

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §

COUNTY OF COMANCHE §

CITY OF DE LEON §

I, the undersigned, City Secretary of the City of De Leon, Texas, DO HEREBY CERTIFY as follows:

1. On the 20th day of December, 2011, a regular meeting of the City Council of the City of De Leon, Texas (the "Council") was held at a meeting place within the City, the duly constituted members of the Council being as follows:

Danny Owen		MAYOR
Lee Childers)	
Arthur Beck)	COUNCIL MEMBERS
Lowell Ercanbrack)	
Bobby Schuman)	
Gayle Stroud)	

and all of said persons were present at said meeting except Danny Owen, thus constituting a quorum. Among other business considered at said meeting, the attached ordinance entitled:

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DE LEON, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012; PRESCRIBING THE TERMS AND FORM THEREOF; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AWARDING THE SALE THEREOF; AND MAKING OTHER PROVISIONS REGARDING SUCH CERTIFICATES, INCLUDING USE OF THE PROCEEDS THEREOF, AND MATTERS INCIDENT THERETO


(the "Ordinance") was duly introduced for the consideration of the City Council and read in full. It was then duly moved and seconded that the Ordinance be adopted; and, after due discussion, such motion, carrying with it the adoption of the Ordinance, prevailed and carried by the following vote:

AYES: 5 NAYS: 0 ABSTENTIONS: 0

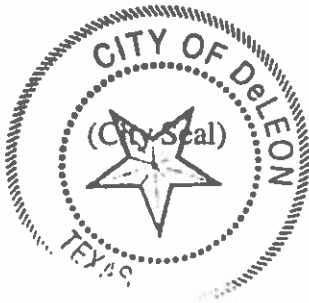
2. That a true, full and correct copy of the Ordinance adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Ordinance has been duly recorded in the City Council's minutes of such meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of

such meeting pertaining to the adoption of the Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and subject of the aforesaid meeting, and that the Ordinance would be introduced and considered for adoption at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting for such purpose; that such meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of such meeting was given as required by the Open Meetings Law, Chapter 551, Texas Government Code.

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of said City, this the 20th day of December, 2011.



City Secretary, City of De Leon, Texas



ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF DE LEON, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012; PRESCRIBING THE TERMS AND FORM THEREOF; PROVIDING FOR THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AWARDING THE SALE THEREOF; AND MAKING OTHER PROVISIONS REGARDING SUCH CERTIFICATES, INCLUDING USE OF THE PROCEEDS THEREOF, AND MATTERS INCIDENT THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DE LEON, TEXAS:

ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1.1 Findings and Determinations. The City Council hereby officially finds and determines that:

- (a) The City of De Leon, Texas (the "City"), acting through its City Council, is authorized pursuant to and in accordance with the provisions of Texas Local Government Code, Chapter 271, Subchapter C, as amended (the "Act"), to issue certificates of obligation to provide all or part of the funds to pay contractual obligations to be incurred for the construction of public works, specifically the projects listed in the City's Notice of Intention, as described in paragraph (b) below.
- (b) The City Council authorized the publication of a notice of intention (the "Notice of Intention") to issue the Certificates to the effect that the City Council was tentatively scheduled to meet at 6:00 p.m. on December 20, 2011 at its regular meeting place to adopt an ordinance authorizing the issuance of the Certificates to be payable from (i) an ad valorem tax levied, within the limits prescribed by law, on the taxable property located within the City, and (ii) a limited pledge (not to exceed \$10,000) of Net Revenues (defined herein) to be derived from the City's Utility System (defined herein).
- (c) Such notice was published on November 17, 2011 and November 24, 2011 in the manner required by the Act.
- (d) No petition signed by at least five percent (5%) of the qualified voters of the City has been filed with or presented to any official of the City protesting the issuance of such Certificates on or before December 20, 2011, the date of passage of this Ordinance.
- (e) The City is authorized by Section 1502.052, Texas Government Code, to pledge the revenues of the Utility System to the payment of certificates of obligation.

