period of time may be extended with permission of city council for significant events that exceed the given time period.
 2. (a) Business operators of single occupancy structures may display more than one banner at a time.
 - (b) Business operators of multi-occupancy structures may only display one (1) banner per individual business at any one (1) time and the banners may only be attached to that business' storefront or to lease space area.
 - (c) Business operators of multi-occupancy structures may allow a tenant of the multi-occupancy structure to display a banner in front of the structure, rather than in front of the tenant's storefront or lease space area. However, the tenant's banner will be counted towards the business operator's sixty-day limit.
 3. Each separate banner shall require a separate permit and shall count separately toward the cumulative time period allowed per year. Therefore, if a business opens at the beginning of July, that business operator will have thirty (30) days left in the year to display a banner. If the operator displays two (2) banners at one (1) time, that operator will have fifteen (15) days per banner available for display.
 4. For buildings where a real estate sign must be in banner form due to the environment surrounding the building, a real estate banner may remain until ten (10) days after the building is leased or sold. The size of the real estate banner must conform to the Table of Basic Design Elements for Freestanding and Monument Signs as stated in section 78-10 of this chapter.
 5. If an extended event occurs in the city, such as road construction, and this event affects businesses in a particular area of town, the city council may give the city manager authority to issue thirty-day renewable banner permits to affected businesses. These banners shall not affect the sixty-day banner limit.
 6. If an unforeseen event occurs, such as a sinkhole, the city manager has the authority to issue thirty-day renewable banner permits to affected businesses. City council will review the city manager's decision at the next scheduled council meeting. These banners shall not affect the sixty-day banner limit.
 7. Affected businesses shall mean businesses whose store fronts are visually or physically obstructed due to the event or whose entrances are changed or diminished due to the event.
 8. All banners must be erected on the business' property.
 9. Banners must remain in good condition (not tattered, unanchored, faded, frayed, or unsightly).
 10. A permit is required.

Temporary Sign Survey 2016

Banners for Multi-Family - Quick Summary

Allowed Total Days Size	Angleton	Clute	Deer Park	Friendswood	Houston
	Yes	No	Yes	Yes	Yes
	365 days		6 days	730 days	84 days
	Unlimited		6 ft ²	6 ft ² (2)	40 ft ²
			Grand Opening	7 days/mo	
Lake Jackson	League City	Missouri City	Pearland	Sugar Land	The Woodlands
Yes	Yes	Yes	Yes	Yes	Yes
60 days	Bldg - 30 days Stake - 7 days	60 days	24 days	28 Days 2 x 14 days	28 days
Unlimited	48 ft ²	75 ft ²	50 ft ²	Unlimited	24 ft ²
	4 x per year	15 consecutive		1 Banner	Grand Opening



Lake Jackson

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
100 ft ² 4:1 height/width or width/height	Not Addressed	Yes 6	Not Addressed	Not Addressed
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes 60 days pro rata No Size Limit	Yes 1	Yes 8 ft ² Not obstruct light	Yes 30 days
Definitions				

Banner: Means a graphic composed primarily of cloth, paper, fabric or other similar non-rigid material, supported by wire, rope, poles or other similar means, not including decorative streamers with no lettering thereon.

Flag (private): Means a piece of fabric of distinctive design meant to draw attention to the main entrance of an apartment complex, hotel, church, nursing home, home for the aged, or business.

Pole banner: Means a street graphic that is painted or otherwise permanently affixed upon cloth or other flexible material and which is vertically mounted on or hung from a single light pole.

Spinners and pennants: Means any sign, display or attention-seeking device (that is not a flag) which spins or flutters when contacted by air currents or is propelled by a mechanic fan, or which makes noise when spinning. Balloons are also included in this definition if they flutter or move in air currents.

Angleton

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
24 ft ² Monument or wall	Yes 1 banner 365 days if maintained		Yes 1 banner 365 days if maintained	Yes 1 pennant 365 days if maintained
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes 1 banner 365 days if maintained		Yes 1 banner 365 days if maintained	Yes 1 pennant 365 days if maintained
Definitions				

Flag: Shall mean a cloth flown as an emblem, often rectangular and flown from a pole, carrying a distinctive design and used as an emblem or for signaling.

Flag banners: Shall mean any flag banner (teardrop flags, feather flags) made of cloth, canvas, plastic or other flexible material, with or without a frame or other supporting structure, that moves or is designed or intended to move or blow in the wind.

Flagpole: Shall mean a freestanding structure permanently mounted on the ground and designed and constructed for the purpose of having flags.

Inflatables: Shall mean any device propelled by a mechanical fan.

Pole banners: Shall mean a portable banner not attached to a building that spins or flutters when contacted by air current (which includes tear drop and feather flags).

Spinners and pennants: Shall mean any sign, display or attention-seeking device (that is not a flag) which spins or flutters when contacted by air currents but is not propelled by a mechanical fan, or which makes noise when spinning. Balloons are also included in this definition if they flutter or move with air currents but are not attached to a building.

Temporary sign: Means any sign constructed of cloth, canvass, light fabric, cardboard, wallboard, or other light materials with short life expectancies. A portable sign shall not be considered a temporary sign.

Contact Notes: Code Enforcement treats multi-family like a business when it comes to signs.

Clute

Multi-Family

Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
	No		No	No

Business

	Banner	Private Flag	Pole Banner	Pennant/Balloon
	No		No	No

Definitions

Banner: Means a temporary graphic composed primarily of cloth, paper, fabric or other non-rigid material, supported by wire, rope or other similar means, not including decorative streamers with no lettering, suspended along or across a building or public street.

Spinner or pennant: Means any sign, display or attention-seeking device that spins or flutters when contacted air currents or is prohibited by mechanical fan, or which makes noise when spinning.

Contact Notes: Planning Department stated that they do not allow banners except for over roadway.

Deer Park

Multi-Family

Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
	No		No	No

Business

	Banner	Private Flag	Pole Banner	Pennant/Balloon
	No		No	No

Definitions

Temporary sign: Means any sign constructed of cloth, canvas, light fabric, cardboard, wallboard, vinyl, plastic or other light materials, not to exceed six square feet in size. A portable sign shall not be considered a temporary sign.

Contact Notes: No contact (281) 478-7237

Friendswood

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
Allow changeable copy sign 6 ²	Yes 6 ft ² 2 Years	Yes 1	No	No
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	No GO/Temp 32 ft ² 14 & 21 days	Yes 1	No	No
Definitions				

Banner sign: Shall mean a temporary sign made of fabric or other non-rigid material that is fire retardant.

Flagpole: Shall mean a freestanding structure permanently mounted on the ground and designed and constructed for the purpose of hanging flags.

Grand opening: Shall mean the formal offering by a new business of its goods, wares, merchandise, service, entertainment, or activity.

Temporary sign: Shall mean any sign constructed of materials with short life expectancies. A portable sign shall not be considered a temporary sign.

Multifamily units:

- (1) Allowed: Two temporary signs shall be allowed for each complex in order to give information concerning leasing, renting, selling, or financing of the unit on the property upon which sign is erected.
- (2) Location: On the property where each complex is located.
- (3) Size: Not to exceed six square feet in sign area.
- (4) Removal: [Signs] must be removed within ten days after the time that the leasing, renting, selling or financing of all the units in each complex occurs.
- (5) Permits: Not required.

Contact Notes: Cathy Gray (281) 996-3205

Houston

Multi-Family

Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon

Business

	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes 40 ft ² 7 days in 30 day period (\$150)			

Definitions

League City

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	4 permits per year		No	Wind Flag – 4 per lot
	On bldg – 30 days			Business Hours Only
	On stake – 7 days 48 ft ²			39 ft ² per flag
Definitions				

Temporary sign: Any sign that is not intended for permanent use and that is typically utilized for advertisement of seasonal specials or special events. Temporary signs include, but are not limited to, banners, inflatable devices, and wind flags, etc.

Contact Notes: No contact (281) 554-1429

Missouri City

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes On bldg – 60 days 15 consecutive max 75 ft ²	Yes 3	No	No
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes On bldg – 60 days 15 consecutive max 75 ft ²	Yes 3	No	No
Definitions				

Contact Notes: Jennifer Gomez (281) 403-8547

Pearland

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes On Bldg - 24 days 50 ft ²			
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes On Bldg - 24 days 50 ft ²			
Definitions				

Business Opening Sign: A sign placed on non-residential real property announcing the opening for business of the non-residential use located thereon shall be allowed subject to the following conditions:

- a. The sign must be displayed continuously for not more than ninety (90) days during the permissible display period beginning upon issuance of the building permit and ending one month after issuance of the certificate of occupancy for the use.
- b. The sign may not exceed six feet (6') in height or thirty-two square feet (32ft²) in area per sign face.
- c. Only one such sign is allowed per street frontage of the property, with a maximum of two per property.

Contact Notes: Alex Rodriguez (281) 652-1636

Sugar Land

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
36" Monument Sign	Yes 28 days or 2 x 14 days	Yes 60 ft ² 3 Flags		Yes 28 days or 2 x 14 days
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Yes 28 days or 2 x 14 days	Yes 60 ft ² 3 Flags		Yes 28 days or 2 x 14 days
Definitions				

Balloon Sign: Means an inflatable bag made of nonporous material that is filled with air or gas. Balloon Signs are a type of Wind Device Sign

Banner Sign: Means a Sign with or without characters, letters, illustrations, or ornamentations applied to cloth, paper, flexible plastic, or fabric of any kind with only such material for backing. Banner Signs are a type of Wind Device Sign and includes pennants and streamers.

Flagpole: Means a freestanding pole with an attached lanyard that is permanently affixed to the ground or a building and is designed for and is intended to be used for the display of 1 or more flags.

Flag Sign: Means a flexible fabric material, usually rectangular in shape, that is specifically designed for display by attaching it to the lanyard of a flagpole.

Pennant Sign: Means any lightweight plastic, fabric, or other material, whether or not containing a message of any kind, suspended from a rope, wire, string, stake or temporary pole, usually in a series, designed to move in the wind. Pennants also include streamers and are a type of Banner Sign.

Wind Device Sign: Means any Banner, Pennant, Balloon or similar Sign made of cloth, canvas, plastic or other flexible material, with or without a frame or other supporting structure, that moves or is designed or intended to move or blow in the wind.

Contact Notes: Stacy (281) 275-2218

The Woodlands

Multi-Family				
Permanent Sign	Banner	Private Flag	Pole Banner	Pennant/Balloon
Monument Sign	Grand Opening 24 ft ² (1 sign) 28 days	3	No	No
Business				
	Banner	Private Flag	Pole Banner	Pennant/Balloon
	Event Only 32 ft ² (1 sign) 7 days + event	3	Yes Light Pole Holiday Only	No
Definitions				

Contact Notes: Cathleen Eaton (281) 210-3915

Montgomery County, PA – Model Sign Ordinance

Definitions

Balloon Signs: A lighter-than-air, gas-filled balloon, tethered in a fixed location, which contains an advertisement message on its surface or attached to the balloon in any manner.

Banner: Any cloth, bunting, plastic, paper, or similar non-rigid material attached to any structure, staff, pole, rope, wire, or framing which is anchored on two or more edges or at all four corners. Banners are temporary in nature and do not include flags.

Flag: Any sign printed or painted on cloth, plastic, canvas, or other like material with distinctive colors, patterns, or symbols attached to a pole or staff and anchored along only one edge or supported or anchored at only two corners.

Limited Duration Sign: A non-permanent sign that is displayed on private property for more than 30 days, but not intended to be displayed for an indefinite period.

Pennant: A triangular or irregular piece of fabric or other material, commonly attached in strings or strands, or supported on small poles intended to flap in the wind.

Streamers: A display made of lightweight, flexible materials, consisting of long, narrow, wavy strips hung individually or in a series, with or without a logo or advertising message printed or painted on them and typically designed to move in the wind.

Street Pole Banner: A banner suspended above a public sidewalk and attached to a single street pole. These signs shall not contain any commercial advertising.

Temporary Sign: A type of non-permanent, sign that is located on private property that can be displayed for no more than 30 consecutive days at one time.

Examples



A banner sign used to promote a seasonal event.



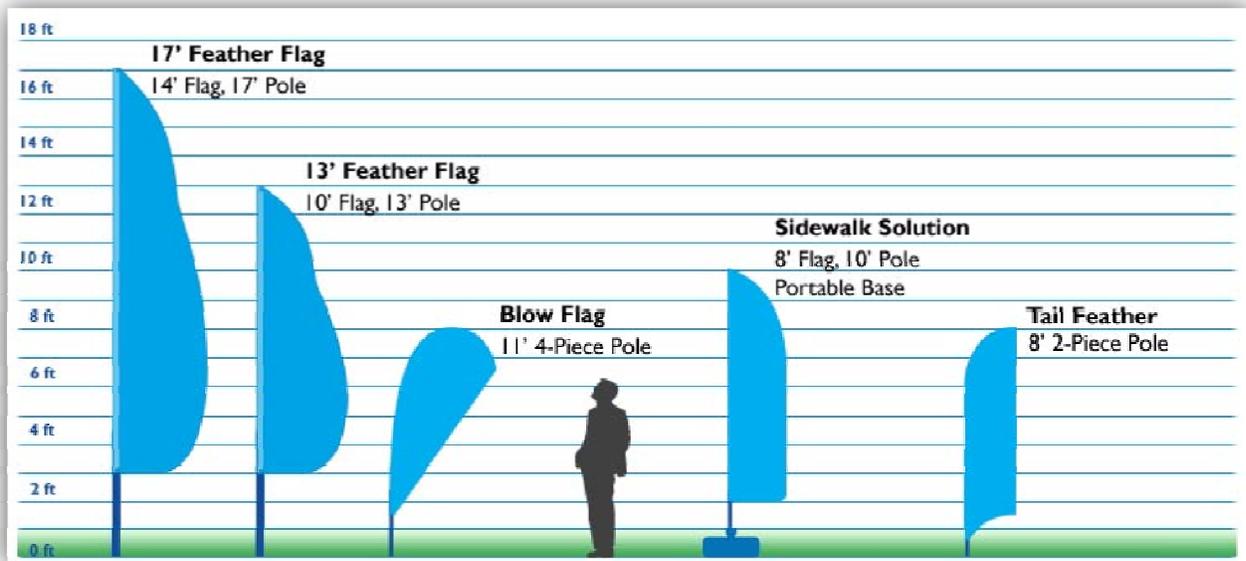
Pennant

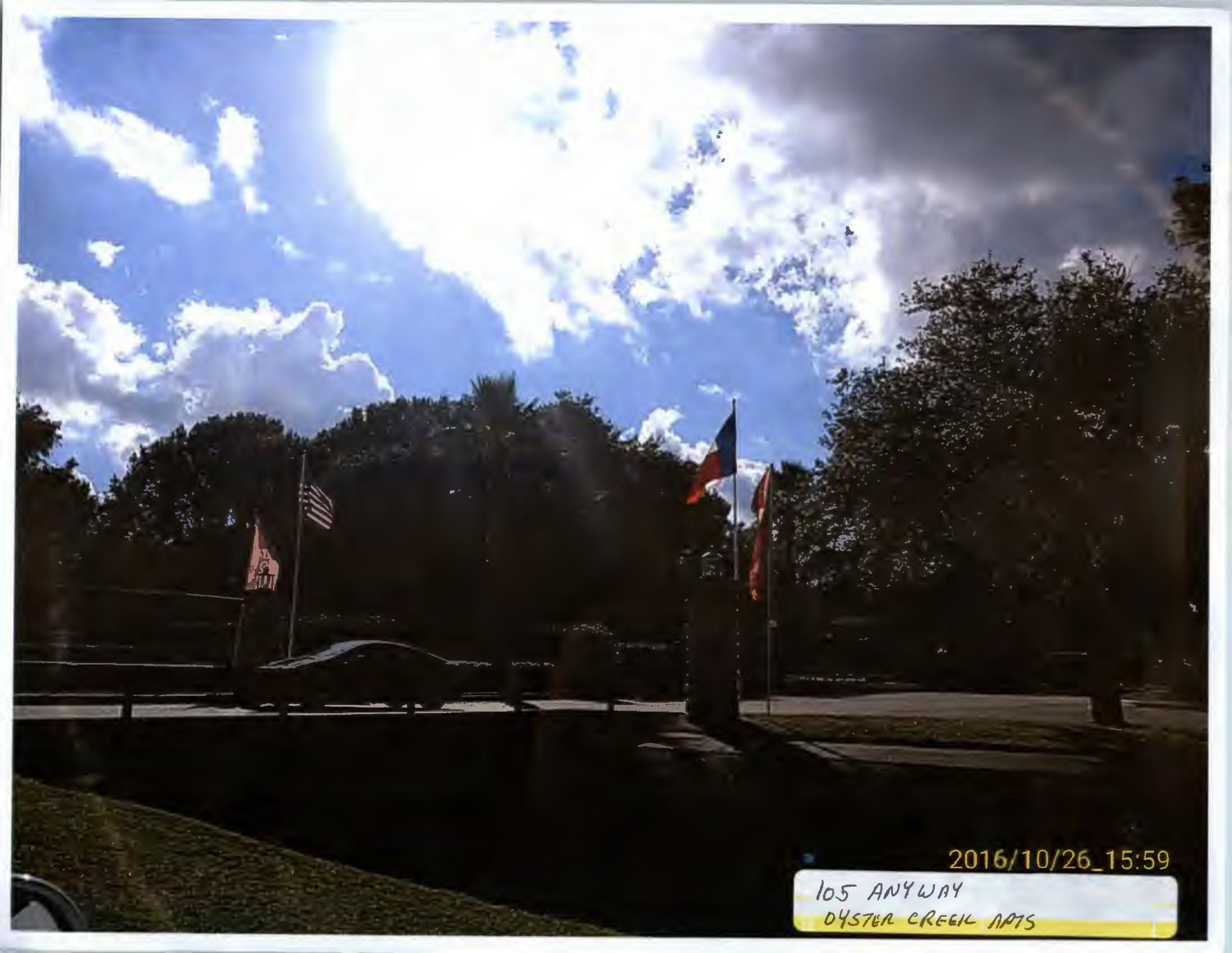


Flag



Is this a banner or a flag?





2016/10/26_15:59

105 ANYWAY
OYSTER CREEK ARTS



2016/10/26_15:23

415 GARLAND
TREASURE BAY



2016/10/26_15:12

504 HWY 332
VILLAGES



LIMITED TIME
RENOVATION SPECIAL
Be the FIRST to live in our
FULLY RENOVATED APARTMENTS
Get \$1200 OFF
RENT NOW

2016/10/26_15:19

127 PLANTATION
OAKS OF FINGERIDGE



STOP

STAY OFF FROM LAWN

2016/10/26_15:16
127 PLANTATION DR.
OAKS APTS

NOW LEASING

2016/10/26_15:17

111 LOGAN BERRY
GATEWAY

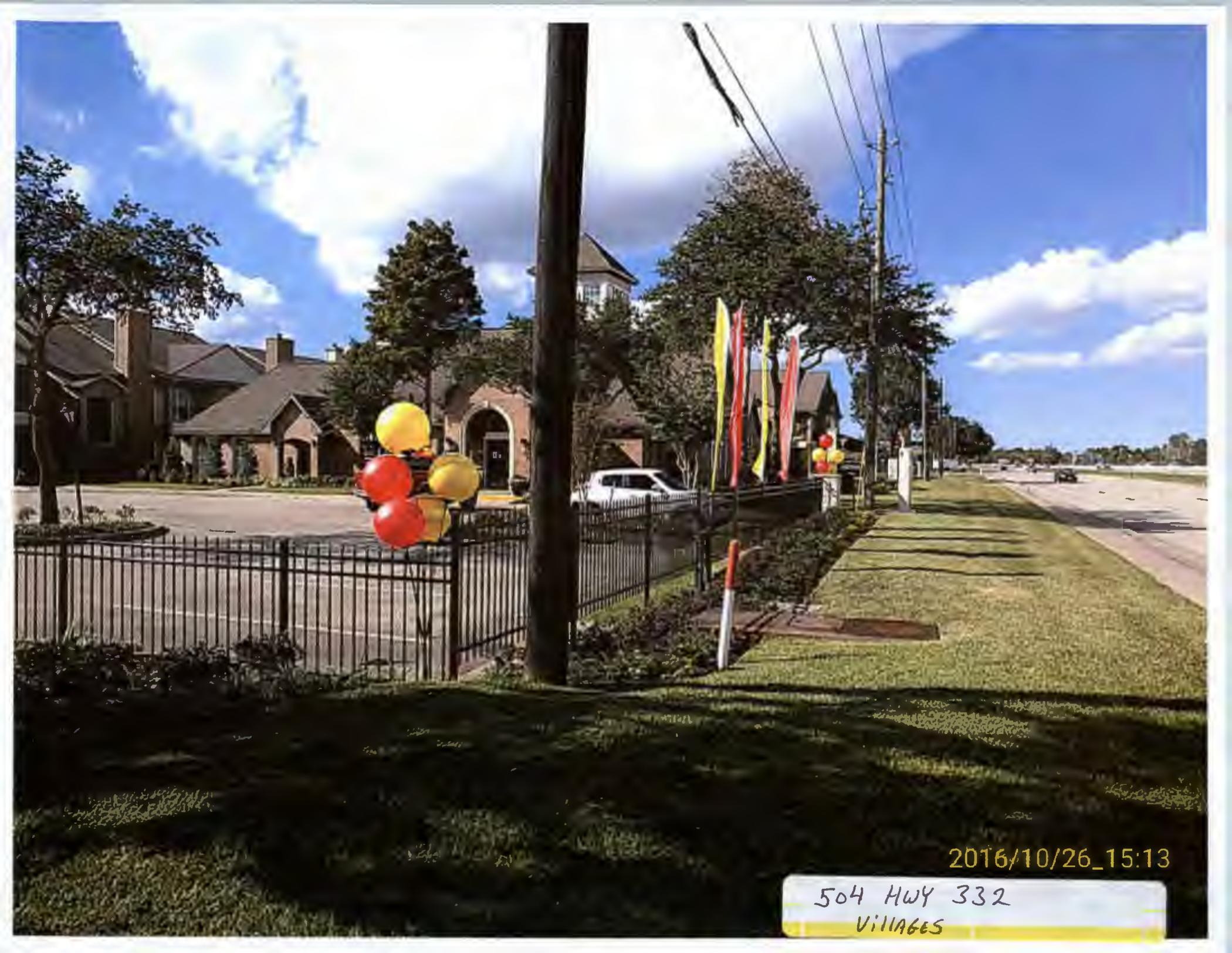


2016/10/26_15:15
PIANTATION PARK
100 CACTUS

Clintco
10000 HWY 332
CLINTON, MO 64705

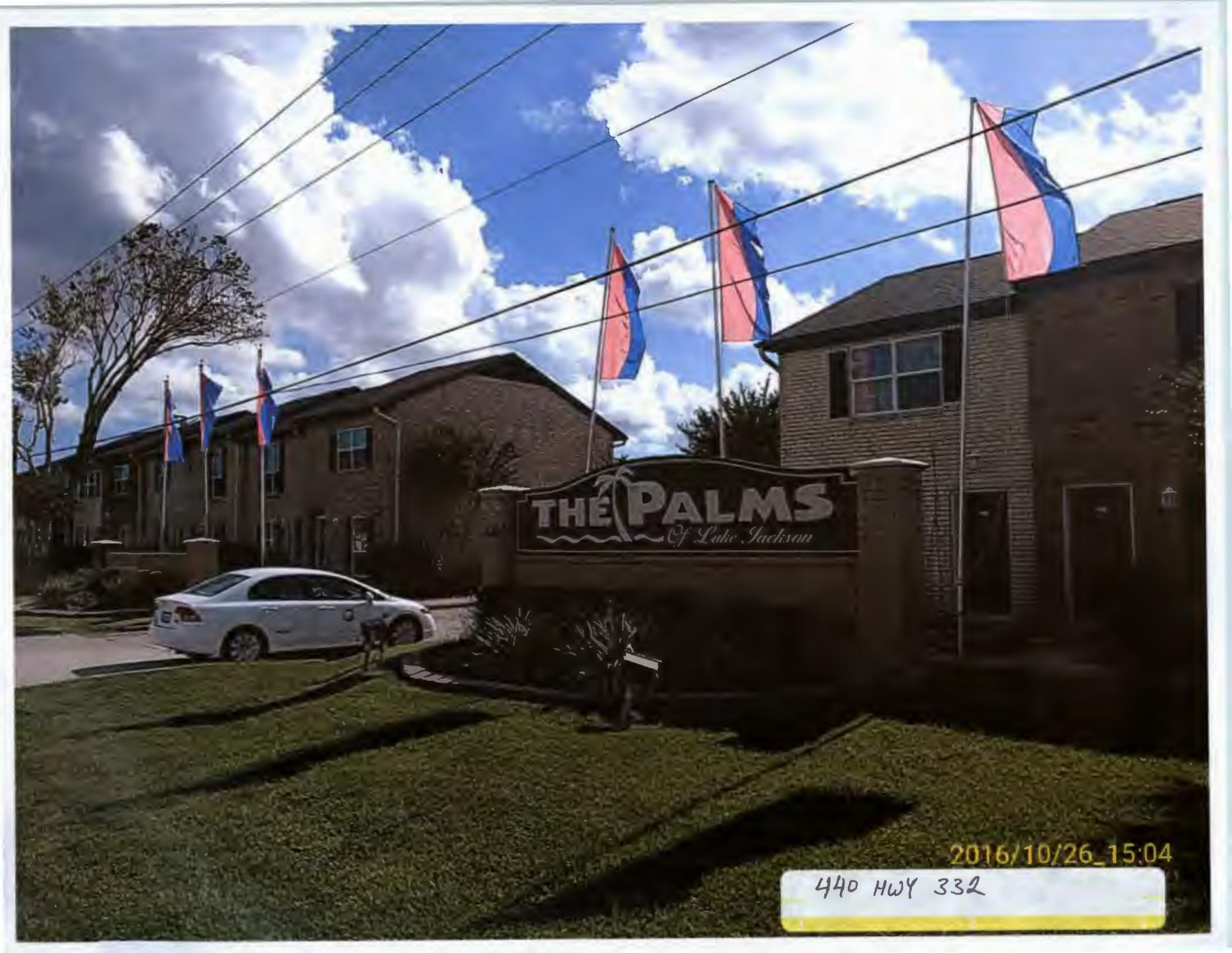
2016/10/26_15:06

460 HWY 332



2016/10/26_15:13

504 HWY 332
VILLAGES



2016/10/26_15:04

440 HWY 332

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Discuss and consider an ordinance amending Ch. 98 of the Code of Ordinances to prohibit a left turn from That Way into the circular drive at Bess Brannen Elementary School – First Reading

Submitted by: Sherri Russell

Expenditure Account:

Action Requested: Approval

Alternatives:

Summary of Subject: There was slight error in the drafting of the no left turn ordinance for Bess Brannen.