- (f) The City has determined that it is in the best interests of the City and that it is otherwise desirable to issue the Certificates to provide all or part of the funds to pay contractual obligations to be incurred for the purposes authorized by the Act.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1 Definitions. As used herein, the following terms shall have the meanings specified, unless the context clearly indicates otherwise:

“Act” shall mean Texas Local Government Code, Chapter 271, Subchapter C, as amended.

“Attorney General” shall mean the Attorney General of the State of Texas.

“Certificate” or “Certificates” shall mean any or all of the City of De Leon, Texas Certificates of Obligation, Series 2012, authorized by this Ordinance.

“City” shall mean the City of De Leon, Texas and where appropriate, its City Council.

“City Council” shall mean the governing body of the City.

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

“Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

“Fiscal Year” shall mean the City’s then designated fiscal year, which currently is the twelve-month period beginning on the first day of October of a calendar year and ending on the last day of September of the next succeeding calendar year and each such period may be designated with the number of the calendar year in which such period ends.

“Interest Payment Date,” when used in connection with any Certificate, shall mean August 15, 2012, and each February 15 and August 15 thereafter until maturity or prior redemption.

“Issuance Date” shall mean the date on which the Certificates are delivered to and paid for by the Purchaser.

“Ordinance” shall mean this Ordinance and all amendments hereof and supplements hereto.

“Outstanding”, when used with reference to the Certificates, shall mean, as of a particular date, all Certificates theretofore and thereupon delivered pursuant to this Ordinance except: (a) any Certificates canceled by or on behalf of the City at or before such date; (b) any Certificates defeased pursuant to the defeasance provisions of this Ordinance or otherwise defeased as permitted by applicable law; and (c) any Certificates in lieu of or in substitution for which a replacement Certificate shall have been delivered pursuant to this Ordinance.

“Paying Agent/Registrar” shall mean Compass Bank, and its successors in that capacity.

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

“Purchaser” shall mean Compass Bank.

“Record Date” shall mean the close of business on the last business day of the calendar month immediately preceding the applicable Interest Payment Date.

“Register” shall mean the registration books for the Certificates kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, each Registered Owner of Certificates.

“Registered Owner” or “Owner” shall mean the person or entity in whose name any Certificate is registered in the Register.

“Utility System” shall mean the City’s waterworks and sewer system.

Section 2.2 Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Certificates and the validity of the levy of ad valorem taxes and pledge of the Utility System to pay the principal of and interest on the Certificates.

ARTICLE III

TERMS OF THE CERTIFICATES

Section 3.1 Amount, Purpose and Authorization. The Certificates shall be issued in fully registered form, without coupons, under and pursuant to the authority of the Act in the total authorized aggregate principal amount of EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$800,000.00) for the purpose of providing all or part of the funds to pay contractual obligations to be incurred for (1) improvements to City Hall and (2) payment for professional services related thereto.

Section 3.2 Designation, Date and Interest Payment Dates. The Certificates shall be designated as the “City of De Leon, Texas Combination Tax and Revenue Certificates of Obligation, Series 2012,” and shall be dated January 1, 2012. The Certificates shall bear interest at the rates set forth in Section 3.3 below, from the later of the date of delivery of the Certificates or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on August 15, 2012, and each February 15 and August 15 thereafter until maturity or prior redemption.

If interest on any Certificate is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Registered Owner as of the close of business on the day prior to mailing of such notice.

Section 3.3 Numbers, Denomination, Interest Rates and Maturities. The Certificates shall be issued bearing the number R-1, and shall bear interest at the rates of 3.83%, and may be transferred as set out in this Ordinance. The Certificates shall mature in installments on February 15 in each of the years and in the amounts set out in the following schedule. Certificates delivered on transfer of or in exchange for other Certificates shall be numbered (with appropriate prefix) in order of their authentication by the Registrar, shall be in the denomination denominations of generally \$100,000 or any integral multiple of \$5,000 in excess thereof and shall mature on the same date and bear interest at the same rate as the Certificate or Certificates in lieu of which they are delivered.

<u>Payment Date</u>	<u>Principal Amount</u>
2014	\$45,000
2015	\$45,000
2016	\$50,000
2017	\$50,000
2018	\$55,000
2019	\$55,000
2020	\$65,000
2021	\$65,000
2022	\$70,000
2023	\$70,000
2024	\$75,000
2025	\$75,000
2026	\$80,000

Section 3.4 Optional Redemption Prior to Maturity. (a) The City reserves the right, at its option, to redeem prior to maturity the Certificates, in whole or in part, on any date, at a price equal to the principal amount of the Certificates or portions thereof called for redemption plus accrued interest to the date of redemption.

(b) Certificates may be redeemed only in integral multiples of \$1,000 of principal amount. If a Certificate subject to redemption is in a denomination larger than \$1,000, a portion of such Certificate may be redeemed, but only in integral multiples of \$1,000. In selecting portions of Certificates for redemption, the Paying Agent/Registrar shall treat each Certificate as representing that number of Certificates of \$1,000 denomination which is obtained by dividing the principal amount of such Certificate by \$1,000. Upon surrender of any Certificate for

redemption in part, the Paying Agent/Registrar, in accordance with Section 3.8 hereof, shall authenticate and deliver in exchange therefor a Certificate or Certificates of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

(c) Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the City to each Owner of a Certificate to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the business day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all Certificates Outstanding are to be redeemed, the numbers of Certificates or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed. When Certificates have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Certificates or portions thereof so redeemed shall no longer be regarded to be Outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Certificate or portion thereof called for redemption shall terminate on the date fixed for redemption.

Section 3.5 Manner of Payment, Characteristics, Execution and Authentication. The Paying Agent/Registrar is hereby appointed the paying agent for the Certificates. The Certificates shall be payable, shall have the characteristics and shall be executed, sealed, registered and authenticated, all as provided and in the manner indicated in the FORM OF CERTIFICATES set forth in Article IV of this Ordinance. If any officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of the Certificates or before the delivery of the Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

The approving legal opinion of Andrews Kurth LLP, Austin, Texas, Bond Counsel, may be printed on the back of the Certificates over the certification of the City Secretary, which may be executed in facsimile. CUSIP numbers also may be printed on the Certificates if CUSIP numbers are assigned to the Certificates, but errors or omissions in the printing of either the opinion or the CUSIP numbers shall have no effect on the validity of the Certificates.

Section 3.6 Authentication. Except for the Certificates to be initially issued, which need not be authenticated by the Paying Agent/Registrar, only such Certificates as shall bear thereon a certificate of authentication, substantially in the form provided in Article IV of this Ordinance, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Certificate so authenticated was delivered by the Paying Agent/Registrar hereunder.

Section 3.7 Ownership. 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 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 Registered Owner of any Certificate in accordance with this Section shall be valid and effective and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.8 Registration, Transfer and Exchange. The Paying Agent/Registrar is hereby appointed the registrar for the Certificates. As long as any Certificates remain Outstanding, the Registrar shall keep the Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Certificates in accordance with the terms of this Ordinance.

Each Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Certificate for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours 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 and surrendered.

All Certificates shall be exchangeable upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates, 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 the provisions of this Section. Each Certificate delivered by the Paying Agent/Registrar in accordance with this Section 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.

All Certificates issued in transfer or exchange shall be delivered to the Registered Owners thereof at the principal corporate trust office of the Paying Agent/Registrar or sent by United States mail, first class, postage prepaid.

The City or the Paying Agent/Registrar may require the Registered 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.

Section 3.9 Replacement Certificates. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate, of the same maturity,

interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the City.

If any Certificate is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and ordinances of the City, and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver, a replacement Certificate of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

- (a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Certificate;
- (b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save and hold them harmless;
- (c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and
- (d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Certificate, authorize the Paying Agent/Registrar to pay such Certificate.

Each replacement Certificate delivered in accordance with this Section 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 replacement Certificate is delivered.

Section 3.10 Cancellation. All Certificates paid or redeemed in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall periodically furnish the City with certificates of destruction of such Certificates.