ORDINANCE NO. 16-2122

AN ORDINANCE OF THE CITY OF LAKE JACKSON, TEXAS, AMENDING CHAPTER 98 TRAFFIC AND VEHICLES TO PROHIBIT A LEFT TURN FROM SOUTH BOUND THAT WAY INTO THE CIRCULAR DRIVE AT BESS BRANNEN ELEMENTARY SCHOOL; AND AUTHORIZING THE PLACEMENT OF SIGNS; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith SHALL BE REPEALED TO THE EXTENT OF THE CONFLICT ONLY; PROVIDING FOR A PENALTY; PROVIDING A SAVINGS CLAUSE; AND SUSPENDING THE CHARTER RULE REQUIRING THAT THE ORDINANCE BE READ AT TWO SEPARATE REGULAR MEETINGS

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

Section 1. That section 98-129.5 is hereby amended to read as the follow:

Sec. 98-129.5. Left turn only zones designated.

The following are designated as left turn only lanes:

The left and middle lanes of north bound Yaupon Street at its intersection with FM2004.

The left lane of west bound Plantation at its intersection with Oleander.

~~South bound That Way into the circular drive of Bess Brannen Elementary School.~~

Section 2. That section 98-129.3 is hereby amended to read as follows:

(a) It shall be illegal for a driver to turn left onto That Way from the exit lane of the circular drive in front of Bess Brannen Elementary School from the hours of 7:00 a.m. to 8:30 a.m. and 2:45 p.m. to 4:00 p.m. on school days.

(b) It shall be illegal for a driver to turn left from south bound That Way into the circular drive of Bess Brannen Elementary School.

Section 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4: The Chief of Police is hereby directed to place and maintain, or to cause to be placed and maintained, the appropriate signs as authorized by the Texas Manual on Uniform Traffic Control Devices at the designated locations.

Section 5: Any person, firm, corporation, association or other entity that violates this ordinance shall be subject to the maximum fine set forth in section 542.401 of the Texas Transportation Code.

Section 6: If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

Section 7: For the safety and welfare of the children of this City, upon the affirmative vote of all Council members present, the rule requiring ordinances to be read on two separate regular meetings is hereby suspended and this ordinance shall be passed and become effective from and after the date of its adoption on its first reading.

Section 8: The City Secretary shall publish the caption of this ordinance within ten (10) days of final passage in the official newspaper of the City. This ordinance shall take effect and be in force five (5) days after publication in accordance with Section 3-15 of the Charter of the City of Lake Jackson, Texas.

PASSED AND ADOPTED on the 7th day of November, 2016.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Discuss and consider an ordinance amending Ch. 98 Traffic and Vehicles to limit the parking of boats and trailers on residential streets to four hours and only while loading and unloading – First Reading

Submitted by: Sherri Russell

Expenditure Account:

Action Requested: Approval

Alternatives:

Summary of Subject: This change will result in the following:

	Type of Vehicles	Non-residential parking hours	Residential parking hours
98-131	Passenger motor vehicles and motorcycles	48	72/48/20
98-152	Boats and trailers	n/a	4 hours while loading or unloading
98-153	RVs	n/a	0
98-154	Commercial	n/a	During service

ORDINANCE NO. 16-2120

AN ORDINANCE OF THE CITY OF LAKE JACKSON, TEXAS, AMENDING CHAPTER 98 TRAFFIC AND VEHICLES TO THE CODE OF ORDINANCES TO RESTRICT THE AMOUNT OF TIME BOATS AND TRAILERS MAY BE PARKED ON RESIDENTIAL STREETS; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH SHALL BE REPEALED TO THE EXTENT OF THE CONFLICT ONLY; PROVIDING FOR A PENALTY; PROVIDING A SAVINGS CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FIVE DAYS AFTER PUBLICATION

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

Section 1: That Section 98-1 of the Code of Ordinances of the City of Lake Jackson is hereby amended to add the following:

Sec. 98-1. Definitions.

Passenger motor vehicle means a passenger car, light truck, sport utility vehicle, motorcycle or passenger van designed to transport 15 or fewer passengers, including the driver.

Section 2: That section 98-131 of the Code of Ordinances of the City of Lake Jackson is hereby amended to read as the follows:

Sec. 98-131. Extended parking for passenger motor vehicles.

(a) Applicability.

This section applies to passenger motor vehicles and motorcycles. For the parking of boats, trailers, commercial vehicles, or recreational vehicles, see section 98-152, et seq.

(b) *Nonresidential Areas*

Passenger motor vehicles ~~or trailers~~ may not be parked on streets in nonresidential areas for more than 48 consecutive hours.

(c) *Residential Areas*

The following restrictions apply to parking on streets in residential areas:

- (1) A passenger motor vehicle ~~or trailer~~ may be parked for up to 72 consecutive hours on that portion of the street that lies alongside residential property the owner or operator of the vehicle owns or occupies.
- (2) A passenger motor vehicle ~~or trailer~~ may be parked for up to 72 consecutive hours on that portion of the street that lies alongside residential property if the owner or operator of the vehicle has permission to park from the owner or occupant of said residential property.
- (3) Disabled passenger motor vehicles may be parked on a street for no more than 48 hours if such motor vehicle is protected by flares or other approved signal devices.

- (4) A passenger motor vehicle ~~or trailer~~ may not be parked on that portion of the street that runs alongside residential property that person does not own or occupy or does not have permission to park on from the owner or occupant of said property except for once every 7 days for no more than 20 consecutive hours.
- (5) Passenger motor vehicles ~~and trailers~~ on all other areas of residential streets may not be parked for more than 72 consecutive hours.
- (6) Passenger motor vehicles may not be parked in a manner that causes any part of the passenger motor vehicle to extend over a sidewalk. On a residential lot with no sidewalk, no passenger motor vehicles shall be parked within a five (5) foot setback from the curb edge (that edge of the curb closest to the house).

Section 3. That Division 3 of Chapter 98 shall be renamed as follows:

Division 3: Parking of Boats, Trailers, Recreational or Commercial Vehicles in Residential Areas

Section 4: That section 98-152 shall be amended to read as follows:

Sec 98-152 Parking of Vehieles-Boats and trailers.

(a) No ~~vehiele boat or trailer~~ may be parked on a residential ~~city~~ street ~~pavement longer than 20 continuous hours. for a period of time longer than is necessary for the expeditious loading or unloading of passengers, equipment, or materials. In no case shall the boat or trailer be parked on the residential street for more than four (4) hours.~~

(b) ~~No vehicular parking shall be permitted on any sidewalk and no vehicular part~~ Boats and trailers may not be parked in a manner that causes any part of the boat or trailer to shall extend over a sidewalk. On a residential lot with no sidewalk, no vehicles shall be parked within a five (5) foot setback from the curb edge (that edge of the curb closest to the house).

(c) To the extent of conflict of any other parking ordinances in the city code, this section is intended to prevail.

Section 5: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 6: A violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-5 of the Code of Ordinances of the City of Lake Jackson.

Section 7: If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

Section 8: The City Secretary shall publish the caption of this ordinance within ten (10) days of final passage in the official newspaper of the City. This ordinance shall take effect and be in

force five (5) days after publication in accordance with Section 3-15 of the Charter of the City of Lake Jackson, Texas.

PASSED on the first reading this 7th day of November 2016.

PASSED AND APPROVED on second reading this _____ day of _____, 2016.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Discuss and consider an ordinance amending Ch. 62 of the Code of Ordinances to limit garage sales to three days and twice a year – First Reading

Submitted by: Sherri Russell

Expenditure Account:

Action Requested: Approval

Alternatives:

Summary of Subject: This draft limits garage sales to three days and twice a year. The sign ordinance also needs to be amended so that garage sales signs may be displayed for the length of the garage sale.

ORDINANCE NO. 16-2121

AN ORDINANCE OF THE CITY OF LAKE JACKSON, TEXAS, AMENDING CHAPTER 62 OFFENSES AND MISCELLANEOUS PROVISIONS TO THE CODE OF ORDINANCES TO LIMIT GARAGE SALES TO THREE CONSECUTIVE DAYS; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HERewith SHALL BE REPEALED TO THE EXTENT OF THE CONFLICT ONLY; PROVIDING FOR A PENALTY; PROVIDING A SAVINGS CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FIVE DAYS AFTER PUBLICATION

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

Section 1: That Chapter 62 of the Code of Ordinances of the City of Lake Jackson is hereby amended to add the following:

Sec. 62-15. Garage Sales

(a) *Garage sale means a sale of merchandise conducted on a residential property to the general public. This term includes yard sales, estate sales, neighborhood sales, or any other similar activity.*

(b) *A garage sale may be conducted from a residence twice a year. A garage sale may not last more than three (3) consecutive days.*

(c) *The merchandise may be exhibited or displayed on the private property where the residence is located, but not closer than five (5) feet to the front or side property lines.*

(d) *Garage sale signs must comply with Ch. 78.*

Section 2: That section 78-9(6) is hereby amended to read as follows:

(6) Garage sale signs may be placed for ~~no more than two (2) days~~ the duration of the garage sale on the premises of the garage sale.

Section 3: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 4: A violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-5 of the Code of Ordinances of the City of Lake Jackson.

Section 5: If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

Section 6: The City Secretary shall publish the caption of this ordinance within ten (10) days of final passage in the official newspaper of the City. This ordinance shall take effect and be in force five (5) days after publication in accordance with Section 3-15 of the Charter of the City of Lake Jackson, Texas.

PASSED on the first reading this 7th day of November 2016.

PASSED AND APPROVED on second reading this _____ day of _____, 2016.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Discuss and consider an ordinance amending Ch. 98 of the Code of Ordinances to prohibit parking from 304\306 and 305\307 Arrow Wood to Anchusa during school zone hours – First Reading

Submitted by: Sherri Russell

Expenditure Account:

Action Requested: Approval

Alternatives:

Summary of Subject: This ordinance will prohibit parking from 7:00 to 8:30 and from 3:00 to 4:15.

ORDINANCE NO. 16-2123

AN ORDINANCE OF THE CITY OF LAKE JACKSON, TEXAS, AMENDING CHAPTER 98 TRAFFIC AND VEHICLES TO DESIGNATE THAT PORTION OF ARROW WOOD FROM THE 304/306 LOT LINE AND THE 305/307 LOT LINE TO ITS INTERSECTION WITH ANCHUSA DURING SCHOOL ZONE HOURS; PROVIDING THAT ALL ORDINANCES OR PARTS OF ORDINANCES IN CONFLICT HEREWITH SHALL BE REPEALED TO THE EXTENT OF THE CONFLICT ONLY; PROVIDING FOR A PENALTY; PROVIDING A SAVINGS CLAUSE; AND PROVIDING THAT THIS ORDINANCE SHALL TAKE EFFECT AND BE IN FORCE FIVE DAYS AFTER PUBLICATION

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

Section 1: That section 98-129.1(a) of the Code of Ordinances of the City of Lake Jackson is hereby amended to add the following:

Arrow Wood, from **THE** 304/306 lot line and the 305/307 lot line on Arrow Wood to its intersection with Anchusa during split day school zone hours, K-4th.

Section 2: All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict only.

Section 3: A violation of this ordinance shall be a Class C misdemeanor and the penalty for violating this ordinance shall be as provided for in Sec. 1-5 of the Code of Ordinances of the City of Lake Jackson.

Section 4: If any part or portion of this ordinance shall be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect or impair any remaining portions or provisions of this ordinance.

Section 5: The City Secretary shall publish the caption of this ordinance within ten (10) days of final passage in the official newspaper of the City. This ordinance shall take effect and be in force five (5) days after publication in accordance with Section 3-15 of the Charter of the City of Lake Jackson, Texas.

PASSED on the first reading this 7th day of November 2016.

PASSED AND APPROVED on second reading this day of 2016.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Discuss and consider a resolution to approve the Update to the City Employee Handbook and Safety Manual.

Submitted by: Jose Sanchez, Personnel Director

Expenditure Account: Not Applicable

Action Requested: Approve City Employee Handbook and Safety Manual Policy Update

Alternatives: Disapprove

Summary of Subject: Vision Element: Attract and retain employees with benefits.

Goal: Be competitive with surrounding employers and municipalities for quality personnel.

Below is a result quick survey of surrounding municipalities and employers.

City of Alvin – 0 weeks.

City of Clute – 0 weeks.

City of Freeport – 0 weeks.

City of Galveston – 0 weeks.

City of Missouri City – 0 weeks.

City of Seabrook – 0 weeks.

City of West University – 0 weeks.

City of Austin – 6 weeks paid leave.

City of San Antonio – 6 weeks paid leave.

AIG – 8 weeks paid leave.

DOW – 12 weeks paid leave for birthing mothers and 2 weeks paid leave for other parents.

POLICY & PROCEDURE MANUAL

Section: Approved Leave
Policy: Parental Leave
Policy No: 1109
Effective: November 2016
Revised: November 2016

PARENTAL LEAVE

I. DEFINITIONS

Paid parental leave is available to mothers and fathers for the birth of the employee's child or the placement of a child with the employee for adoption or foster care without regard to the marital status or sexual orientation of the parenting individual.

II. ELIGIBILITY

Employees are eligible to take parental leave if they have been employed by the City for at least twelve (12) months and have worked at least 1,250 hours for the City in the twelve (12) months preceding the leave requested.

III. LEAVE PROVISIONS

The paid parental leave benefit:

- a. 30 working days for a maximum of 240 hours (six weeks) for employees who are pregnant with a child.
- b. 15 working days for a maximum of 120 hours (three weeks) for all other employees who qualify for parental leave.

Parental leave must be taken within the FMLA period associated with the date of the birth or placement of a child for adoption or foster care. Parental leave runs concurrently with FMLA. Employees must take parental leave consecutively.

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 07, 2016

**Subject: Budget Amendment FY 2016-17
Body Camera Grant**

**Submitted by: Rick Park, Chief of Police
Pamela Eaves, Finance
Director**

Expenditure Account:

Action Requested: Approve funding of police body cameras through the equipment replacement fund

Alternatives: Deny funding/Reject grant

Summary of Subject: Chief Park submitted to the Office of the Governor, Criminal Justice Division, for a grant to fund the purchase of body cameras and the associated computer server environment to support them. This grant requires a 25% funding match from the City, and will provide a 75% funding by reimbursement. Staff recommends funding our required match of \$14,316.25 from the equipment replacement fund. If council approves we will amend the budget.

Chief Park received approval of this grant 10/14/2016.

The total cost of this project, based on quotations received by vendor WatchGuard Video, are reflected below:

Total of OOG CJD body camera grant project:
\$57,265.00

Lake Jackson required fund match (25%):
\$14,316.25

Funds to be reimbursed by grant (75%):
\$42,948.75

Resolution No. 16-R-760

WHEREAS, the City of Lake Jackson City Council adopted a budget for the City of Lake Jackson, Texas, for the Fiscal Year 2016-17 in September 2016; and

WHEREAS, the City of Lake Jackson has received a 75 percent grant for the purchase of body worn cameras

WHEREAS, the City will be purchasing and then receiving a reimbursement for 75% of the cost of said cameras,

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

That the City Council hereby amends the budget as filed with the City Secretary for the fiscal year beginning October 1, 2016 through September 30, 2017, as follows:

Increase the Equipment Replacement revenues by 75% of the cost of body worn cameras

Grant Revenue – Body worn cameras	\$ 42,945
--	------------------

Increase the Equipment Replacement expenditure by the total cost of the Body worn cameras

Body worn cameras	\$ 57,265
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PASSED AND APPROVED on this 7th day of November 2017.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: 11/7/2016

Subject: 2015-16 budget amendment

Submitted by: Pam Eaves

Expenditure Account: Econ. Devl. Fund

Action Requested: approve 2015-16 budget amendment to reflect actions taken by the Lake Jackson Development Corporation to approve expenditures related to the flood at the Lake Jackson Wilderness Golf Course.

Alternatives: [Click here to enter text.](#)

Summary of Subject: On 8/18/2016 The Economic Development Corporation board completed their second public hearing and approved \$575,000 for the golf Course. \$174,206 was for loss of revenues and \$400,794 was for repairs to equipment, course features and buildings. The total amount of reimbursement we receive from FEMA and /or insurance is still being determined. Any reimbursements we receive related to these expenditures will be deposited back into the economic development fund.

Action Taken:

Tabled

Deferred

Denied

Approved

Resolution No. 16-R-761

WHEREAS, the City of Lake Jackson City Council adopted a budget for the City of Lake Jackson, Texas, for the Fiscal Year 2015-16 in September 2015; and

WHEREAS, the Wilderness Golf Course sustained significant flooding in June of 2016 resulting in a loss of revenues; damage to buildings, course operational equipment, and course features; and

WHEREAS, the Lake Jacksons Development Corporation approved increasing the operating transfer to the Golf Course Fund by \$174,296 to cover lost revenues and provide \$400,704 for Golf Course repair projects;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LAKE JACKSON, TEXAS:

That the City Council hereby amends the budget as filed with the City Secretary for the fiscal year beginning October 1, 2015 through September 30, 2016, as follows:

Economic Development Fund

Increase transfer to Golf Course Fund by	\$174,296
Add approved project – Golf Course Repairs	\$400,704

Golf Course Fund

Increase transfer from Economic Development Fund by	\$174,296
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PASSED AND APPROVED on this 7th day of November 2016.

Joe Rinehart, Mayor

ATTEST:

Alice A. Rodgers
City Secretary

APPROVED AS TO FORM:

Sherri Russell
City Attorney

City Council Agenda Item

City of Lake Jackson

Meeting Date: November 7, 2016

Subject: Contract Award

Submitted by: Sal Aguirre

Expenditure Account:

Action Requested: Award Contract to Low Bidder

Alternatives: Reject and rebid

Summary of Subject: North Sanitary Sewer System Extension from North Water Plant to Existing Wastewater Treatment Plant and Lift Station No. 25 Force Main Pipe Replacement Installation to WWTP.

Bids were opened on October 12, 2016 and had one of the best responses from Houston area contractors in recent memory. Nine bidders submitted proposals and we were pleased to have gotten the expected statistical spread. There was a considerable difference between the low bid and the median and average of about \$1 million but only less than \$100K separated the two lowest competitors. The analysis of the individual bid unit prices indicated the low bid unit prices to fall in the median of those of the others and can be justified by the low bidder having substantial more local job experience in the utility and pumping facility field than others outside the area.

The low bidder, Matula & Matula Construction has performed this type and magnitude of work in the past for us and is staffed by competent superintendents that have had previous similar engagements in the projects such as the wastewater plant project.

The bid was assembled as a phased package with a Phase 1 completion timeline set to be able to meet the commitment made to the TDCJ to begin taking flow by September 2017. Phase I includes the segment for the TDCJ property collection point and south to the DCWWTP and consist of 2 lift stations with gravity and force main piping systems. In this phase, the Lift Station No. 25 force main was included in tandem for limiting reconstruction of the work corridor. The remaining phase leading north to the airport has an additional 90 days substantial completion timeline and includes one lift station and force main system.

The bid results are as follows, (lowest two shown, see attached for comprehensive bid tabulation for others):

Matula & Matula (Lake Jackson)	Work days set in bid.	Bid Amount: \$4,014,801.09
Alcott dba TCH (Houston)	Work days set in bid.	Bid Amount: \$4,097,268.59

Contingency Allowance (Set by City) 10% Bid Amount	\$401,480.11
--	--------------

Staff recommends that approval be made of Matula & Matula Construction as the the lowest responsive base bid of \$4,014,801.09 and to execute award of contract of a not to exceed amount of \$4,416,281.20.

Bid Breakdown
PROJECT: North Sanitary Sewer System
Extension from NWP to Existing WWTP & LS 25
BID DATE: 10/12/16 @ 2:00
PROJECT NO: 15-06-334

ITEM NO.	Description	Unit	Quantity	Matula & Matula (1)		Alcott_dba TCH (2)		R Construction (3)		Huff & Mitchell (4)		Engineering Estimate	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 1 - BID 1 (From Sta 87+00 to Sta 375+00)													
1	8" D.I. San. Force Main for TDCJ connection and Flow Meter Manhole, includes all bends, fittings, adopters, restrained joints, and concrete support.	LF	40	\$161.00	\$6,440.00	\$328.18	\$13,127.20	\$300.00	\$12,000.00	\$650.00	\$26,000.00	\$120.00	\$4,800.00
2	12" HDPE San. Force Main (Directional Bore).	LF	850	\$113.60	\$96,560.00	\$108.07	\$91,859.50	\$200.00	\$170,000.00	\$95.00	\$80,750.00	\$160.00	\$136,000.00
3	12" PVC C-900 San. Force Main, all depths, includes all bends, and fittings.	LF	19,890	\$28.70	\$570,843.00	\$34.20	\$680,238.00	\$27.00	\$537,030.00	\$45.00	\$895,050.00	\$75.00	\$1,491,750.00
4	12" PVC C-900 San. Force Main (Bore) with 20" steel casing (includes all fittings, spacers, etc.).	LS	1,027	\$239.10	\$245,555.70	\$186.19	\$191,217.13	\$350.00	\$359,450.00	\$200.00	\$205,400.00	\$275.00	\$282,425.00
5	12" Connect to existing Sanitary Force Main.	LF	1	\$1,644.50	\$1,644.50	\$4,375.00	\$4,375.00	\$5,000.00	\$5,000.00	\$3,000.00	\$3,000.00	\$2,000.00	\$2,000.00
6	15" PVC SDR 26 San. Line, all cuts, complete in place.	LF	1,200	\$41.10	\$49,320.00	\$48.39	\$58,068.00	\$43.00	\$51,600.00	\$95.00	\$114,000.00	\$70.00	\$84,000.00
7	18" PVC SDR 26 San. Line, all cuts, complete in place.	LF	5,730	\$52.20	\$299,106.00	\$61.15	\$350,389.50	\$77.00	\$441,210.00	\$110.00	\$630,300.00	\$113.00	\$647,490.00
8	18" PVC Gravity San. Line Bore under existing pavement.	LF	520	\$161.30	\$83,876.00	\$113.17	\$58,848.40	\$550.00	\$286,000.00	\$155.00	\$80,600.00	\$180.00	\$93,600.00
9	48" Dia. Precast Concrete San. Manhole, complete in place.	EA	21	\$2,845.60	\$59,757.60	\$2,860.00	\$60,060.00	\$2,500.00	\$52,500.00	\$4,500.00	\$94,500.00	\$3,000.00	\$63,000.00
10	72" Dia. Precast Concrete Manhole for TDCJ Flow Meter.	EA	1	\$9,290.50	\$9,290.50	\$12,285.00	\$12,285.00	\$6,000.00	\$6,000.00	\$10,000.00	\$10,000.00	\$6,000.00	\$6,000.00
11	Vertical depth on Standard Sanitary Sewer Manhole, (over 8' Depth), complete in place.	VF	75	\$127.50	\$9,562.50	\$130.00	\$9,750.00	\$150.00	\$11,250.00	\$85.00	\$6,375.00	\$110.00	\$8,250.00
12	TDCJ Flow Meter Assembly, including meter, solar panel, battery and control box, complete in place (By Others).	EA	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$12,450.00	\$12,450.00
13	Lift Station No. 45 - 12 Ft. Dia. (Wastewater Pump Station) complete with plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$482,500.00	\$482,500.00	\$405,000.00	\$405,000.00	\$450,000.00	\$450,000.00	\$425,000.00	\$425,000.00	\$350,000.00	\$350,000.00
14	Electrical work for Lift Station No. 45 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complete in place (By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$143,925.00	\$143,925.00
15	6" Crushed concrete with geotextile filter fabric for Lift Station No. 45 site.	SF	1,890	\$3.00	\$5,670.00	\$3.33	\$6,293.70	\$6.00	\$11,340.00	\$6.00	\$11,340.00	\$3.50	\$6,615.00
16	6" Crushed concrete with 6" lime stabilized subgrade for 16' wide all weather driveway to Lift Station No. 45.	SF	3,670	\$5.10	\$18,717.00	\$3.88	\$14,239.60	\$6.00	\$22,020.00	\$7.00	\$25,690.00	\$3.00	\$11,010.00
17	6' Chain link fence with 16- ft. gates for Lift Station No. 45, complete in place.	LF	180	\$38.00	\$6,840.00	\$33.33	\$5,999.40	\$35.00	\$6,300.00	\$35.00	\$6,300.00	\$50.00	\$9,000.00
18	Lift Station No. 46 - 12 ft. dia. (Wastewater Pump Station), complete with plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$482,500.00	\$482,500.00	\$403,500.00	\$403,500.00	\$415,000.00	\$415,000.00	\$390,000.00	\$390,000.00	\$350,000.00	\$350,000.00
19	Electrical work for Lift Station No. 46 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complete in place (By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$67,925.00	\$67,925.00