ARTICLE IV

FORM OF CERTIFICATES

The Certificates, including the Form of Comptroller's Registration Certificate, Form of Paying Agent/Registrar Authentication Certificate, and Form of Assignment shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary or desirable, and not prohibited by this Ordinance:

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF DE LEON, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 2012

NUMBER
1R-
REGISTERED

DENOMINATION
\$ _____
REGISTERED

DATED DATE
January 1, 2012

INTEREST RATE:
3.83%

DELIVERY DATE:
January 19, 2012

REGISTERED OWNER: COMPASS BANK

PRINCIPAL AMOUNT: EIGHT HUNDRED THOUSAND DOLLARS

THE CITY OF DE LEON, TEXAS (the "City"), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on February 15 of each of the years and in the principal amounts set forth in the following schedule: [Insert information regarding years of maturity and principal amounts from Section 3.3 of Ordinance.] upon presentation and surrender of this Certificate at the principal corporate trust office of Compass Bank or its successor (the "Registrar"), payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the later of the Delivery Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Certificate is payable on August 15, 2012, and each February 15 and August 15 thereafter until maturity or prior redemption of this Certificate, by check sent by United States mail, first class, postage prepaid, by the Paying Agent/Registrar to the Registered

¹ Initial Certificate of Obligation shall be numbered T-1

Owner of record as of the close of business on the last day of the calendar month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity shall be paid upon presentation and surrender of this Certificate at the principal corporate trust office of the Paying Agent/Registrar.

THIS CERTIFICATE IS ONE OF A DULY AUTHORIZED SERIES OF CERTIFICATES (the "Certificates") in the aggregate principal amount of \$800,000.00 issued pursuant to an ordinance adopted by the City Council of the City on December 20, 2011 (the "Ordinance") for the purpose of providing all or part of the funds to pay contractual obligations to be incurred for (1) improvements to City Hall and (2) payment for professional services related thereto.

²THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate is authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE CITY RESERVES THE RIGHT, at its option, to redeem prior to maturity the Certificates, in whole or in part, on any date, at a price equal to the principal amount of the Certificates or portions thereof called for redemption plus accrued interest to the date of redemption.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class U.S. mail, postage prepaid, addressed to the registered owner of each Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall cease to accrue on the date fixed for redemption.

THIS CERTIFICATE IS TRANSFERABLE only upon presentation and surrender at the principal corporate trust office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or its authorized representative, subject to the terms and conditions of the Ordinance.

THIS CERTIFICATE IS EXCHANGEABLE 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 the principal amount of \$1,000 or any integral multiple thereof (or in an amount equal to an authorized denomination, as the case may be), subject to the terms and conditions of the Ordinance.

² In the initial Certificate, this paragraph shall read:

"THIS CERTIFICATE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Certificate of Obligation is registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate attached or affixed hereto."

THE CITY OR PAYING AGENT/REGISTRAR may require the Registered 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 a Certificate. Any fee or charge of the Paying Agent/Registrar for a transfer or exchange shall be paid by the City.

THE REGISTERED OWNER of this Certificate by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

IT IS HEREBY DECLARED AND REPRESENTED that this Certificate has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and to be done precedent to or in the issuance and delivery of this Certificate have been performed, exist and have been done in accordance with law; that the Certificates do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the City and have been irrevocably pledged for such payment.

IT IS FURTHER DECLARED AND REPRESENTED that the revenues (not to exceed \$10,000) to be derived from the City's Utility System, after the payment of all operation and maintenance expenses of such Utility System (the "Net Revenues"), are pledged to the payment of the principal of and interest on the Certificates. The City also 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, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

REFERENCE IS HEREBY MADE TO THE ORDINANCE, a copy of which is filed with the Paying Agent/Registrar, for the full provisions thereof, to all of which the Registered Owners of the Certificates assent by acceptance of the Certificates.

IN WITNESS WHEREOF, the City has caused its corporate seal to be impressed or placed in facsimile hereon and this Certificate to be signed by the Mayor, countersigned by the City Secretary by their manual, lithographed or printed facsimile signatures.

(AUTHENTICATION OR
REGISTRATION CERTIFICATE)

CITY OF DE LEON, TEXAS

Mayor

(SEAL)

COUNTERSIGNED:

City Secretary

* * *

FORM OF COMPTROLLER'S REGISTRATION CERTIFICATE

The following form of Comptroller's Registration Certificate shall be attached or affixed to each of the Certificates initially delivered:

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

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____, 2011.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

* * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

The following form of authentication certificate shall be printed on the face of each of the Certificates other than those initially delivered:

AUTHENTICATION CERTIFICATE

This Certificate is one of the Certificates described in and delivered pursuant to the within-mentioned Ordinance; and, except for the Certificates initially delivered, this Certificate has been issued in exchange for or replacement of a Certificate, Certificates, or a portion of a Certificate or Certificates 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.