ITEM NO.	Description	Unit	Quantity	Matula & Matula (1)		Alcott_dba TCH (2)		R Construction (3)		Huff & Mitchell (4)		Engineering Estimate	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 1 - BID 1 (From Sta 87+00 to Sta 375+00) - continued -													
20	6" Crushed concrete with geotextile filter fabric for Lift Station No. 46 site and driveway.	SF	930	\$3.00	\$2,790.00	\$3.33	\$3,096.90	\$6.00	\$5,580.00	\$6.00	\$5,580.00	\$3.50	\$3,255.00
21	6' Chain link fence with 16 - ft. gates for Lift Station No. 46, complete in place.	LF	120	\$49.00	\$5,880.00	\$33.33	\$3,999.60	\$40.00	\$4,800.00	\$7.00	\$840.00	\$50.00	\$6,000.00
22	Flow Meter Station (includes 6' chain link fence with 4 - ft. gate), complete in place.	LS	1	\$22,500.00	\$22,500.00	\$2,000.00	\$2,000.00	\$30,000.00	\$30,000.00	\$1,000.00	\$1,000.00	\$2,500.00	\$2,500.00
23	OSHA Trench Safety System, All Depths.	LF	14,385	\$1.00	\$14,385.00	\$0.01	\$143.85	\$0.50	\$7,192.50	\$1.00	\$14,385.00	\$1.00	\$14,385.00
BID 1 SUBTOTAL:					\$2,473,737.80		\$2,374,490.78		\$2,884,272.50		\$3,026,110.00		\$3,572,080.00
N.I.C. BID 1 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$224,300.00
PHASE 1 - BID 2 (LS No. 25 - 18" Force Main Sta 0+00 to 146+59)													
24	18" PVC C-900 San. Force Main, all depths, includes all bends, and fittings.	LF	13,380	\$49.50	\$662,310.00	\$58.63	\$784,469.40	\$54.00	\$722,520.00	\$67.00	\$896,460.00	\$90.00	\$1,204,200.00
25	18" PVC C-900 San. Force Main (Open Cut) with 26" Dia. Steel casing (includes all fittings, spacers, etc.).	LF	150	\$363.40	\$54,510.00	\$206.15	\$30,922.50	\$150.00	\$22,500.00	\$190.00	\$28,500.00	\$180.00	\$27,000.00
26	18" PVC C-900 San. Force Main (Bore) with 26" Dia. Steel casing (includes all fittings, spacers, etc.).	LF	1,074	\$382.30	\$410,590.20	\$303.00	\$325,422.00	\$435.00	\$467,190.00	\$330.00	\$354,420.00	\$200.00	\$214,800.00
27	18" D.I. San Force Main, over canal crossing, includes all bends, fittings, adapters, restrained joints, and concrete support.	LF	110	\$500.20	\$55,022.00	\$553.00	\$60,830.00	\$400.00	\$44,000.00	\$600.00	\$66,000.00	\$135.00	\$14,850.00
28	18" D. I. Force Main Headworks tie into existing Lift Station (including tees, blind flange, bend pipe, bypass pumping, etc.).	LS	1	\$42,000.00	\$42,000.00	\$45,603.00	\$45,603.00	\$60,000.00	\$60,000.00	\$51,000.00	\$51,000.00	\$15,000.00	\$15,000.00
29	Connect to existing Sanitary Sewer Treatment Plant and 18" D.I. Force Main WWTP headworks assembly.	LS	1	\$38,000.00	\$38,000.00	\$46,872.00	\$46,872.00	\$80,000.00	\$80,000.00	\$50,000.00	\$50,000.00	\$25,000.00	\$25,000.00
30	Greyline Flow Meter for 18" Force Main at WWTP (complete in place By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$12,450.00	\$12,450.00
31	Repair and replace concrete pavement at Wastewater Plant.	LS	1	\$2,944.80	\$2,944.80	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00	\$4,500.00	\$4,500.00	\$2,500.00	\$2,500.00
32	Connect existing 4" Force Main to new 18" Force Main (including 18" x 4" wye, restrained MJ).	EA	2	\$4,485.00	\$8,970.00	\$3,155.00	\$6,310.00	\$5,000.00	\$10,000.00	\$3,500.00	\$7,000.00	\$6,000.00	\$12,000.00
BID 2 SUBTOTAL:					\$1,274,347.00		\$1,302,428.90		\$1,411,210.00		\$1,457,880.00		\$1,527,800.00
N.I.C. BID 2 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$12,450.00
PHASE 2 - BID 3 (From Sta 13+00 to Sta 87+00)													
33	3" HDPE San. Force Main, all depths, includes all bends, and fittings.	LF	7,200	\$11.20	\$80,640.00	\$11.96	\$86,112.00	\$7.00	\$50,400.00	\$22.00	\$158,400.00	\$21.00	\$151,200.00
34	3" HDPE San. Force Main, all depths, includes all bends, and fittings with 8" steel casing (includes all fittings, spacers, etc.).	LF	293	\$22.50	\$6,592.50	\$68.34	\$20,023.62	\$130.00	\$38,090.00	\$95.00	\$27,835.00	\$95.00	\$27,835.00
35	12" PVC SDR 26 San. Line, all cuts, complete in place (includes tie-in to existing manhole).	LF	183	\$38.70	\$7,082.10	\$50.47	\$9,236.01	\$50.00	\$9,150.00	\$60.00	\$10,980.00	\$60.00	\$10,980.00

				Matula & Matula (1)		Alcott_dba TCH (2)		R Construction (3)		Huff & Mitchell (4)		Engineering Estimate	
ITEM NO.	Description	Unit	Quantity	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 2 - BID 3 (From Sta 13+00 to Sta 87+00) - continued -													
36	Lift Station No. 44 - 6 ft. Dia. (Wastewater Pump Station) complete with, plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$82,000.00	\$82,000.00	\$177,800.00	\$177,800.00	\$150,000.00	\$150,000.00	\$170,000.00	\$170,000.00	\$100,000.00	\$100,000.00
37	Electrical work for Lift Station No. 44 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complete in place (By City).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$73,750.00	\$73,750.00
38	6" Crushed concrete with geotextile filter fabric for Lift Station No. 44.	SF	400	\$3.50	\$1,400.00	\$3.33	\$1,332.00	\$6.00	\$2,400.00	\$6.00	\$2,400.00	\$3.50	\$1,400.00
39	6" Crushed concrete with 6" lime stabilized subgrade for 16' wide all weather driveway to Lift Station No. 44.	SF	6,876	\$5.00	\$34,380.00	\$3.88	\$26,678.88	\$6.00	\$41,256.00	\$7.00	\$48,132.00	\$3.00	\$20,628.00
40	6' Chain link fence with 16 - ft. gates for Lift Station No. 44, complete in place.	LF	80	\$68.00	\$5,440.00	\$33.33	\$2,666.40	\$35.00	\$2,800.00	\$35.00	\$2,800.00	\$50.00	\$4,000.00
BID 3 SUBTOTAL:					\$217,534.60		\$323,848.91		\$294,096.00		\$420,547.00		\$316,043.00
N.I.C. BID 3 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$73,750.00
MISCELLANEOUS PROJECT EXTRA													
41	Survey Control Staking	LS	1	\$27,000.00	\$27,000.00	\$75,000.00	\$75,000.00	\$50,000.00	\$50,000.00	\$25,000.00	\$25,000.00	\$10,000.00	\$10,000.00
42	Tree Clearing and Off-Site Disposal	AC	1.3	\$5,418.30	\$7,043.79	\$5,000.00	\$6,500.00	\$30,000.00	\$39,000.00	\$7,000.00	\$9,100.00	\$7,000.00	\$9,100.00
43	Traffic Control	LS	1	\$15,127.90	\$15,127.90	\$15,000.00	\$15,000.00	\$14,000.00	\$14,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
44	Storm Water Pollution Prevention	LS	1	\$10.00	\$10.00	Used Wrong Bid Form	Used Wrong Bid Form	\$5,000.00	\$5,000.00	\$12,500.00	\$12,500.00	\$7,000.00	\$7,000.00
MISCELLANEOUS SUBTOTAL:					\$49,181.69		\$96,500.00		\$108,000.00		\$56,600.00		\$36,100.00
CONTRACT BID (1, 2, 3) TOTAL:					\$3,965,619.40		\$4,000,768.59		\$4,589,578.50		\$4,904,537.00		\$5,403,473.00
CONTINGENCY ALLOWANCE:					CITY APPLIED		CITY APPLIED		CITY APPLIED		CITY APPLIED		CITY APPLIED
N.I.C. (BY SEPARATE CONTRACT) TOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$310,500.00
PROJECT TOTAL:					\$4,014,801.09		\$4,097,268.59		\$4,697,578.50		\$4,961,137.00		\$5,750,073.00
MISCELLANEOUS PROJECT EXTRA													
45	Item 3, 4 12" HDPE WW Force Main, all depths, includes all bends, fittings,	LF	20,917	\$0.00	\$0.00	\$44.23	\$925,158.91	\$100.00	\$2,091,700.00	\$75.00	\$1,568,775.00	\$97.00	\$2,028,949.00
46	Item 24, 25, 26, 18" HDPE WW Force Main, all depths, includes all bends, fittings, and air release.	LF	14,604	\$0.00	\$0.00	\$73.33	\$1,070,911.32	\$200.00	\$2,920,800.00	\$128.00	\$1,869,312.00	\$146.00	\$2,132,184.00
TOTAL BID ALTERNATE:					\$0.00		\$1,996,070.23		\$5,012,500.00		\$3,438,087.00		\$4,161,133.00

Bid Breakdown
PROJECT: North Sanitary Sewer System
Extension from NWP to Existing WWTP & LS 25
BID DATE: 10/12/16 @ 2:00
PROJECT NO: 15-06-334

ITEM NO.	Description	Unit	Quantity	Reddico (5)		EP Brady (6)		T Construction (7)		Lopez Utilities (8)		Resicom (9)		Engineering Estimate	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 1 - BID 1 (From Sta 87+00 to Sta 375+00)															
1	8" D.I. San. Force Main for TDCJ connection and Flow Meter Manhole, includes all bends, fittings, adopters, restrained joints, and concrete support.	LF	40	\$314.00	\$12,560.00	\$220.00	\$8,800.00	\$203.00	\$8,120.00	\$200.00	\$8,000.00	\$529.00	\$21,160.00	\$120.00	\$4,800.00
2	12" HDPE San. Force Main (Directional Bore).	LF	850	\$162.00	\$137,700.00	\$135.00	\$114,750.00	\$153.00	\$130,050.00	\$85.00	\$72,250.00	\$91.00	\$77,350.00	\$160.00	\$136,000.00
3	12" PVC C-900 San. Force Main, all depths, includes all bends, and fittings.	LF	19,890	\$26.29	\$522,908.10	\$45.70	\$908,973.00	\$43.00	\$855,270.00	\$85.00	\$1,690,650.00	\$79.00	\$1,571,310.00	\$75.00	\$1,491,750.00
4	12" PVC C-900 San. Force Main (Bore) with 20" steel casing (includes all fittings, spacers, etc.).	LS	1,027	\$250.00	\$256,750.00	\$290.00	\$297,830.00	\$236.00	\$242,372.00	\$195.00	\$200,265.00	\$364.00	\$373,828.00	\$275.00	\$282,425.00
5	12" Connect to existing Sanitary Force Main.	LF	1	\$3,000.00	\$3,000.00	\$3,500.00	\$3,500.00	\$1,890.00	\$1,890.00	\$8,500.00	\$8,500.00	\$2,500.00	\$2,500.00	\$2,000.00	\$2,000.00
6	15" PVC SDR 26 San. Line, all cuts, complete in place.	LF	1,200	\$39.00	\$46,800.00	\$68.40	\$82,080.00	\$53.00	\$63,600.00	\$95.00	\$114,000.00	\$102.00	\$122,400.00	\$70.00	\$84,000.00
7	18" PVC SDR 26 San. Line, all cuts, complete in place.	LF	5,730	\$56.00	\$320,880.00	\$82.25	\$471,292.50	\$69.00	\$395,370.00	\$105.00	\$601,650.00	\$161.00	\$922,530.00	\$113.00	\$647,490.00
8	18" PVC Gravity San. Line Bore under existing pavement.	LF	520	\$185.00	\$96,200.00	\$135.00	\$70,200.00	\$233.00	\$121,160.00	\$105.00	\$54,600.00	\$205.00	\$106,600.00	\$180.00	\$93,600.00
9	48" Dia. Precast Concrete San. Manhole, complete in place.	EA	21	\$2,600.00	\$54,600.00	\$3,850.00	\$80,850.00	\$3,633.00	\$76,293.00	\$6,200.00	\$130,200.00	\$5,800.00	\$121,800.00	\$3,000.00	\$63,000.00
10	72" Dia. Precast Concrete Manhole for TDCJ Flow Meter.	EA	1	\$6,000.00	\$6,000.00	\$6,325.00	\$6,325.00	\$11,020.00	\$11,020.00	\$16,500.00	\$16,500.00	\$9,500.00	\$9,500.00	\$6,000.00	\$6,000.00
11	Vertical depth on Standard Sanitary Sewer Manhole, (over 8' Depth), complete in place.	VF	75	\$230.00	\$17,250.00	\$210.00	\$15,750.00	\$330.00	\$24,750.00	\$300.00	\$22,500.00	\$250.00	\$18,750.00	\$110.00	\$8,250.00
12	TDCJ Flow Meter Assembly, including meter, solar panel, battery and control box, complete in place (By Others).	EA	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$12,450.00	\$12,450.00
13	Lift Station No. 45 - 12 Ft. Dia. (Wastewater Pump Station) complete with plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$404,000.00	\$404,000.00	\$392,500.00	\$392,500.00	\$439,530.00	\$439,530.00	\$420,000.00	\$420,000.00	\$390,000.00	\$390,000.00	\$350,000.00	\$350,000.00
14	Electrical work for Lift Station No. 45 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complet in place (By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$143,925.00	\$143,925.00
15	6" Crushed concrete with geotextile filter fabric for Lift Station No. 45 site.	SF	1,890	\$3.50	\$6,615.00	\$5.15	\$9,733.50	\$3.00	\$5,670.00	\$8.00	\$15,120.00	\$4.00	\$7,560.00	\$3.50	\$6,615.00
16	6" Crushed concrete with 6" lime stabilized subgrade for 16' wide all weather driveway to Lift Station No. 45.	SF	3,670	\$4.60	\$16,882.00	\$5.65	\$20,735.50	\$4.00	\$14,680.00	\$7.25	\$26,607.50	\$6.00	\$22,020.00	\$3.00	\$11,010.00
17	6' Chain link fence with 16- ft. gates for Lift Station No. 45, complete in place.	LF	180	\$43.00	\$7,740.00	\$30.90	\$5,562.00	\$32.00	\$5,760.00	\$75.00	\$13,500.00	\$32.00	\$5,760.00	\$50.00	\$9,000.00
18	Lift Station No. 46 - 12 ft. dia. (Wastewater Pump Station), complete with plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$397,000.00	\$397,000.00	\$356,450.00	\$356,450.00	\$438,323.00	\$438,323.00	\$412,000.00	\$412,000.00	\$390,000.00	\$390,000.00	\$350,000.00	\$350,000.00
19	Electrical work for Lift Station No. 46 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complete in place (By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$67,925.00	\$67,925.00

ITEM NO.	Description	Unit	Quantity	Reddico (5)		EP Brady (6)		T Construction (7)		Lopez Utilities (8)		Resicom (9)		Engineering Estimate	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 1 - BID 1 (From Sta 87+00 to Sta 375+00) - continued -															
20	6" Crushed concrete with geotextile filter fabric for Lift Station No. 46 site and driveway.	SF	930	\$3.50	\$3,255.00	\$5.15	\$4,789.50	\$3.00	\$2,790.00	\$8.00	\$7,440.00	\$4.00	\$3,720.00	\$3.50	\$3,255.00
21	6' Chain link fence with 16 - ft. gates for Lift Station No. 46, complete in place.	LF	120	\$51.00	\$6,120.00	\$30.90	\$3,708.00	\$32.00	\$3,840.00	\$75.00	\$9,000.00	\$35.00	\$4,200.00	\$50.00	\$6,000.00
22	Flow Meter Station (includes 6' chain link fence with 4 - ft. gate), complete in place.	LS	1	\$12,000.00	\$12,000.00	\$15,500.00	\$15,500.00	\$51,643.00	\$51,643.00	\$8,500.00	\$8,500.00	\$5,000.00	\$5,000.00	\$2,500.00	\$2,500.00
23	OSHA Trench Safety System, All Depths.	LF	14,385	\$0.10	\$1,438.50	\$2.00	\$28,770.00	\$4.00	\$57,540.00	\$0.50	\$7,192.50	\$0.50	\$7,192.50	\$1.00	\$14,385.00
BID 1 SUBTOTAL:					\$2,329,698.60		\$2,898,099.00		\$2,949,671.00		\$3,838,475.00		\$4,183,180.50		\$3,572,080.00
N.I.C. BID 1 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$224,300.00
PHASE 1 - BID 2 (LS No. 25 - 18" Force Main Sta 0+00 to 146+59)															
24	18" PVC C-900 San. Force Main, all depths, includes all bends, and fittings.	LF	13,380	\$51.52	\$689,337.60	\$88.15	\$1,179,447.00	\$72.00	\$963,360.00	\$97.00	\$1,297,860.00	\$173.00	\$2,314,740.00	\$90.00	\$1,204,200.00
25	18" PVC C-900 San. Force Main (Open Cut) with 26" Dia. Steel casing (includes all fittings, spacers, etc.).	LF	150	\$146.00	\$21,900.00	\$335.00	\$50,250.00	\$196.00	\$29,400.00	\$180.00	\$27,000.00	\$330.00	\$49,500.00	\$180.00	\$27,000.00
26	18" PVC C-900 San. Force Main (Bore) with 26" Dia. Steel casing (includes all fittings, spacers, etc.).	LF	1,074	\$360.00	\$386,640.00	\$415.00	\$445,710.00	\$336.00	\$360,864.00	\$97.00	\$104,178.00	\$432.00	\$463,968.00	\$200.00	\$214,800.00
27	18" D.I. San Force Main, over canal crossing, includes all bends, fittings, adapters, restrained joints, and concrete support.	LF	110	\$446.00	\$49,060.00	\$670.00	\$73,700.00	\$708.00	\$77,880.00	\$165.00	\$18,150.00	\$506.00	\$55,660.00	\$135.00	\$14,850.00
28	18" D. I. Force Main Headworks tie into existing Lift Station (including tees, blind flange, bend pipe, bypass pumping, etc.).	LS	1	\$143,000.00	\$143,000.00	\$78,350.00	\$78,350.00	\$29,900.00	\$29,900.00	\$10,000.00	\$10,000.00	\$42,000.00	\$42,000.00	\$15,000.00	\$15,000.00
29	Connect to existing Sanitary Sewer Treatment Plant and 18" D.I. Force Main WWTP headworks assembly.	LS	1	\$32,000.00	\$32,000.00	\$53,630.00	\$53,630.00	\$22,906.00	\$22,906.00	\$7,500.00	\$7,500.00	\$42,000.00	\$42,000.00	\$25,000.00	\$25,000.00
30	Greyline Flow Meter for 18" Force Main at WWTP (complete in place By Others).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$12,450.00	\$12,450.00
31	Repair and replace concrete pavement at Wastewater Plant.	LS	1	\$5,000.00	\$5,000.00	\$3,090.00	\$3,090.00	\$3,400.00	\$3,400.00	\$8,500.00	\$8,500.00	\$3,300.00	\$3,300.00	\$2,500.00	\$2,500.00
32	Connect existing 4" Force Main to new 18" Force Main (including 18" x 4" wye, restrained MJ).	EA	2	\$5,300.00	\$10,600.00	\$11,000.00	\$22,000.00	\$4,950.00	\$9,900.00	\$4,500.00	\$9,000.00	\$4,320.00	\$8,640.00	\$6,000.00	\$12,000.00
BID 2 SUBTOTAL:					\$1,337,537.60		\$1,906,177.00		\$1,497,610.00		\$1,482,188.00		\$2,979,808.00		\$1,527,800.00
N.I.C. BID 2 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$12,450.00
PHASE 2 - BID 3 (From Sta 13+00 to Sta 87+00)															
33	3" HDPE San. Force Main, all depths, includes all bends, and fittings.	LF	7,200	\$11.32	\$81,504.00	\$26.95	\$194,040.00	\$12.00	\$86,400.00	\$13.00	\$93,600.00	\$15.00	\$108,000.00	\$21.00	\$151,200.00
34	3" HDPE San. Force Main, all depths, includes all bends, and fittings with 8" steel casing (includes all fittings, spacers, etc.).	LF	293	\$50.00	\$14,650.00	\$90.00	\$26,370.00	\$80.00	\$23,440.00	\$45.00	\$13,185.00	\$150.00	\$43,950.00	\$95.00	\$27,835.00
35	12" PVC SDR 26 San. Line, all cuts, complete in place (includes tie-in to existing manhole).	LF	183	\$30.00	\$5,490.00	\$45.00	\$8,235.00	\$49.00	\$8,967.00	\$95.00	\$17,385.00	\$150.00	\$27,450.00	\$60.00	\$10,980.00

ITEM NO.	Description	Unit	Quantity	Reddico (5)		EP Brady (6)		T Construction (7)		Lopez Utilities (8)		Resicom (9)		Engineering Estimate	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
PHASE 2 - BID 3 (From Sta 13+00 to Sta 87+00) - continued -															
36	Lift Station No. 44 - 6 ft. Dia. (Wastewater Pump Station) complete with, plumbing, site work, installation of wet well and valve pit, testing, start-up, complete in place.	LS	1	\$187,000.00	\$187,000.00	\$153,540.00	\$153,540.00	\$193,200.00	\$193,200.00	\$160,000.00	\$160,000.00	\$125,000.00	\$125,000.00	\$100,000.00	\$100,000.00
37	Electrical work for Lift Station No. 44 (install control panel, lighting, and receptacles, pump motor feeders, electrical equipment inter-connections, etc.), complete in place (By City).	LS	1	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	NIC	\$73,750.00	\$73,750.00
38	6" Crushed concrete with geotextile filter fabric for Lift Station No. 44.	SF	400	\$3.50	\$1,400.00	\$5.15	\$2,060.00	\$3.00	\$1,200.00	\$8.00	\$3,200.00	\$4.00	\$1,600.00	\$3.50	\$1,400.00
39	6" Crushed concrete with 6" lime stabilized subgrade for 16' wide all weather driveway to Lift Station No. 44.	SF	6,876	\$4.60	\$31,629.60	\$5.65	\$38,849.40	\$4.00	\$27,504.00	\$9.00	\$61,884.00	\$6.00	\$41,256.00	\$3.00	\$20,628.00
40	6' Chain link fence with 16 - ft. gates for Lift Station No. 44, complete in place.	LF	80	\$65.00	\$5,200.00	\$30.90	\$2,472.00	\$32.00	\$2,560.00	\$95.00	\$7,600.00	\$41.00	\$3,280.00	\$50.00	\$4,000.00
BID 3 SUBTOTAL:					\$326,873.60		\$425,566.40		\$343,271.00		\$356,854.00		\$350,536.00		\$316,043.00
N.I.C. BID 3 SUBTOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$73,750.00
MISCELLANEOUS PROJECT EXTRA															
41	Survey Control Staking	LS	1	\$989,000.00	\$989,000.00	\$52,525.00	\$52,525.00	\$214,000.00	\$214,000.00	\$65,000.00	\$65,000.00	\$50,000.00	\$50,000.00	\$10,000.00	\$10,000.00
42	Tree Clearing and Off-Site Disposal	AC	1.3	\$18,000.00	\$23,400.00	\$10,000.00	\$13,000.00	\$4,470.00	\$5,811.00	\$1,800.00	\$2,340.00	\$10,000.00	\$13,000.00	\$7,000.00	\$9,100.00
43	Traffic Control	LS	1	\$26,000.00	\$26,000.00	\$18,600.00	\$18,600.00	\$269,200.00	\$269,200.00	\$45,000.00	\$45,000.00	\$75,000.00	\$75,000.00	\$10,000.00	\$10,000.00
44	Storm Water Pollution Prevention	LS	1	\$16,000.00	\$16,000.00	\$90,000.00	\$90,000.00	\$235,000.00	\$235,000.00	\$20,000.00	\$20,000.00	\$15,000.00	\$15,000.00	\$7,000.00	\$7,000.00
MISCELLANEOUS SUBTOTAL:					\$1,054,400.00		\$174,125.00		\$724,011.00		\$132,340.00		\$153,000.00		\$36,100.00
CONTRACT BID (1, 2, 3) TOTAL:					\$3,994,109.80		\$5,229,842.40		\$4,790,552.00		\$5,677,517.00		\$7,513,524.50		\$5,403,473.00
CONTINGENCY ALLOWANCE:					CITY APPLIED		CITY APPLIED		CITY APPLIED		CITY APPLIED		CITY APPLIED		CITY APPLIED
N.I.C. (BY SEPARATE CONTRACT) TOTAL:					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00		\$310,500.00
PROJECT TOTAL:					\$5,048,509.80		\$5,403,967.40		\$5,514,563.00		\$5,809,857.00		\$7,666,524.50		\$5,750,073.00
MISCELLANEOUS PROJECT EXTRA															
45	Item 3, 4 12" HDPE WW Force Main, all depths, includes all bends, fittings,	LF	20,917	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3.00	\$62,751.00	\$78.00	\$1,631,526.00	\$97.00	\$2,028,949.00
46	Item 24, 25, 26, 18" HDPE WW Force Main, all depths, includes all bends, fittings, and air release.	LF	14,604	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5.00	\$73,020.00	\$130.00	\$1,898,520.00	\$146.00	\$2,132,184.00
TOTAL BID ALTERNATE:					\$0.00		\$0.00		\$0.00		\$135,771.00		\$3,530,046.00		\$4,161,133.00

City Council Agenda Item

City of Lake Jackson

Meeting Date: 11/07/2016

Subject: AUTHORIZE CITY MANAGER TO ENTER INTO CONTRACT WITH DAMIAN & ASSOCIATES, INC

Submitted by: Athelstan Sanchez

Expenditure Account:

Action Requested: Authorize the City Manager to enter into a contractual agreement with Damian & Associates, Inc. to execute engineering, surveying, and drafting services to analyze and design drainage improvements of willow dr., blossom, and daisy streets' conveyances and outfall structures in an amount not to exceed \$118,018.40: 2016 Bond Project.

Alternatives:

Summary of Subject:

Please see attached "Willow_Blossom_Proposal_20161101_R1_SIGNED.pdf" file for Damian & Associates, Inc. proposal and "CIP38DR_Willow_Blossom_2016Bond.pdf" for what was included in the budget for this project.

The table / time chart on sheet 7 in the attached proposal shows pretty much a summary of work to be done and shows Damian & Associates plans on submitting the final constructions drawings and itemized bid schedule / quantities sheets and take offs by ending January, 2017. This is a month later than what I have been indicating but will allow engineering to advertise this project for bidding in the 1st quarter of 2017.

The main impetus for the analysis is to determine / replicate at what storm event these streets flood stopping short of entering homes and then to design / construct to ensure that street flooding does not occur at the 10-yr storm event adhering to our current standard. The attached pictures show that these areas are indeed prone to flooding from a more than frequent 5 to 10 year storm events:

* daisy_20aug15.pdf (10 to 25 year storm occurred on 20th Aug 2016 producing 2.41 inches / hr = 4.82 inches in 2 hours .

* Willow_Daisy_04Sep03.pdf (5 to 10yr storm occurred on 4th Sep 2003 / do not have a good handle on precipitation)

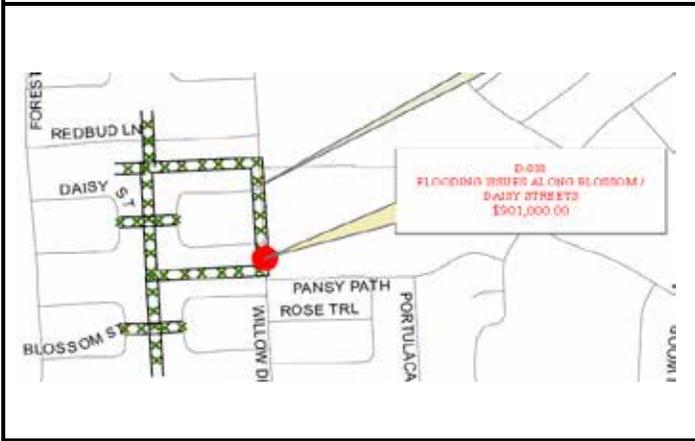
GENERAL PROJECT FUND CIP PROJECT DETAILS

38 DR	Willow / Blossom Drainage	GO
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Project Type	Drainage
Strategic Plan	Maintain Infrastructure

Financial Plan		Projected					Total
	Prior Years	FY 16-17	FY 17-18	FY 18-19	FY 19-20	FY 20-21	
Debt	No						
Design	0	200,000					
Construct	0	600,000					
Other	0						

Description :
Analyze, design, and construct drainage structures within areas shown in exhibit below



Estimated Project Cost:	Original	Revised
Design	180,000	200,000
Construct	493,000	600,000
Other	-	0
Total	673,000	800,000

Base CCI	258	Increase	1.08
Current CCI	277.35		

Assigned: City Engineer

Funding: General Projects Fund

Justification

Alleviate flooding problems made known to the City by residents along Blossom St. In addition will resolve similar flooding issues but at a larger magnitude reoccurring along Daisy St. Both residential areas when flooded have water above the curbs and in areas along Daisy water have been seen far up along the driveways very near to respective homes.

Supplemental Information:

Activities	Quantities	Cost	Future
Surveying	10.00%	\$50,000	\$60,000
Drafting/Mapping:	2.30%	\$20,000	\$20,000
Engineering:	15.00%	\$80,000	\$90,000
H&H Analysis:	5.00%	\$30,000	\$30,000
R&R 8" Conc. Pavement (S.Y.):	245	\$20,000	\$30,000
R&R Side Walks: (L.F.):	200	\$5,000	\$10,000
R&R 10" Water Line (L.F.):	40	\$5,000	\$10,000
2 x Wet Connect (EA)	2	\$3,000	\$10,000
Add 1 x 10' x 5' RCB @ Willow Crossing (L.F.)	78	\$160,000	\$180,000
Add 1 x 36" HDPE West Side Willow (L.F.)	138	\$30,000	\$40,000
Excavate/Reshape Ditches (C.Y.)	1172.03	\$20,000	\$30,000
Slope Pave Ditches (S.Y.)	3088.872	\$160,000	\$180,000
Contingency	20.00%	\$90,000	\$100,000
	Subtotal	\$493,000	\$590,000
	Total	\$673,000	\$790,000

Glossary: R&R = Remove & Replace / H&H = Hydrologic & Hydraulics

Impact of capital investment on operating budget:

Estimated Useful Life of Capital Investment:



City of Lake Jackson
Engineering Department
25 Oak Drive
Lake Jackson, TX 77566

November 1, 2016

Attn: Athelstan Sanchez, Assistant City Engineer

Subject: Proposal for Engineering, Surveying and Drafting Services to Analyze Design Drainage Improvements of Willow Dr., Blossom St., and Daisy St. Conveyances and Outfall Structures 2016 Bond Project # 17-01-1920

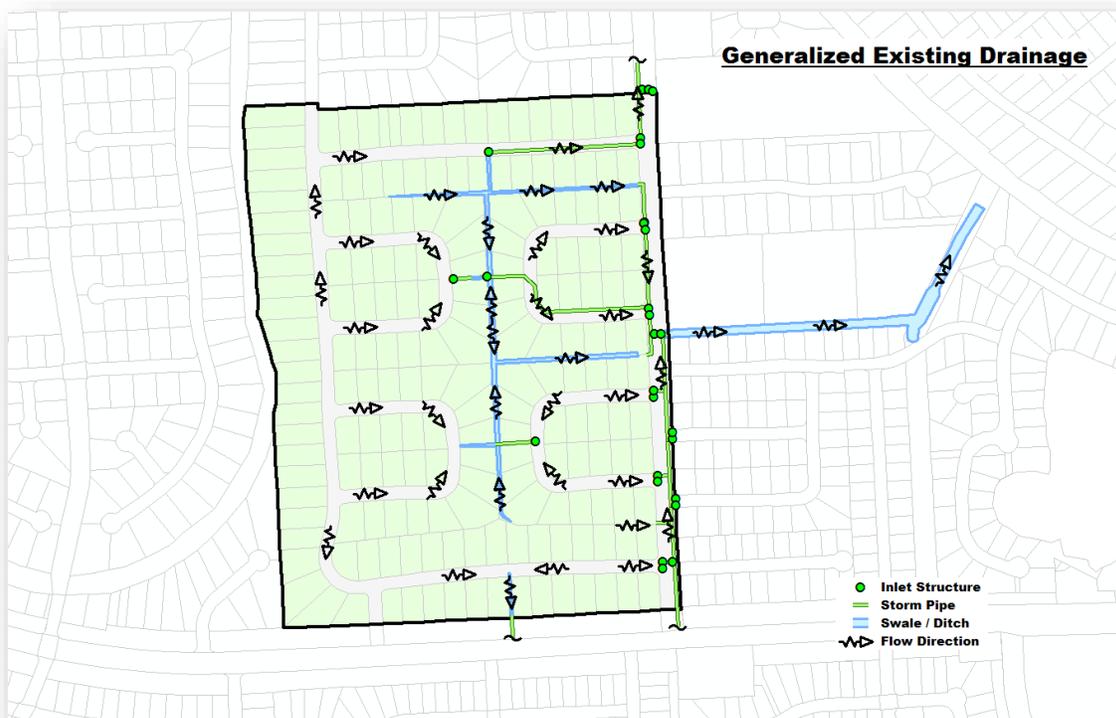
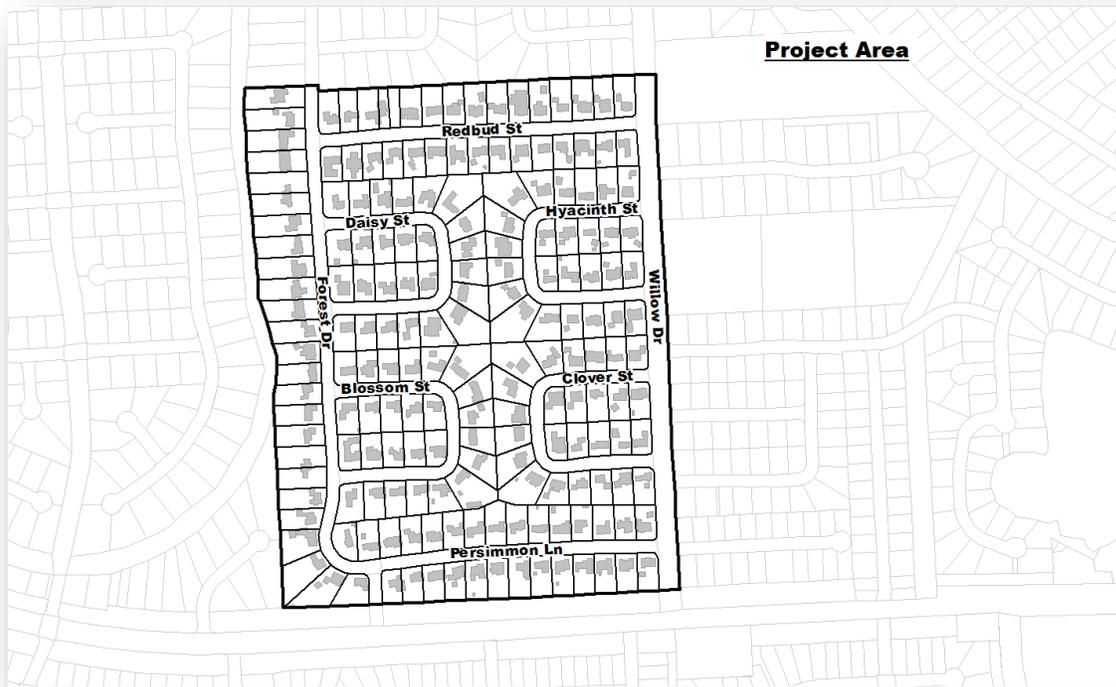
Damian & Associates, Inc. is pleased to provide this Scope, Time and Materials-based proposal for the following services pertaining to the Willow-Blossom-Daisy Drainage project. All described quantities and procedures are based on discussions that occurred on May 27 and October 17, 2016 in meetings between City of Lake Jackson Engineering representatives and D&A staff. D&A also conducted an independent site investigation on October 24, 2016 to validate the methodologies and extent of the proposed surveying and engineering scope.

Description

The project area contains an approximate 85-acre watershed which discharges to a known over-capacity stormwater system. The primary means of conveyance across the drainage area includes curb and gutter (similar to TxDOT Type I) leading to a central network of swales which discharge to a stormwater collector pipe along the west side of Willow Drive, then to a paved Willow Dr. Baptist Church Ditch (along the south sides of Willow Drive Baptist Church / Brazos Christian School) and Friedrich Ditch (along the east side of the School) and ending at Oyster Creek. Portions of Redbud, Persimmon and Clover discharge away from the project area to separate stormwater collection systems.

During rainfall events of significant intensity-duration, the system has been observed to surcharge into Daisy St and the northern and easternmost portions of Blossom St, overflowing into the adjacent yards and threatening to flood nearby homes.

The intent of this project, therefore, is to design drainage structures or other improvements to the existing stormwater collection system to alleviate flooding problems along Blossom, Daisy and Willow Drive.





Scope of Services

The project is comprised of several tasks to be conducted in sequence, the first of which is to perform physical survey of the project area for the purpose of developing an accurate topographic surface of the runoff area and existing stormwater infrastructure. Next, a model will be developed in AutoCAD Civil 3D Storm and Sanitary Analysis which replicates the extent of flooding observed and general behavior of the system with rainfall inputs of similar intensity-duration to those which have been known to cause over-capacity in the past. Lastly, solutions will be presented which when added to the stormwater model are observed to improve the performance of the existing stormwater system. All potential system improvements will be presented to the City, and when the most desirable improvement or combination is decided upon, D&A will prepare a full set of pre-construction bid plans.

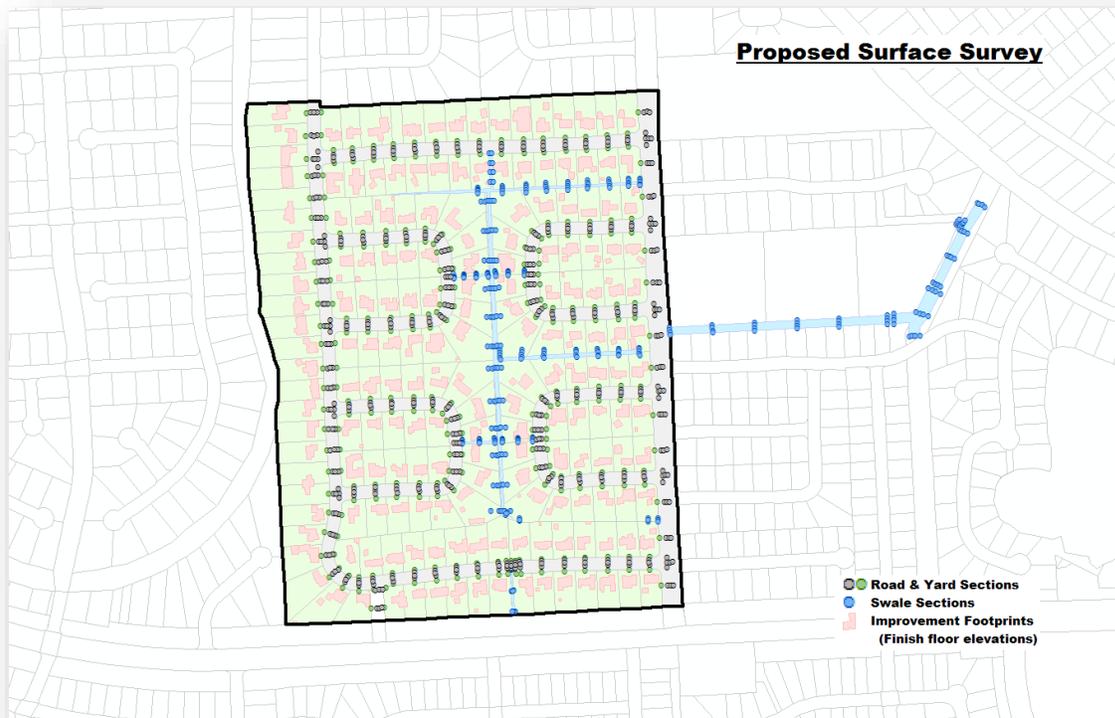
Survey & Inspection

D&A proposes to perform cross-sections of roads and swales at every parcel, or roughly every 100-ft, as well as finish floor elevations of all residences within the project area.

- Sections at roads should include surveyed elevations at the crown, both gutters at the curb face, at a location in each opposite yard where the grade breaks toward the road (roughly at the first seam of the driveway apron) and at natural ground nearest the building structures.
- Sections at swales and ditches should include elevations at the flow line, bottom and top of cross slopes, and at the bordering fence lines.
- Sections of the paved Willow Dr. Baptist Church and Friedrich Ditches are proposed at every other parcel along the south and east sides of the ditches, or roughly every 200-ft, due to the uniformity of cross section and slope.
- Finish floor elevations should be surveyed at the garage of residences where the garage is attached and the foundation is monolithic, or at the front door of residences where the garage is detached.

All cross-section survey shall be performed using a Total Station and shall tie to the City's established control elevations. Finish floors shall be measured using an optical level.

For all other areas - i.e. the side and back yards of all residential parcels - D&A proposes to integrate the City's 1-ft LiDAR contours with the high-resolution cross-sections described above. These contours should be sufficient to characterize the sheet flow to points of concentration within the curbs and swales, and it avoids the time-consuming and costly tasks of sending landowner notifications, gaining access permissions and setting exponentially more controls due to line-of-sight obstructions of houses and privacy fences.



In addition, D&A proposes to survey, measure and inspect all subsurface stormwater infrastructure facilities and components that are a part of or attached to the primary conveyance system described above. Specifically:

- Surveying location, elevation and dimension of all inlets, boxes, culverts, headwalls, storm drains, piping and pertinent road crossing(s) structures, including pertinent storm sewers along Willow Drive.
- Lamping, photographing and/or video recording the storm sewer pipe for the purpose of identifying any existing under-performing components or defects such as root or groundwater infiltration, sedimentation or debris blockage, or joint or gasket misalignment or gaps.

D&A notes one exception involving the \pm 850-ft HDPE 24" pipe which follows the southern portion of Hyacinth St (see "Generalized Existing Drainage" above) and which is known to have at least four 45° bends with no intermediate cleanouts or other structures at changes in alignment. Additionally, the tie-in from this pipe to the RCP along Willow Dr occurs at a point approximately 10'-20' upstream from the manhole. These considerations limit the effectiveness of lamping and the accessibility and maneuverability of a crawler-mounted CCTV inspection. Therefore, two alternatives are proposed with regard to this line, with costs separately itemized from the proposed inspection of the remainder of the system:



- Option 1 is a Subcontracted CCTV inspection with City Public Works' assistance in performing at least two (2) point excavations to allow a crawler and camera access at the 45° bends via penetrations through the top of the pipe. The City may also install stub-outs attached to the saddle repairs to afford easier future inspection and cleaning.
- Option 2 is a flow test with the Fire Department's assistance to infer whether a blockage exists which affects the flow capacity of the pipe.

In an effort to avoid excessive or unnecessary labor, locating and surveying property corners and/or 811 utilities will not be a focus of the surface and infrastructure survey. Once the system is successfully modeled and potential areas for renovation or other construction are identified, surveyors will be deployed to locate only the corners of properties adjacent to the affected easements or rights-of-way. D&A will reference maps of City utilities in designing proposed construction, however it shall be the responsibility of the Contractor to verify all utilities in the work areas.

Modeling

Existing Conditions

D&A shall construct a Civil 3D model using the results of the survey described above, and said model shall replicate with reasonable accuracy the performance and limitations of the existing system.

The City possesses photographic documentation of the locations most susceptible to flooding and the extents of such inundation during recent significant rainfall events. The frequency of these storms can be deduced by referencing NOAA Station WBAN: 12976 at the Texas Gulf Coast Regional Airport and the hourly precipitation recorded in the local climatological data inventory for the documented storm event date ranges (post-2005).

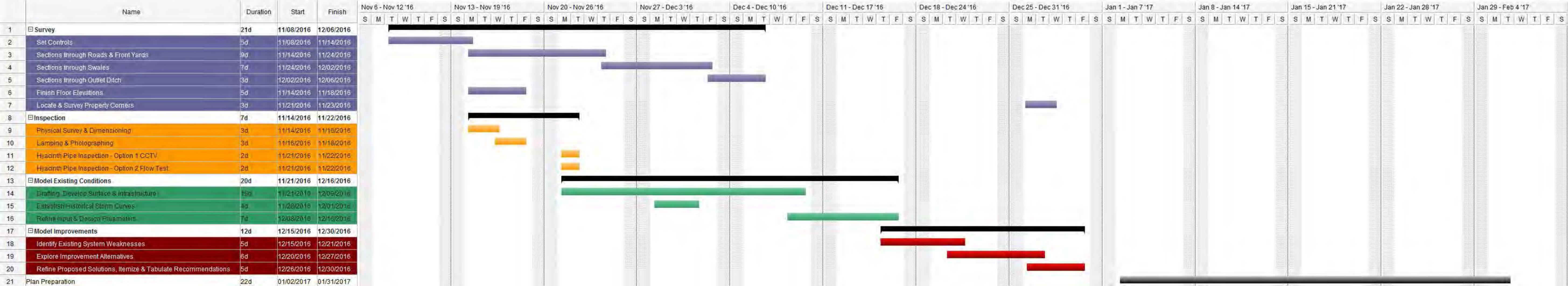
D&A shall confer with City Engineering throughout the development of the model to ensure all constraints, coefficients and other design criteria are accurate and representative of the existing system.

Improvements & Design Storm Events

D&A shall propose as many solutions, designs or improvements as are practicable which can be modeled independently and/or in combination to eliminate the observed flooding conditions when subjected to storms of known historical frequency and no less significant than a 2-year storm. Designs which successfully attenuate a modeled 5- or 10-year frequency storm across the entire drainage area are preferred.



Solutions may include cleaning, rehabilitating, regrading or expanding existing facilities, replacing pipe, inlets or other drainage elements, or installing new facilities, swales or detention. Design options shall be evaluated by a number of factors, including cost of construction and maintenance, effectiveness in utilizing available capacity and distributing system loads, and the highest frequency-intensity-duration event of serviceable performance. D&A shall prepare tabulated comparisons of any proposed solutions at the City's request.





Engineer’s Project Packages Deliverables

- Existing condition drawings showing storm sewers, swales / ditches, crossing structure(s), and etc.
- Drainage Area Map drawing to include drainage areas, hydrological models layout(s), and Hydraulic / Hydrologic tabulations
- Design and detail construction drawings for:
 - (1) installation and / or addition of proposed drainage structures,
 - (2) utility line relocation and retie-in as required,
 - (3) excavation of ditches and/or ditch slope paving / modifications as required,
 - (4) street pavement repairs, structure head wall, and structure handrail (if applicable) modifications and/or installation at each street crossing or where applicable,
 - (5) sidewalk modifications
- Provide 1 set hard copy reproducible and e-file (with model space referencing NAD 83 datum and paper / layout spaces adhering to proper layering scheme). Construction drawings shall include cover sheet, construction notes, vicinity map, plan and profile sheets, construction details, bench marks' locations sheet, and pollution prevention plan
- Provide an itemized bid schedule / quantities sheets and take offs
- Documentation of photos and/or videos as by-products from the survey and CCTV inspections

Engineering Fee and Time of Completion

The below cost estimates are calculated using (1) the unit rates included in the D&A City of Lake Jackson Service Fee Schedule effective May 25, 2016 and attached to this proposal and (2) the working timeframes estimated in the Schedule above.

D&A will commence work on this project within one (1) day of receiving authorized notice to proceed and plans to complete services three (3) months thereafter, pending changes according to the City Engineer’s review and comments.

	Duration	Cost
Survey		
3-Person Crew, Senior Survey Tech, daily mileage, daily Total Station and Data Collector		
Set Controls	5 days	\$ 6,421.10
Survey Roads & Front Yards	9 days	\$ 12,764.28
Survey Swales	7 ½ days	\$ 10,605.90
Survey Outlet Ditch	3 days	\$ 4,389.36
Survey Finish Floors	5 days	\$ 6,169.20
Locate & Survey Property Corners	3 days	\$ 4,035.56
Subtotal Survey		\$ 44,385.40



Inspection

Subsurface & Inlet Survey	3 days	\$ 3,930.56
Subsurface Lamping & Photographing	3 days	\$ 3,930.56
Hyacinth Subsurface OPTION 1 CCTV (Private Contractor costs only)	1 day	\$ 4,462.50
Hyacinth Subsurface OPTION 2 Flow Test (Private Contractor costs only)	1 day	\$ 1,920.00
Subtotal Inspection (Includes Option 1 only)		\$ 12,323.62

Model Existing Conditions

CADD Operator, Professional Engineer

Drafting, Develop Surface & Infrastructure	15 days	\$ 12,460.08
Establish Historical Storm Curves	4 days	\$ 3,230.72
Refine Input & Design Parameters	7 days	\$ 8,076.21
Subtotal Model Development		\$ 23,767.01

Design Improvements

Identify Existing System Weaknesses	5 days	\$ 5,768.72
Explore Improvement Alternatives	6 days	\$ 6,922.46
Refine Solutions, Itemize & Tabulate Recommendations	5 days	\$ 6,576.40
Subtotal Design Improvement		\$ 19,267.58

Plan Preparation

22 days \$ 18,274.78

Bid Total \$ 118,018.40

DAMIAN & ASSOCIATES, INC.

David Johnson, PE, Chief Operations Officer

November 1, 2016



Scale: 1" = 100'



20 AUG 2015 13:50



20 AUG 2015 13:53



20 AUG 2015 13:54

City Council Agenda Item

City of Lake Jackson

Meeting Date: 11/07/2016

Subject: STATUS OF DRAINAGE IN THE
PARKWOOD S/D NEAR MOSS, CHESNUT,
AND PALM LANE

Submitted by: Athelstan Sanchez

Expenditure Account:

Action Requested:
Alternatives:

Summary of Subject:

Please see attached "LJN16461_20161101_OnePageReport.pdf" file for Freese & Nichols' bi-monthly update / status report.

Though FN is well into phase 1, I will still try to get the actual electronic Hydrology & Hydraulic (H&H) models they had requested. Worst case given the time, I might very well recreate these models and send off. Not having these models, FN is unable to code in storm sewer structures / conveyances under / through street crossings in the model. If results from the model without existing crossings in place shows ditches overflowing its' banks for the more frequent occurring storms, our attention will be had realizing that with crossings in place the adverse impact in those locations could be 2 folds or greater: an attention-getter.

CLIENT NAME:	City of Lake Jackson	DATE:	11/01/2016
PROJECT NAME:	Lake Jackson Drainage Study	PROJECT NO.:	LJN16461
TO:	Athelstan Sanchez	PERIOD COVERED:	October
FROM:	Ashley Poe	CC:	

PROJECT UPDATES

- FNI received the following items from the City on October 12, 2016
 - LAS points
 - Dodson Report
- FNI received the following items from the City on October 18, 2016
 - 5M DEMs
 - Breaklines
- Completed hydrologic analysis and submitted for QC
- QC completed for hydrologic analysis

UPCOMING ACTIVITIES

- Finalize hydrologic analysis by addressing QC comments
- Begin hydraulic analysis
 - Because no H&H models were submitted to FNI, the hydraulic models will be built solely using LiDAR and field visit data. The models will be created for the major ditches as defined in the scope, and crossings will not be included.

PROJECT SCHEDULE AND UPCOMING DELIVERABLES

- Brief memorandum documenting methodology and peak flows at key locations and electronic copy of models due December 2016

OUTSTANDING ISSUES OR INFO NEEDS

- FNI is still waiting to receive the following data from the City:
 - Construction/ as built plans for recent development and/or channels/ ditches (specifically the **Kroger** at Dixie Drive and Oyster Creek Drive and the **Woodshore** Subdivisions)