COMPASS BANK
as Paying Agent/Registrar

By: _____
Authorized Signature: _____
Date of Authentication: _____

* * *

FORM OF ASSIGNMENT

The following form of assignment shall be printed on the back of each of the Certificates:

ASSIGNMENT

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

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: _____

Signature Guaranteed:

Registered Owner

NOTICE: Signature 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 to the name of the registered owner as shown on the face of this certificate in every particular, without any alteration, enlargement or change whatsoever.

* * *

ARTICLE V

SECURITY FOR THE CERTIFICATES

Section 5.1 Pledge and Levy of Taxes and Revenues. (a) To provide for the payment of principal of and interest on the Certificates, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Certificates or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the City sufficient to pay the interest on the Certificates and to create and provide a sinking fund of not less than 2% of the principal amount of the Certificates or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Certificates by deposit to the Debt Service Fund (as defined below) and to no other purpose.

(b) The City hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal of and interest on the Certificates, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax. As long as any Certificates remain outstanding, all moneys on deposit in, or credited to, the Debt Service Fund shall be secured by a pledge of security, as provided by law for cities in the State of Texas.

(c) In addition, the City also hereby pledges the revenues (not to exceed \$10,000) to be derived from the City's Utility System, after the payment of all operation and maintenance expenses of such Utility System (the "Net Revenues"), to the payment of the principal of and interest on the Certificates by deposit to the Debt Service Fund. The City also 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, secured in whole or in part by a pledge of Net Revenues, that may be prior and superior in right to, on a parity with, or junior and subordinate to the pledge of Net Revenues securing the Certificates.

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

Section 5.2 Debt Service Fund. The Certificates of Obligation, Series 2012 Debt Service Fund (the "Debt Service Fund") is hereby created as a special fund solely for the benefit of the Certificates. The City shall establish and maintain such fund at an official City depository and shall keep such fund separate and apart from all other funds and accounts of the City. Any amount on deposit in the Debt Service Fund shall be maintained by the City in trust for the Registered Owners of the Certificates. Such amount, plus any other amounts deposited by the City into such fund and any and all investment earnings on amounts on deposit in such fund, shall be used only to pay the principal of, premium, if any, and interest on the Certificates.

Section 5.3 Further Proceedings. After the Certificates to be initially issued have been executed, it shall be the duty of the Mayor to deliver the Certificates to be initially issued and all pertinent records and proceedings to the Attorney General for examination and approval. After the Certificates to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller for registration. Upon registration of the Certificates to be initially issued, the Comptroller (or a deputy lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be affixed or attached to the Certificates to be initially issued, and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

ARTICLE VI

CONCERNING THE PAYING AGENT/REGISTRAR

Section 6.1 Acceptance. Compass Bank is hereby appointed as the initial Paying Agent/Registrar for the Certificates pursuant to the terms and provisions of the Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar. The

Paying Agent/Registrar Agreement shall be substantially in the form attached hereto as Exhibit A, the terms and provisions of which are hereby approved, and the Mayor is hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City

in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the City's seal. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance.

Section 6.2 Trust Funds. All money transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Certificates under this Ordinance (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance.

Section 6.3 Certificates Presented. Subject to the provisions of Section 6.4, all matured Certificates presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Certificates shall be canceled as provided herein.

Section 6.4 Unclaimed Funds Held by the Paying Agent/Registrar. Funds held by the Paying Agent/Registrar that represent principal of and interest on the Certificates remaining unclaimed by the Registered Owner thereof after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Certificates by virtue of actions taken in compliance with this Section.

Section 6.5 Paying Agent/Registrar May Own Certificates. The Paying Agent/Registrar in its individual or any other capacity, may become the owner or pledgee of Certificates with the same rights it would have if it were not the Paying Agent/Registrar.

Section 6.6 Successor Paying Agents/Registrars. The City covenants that at all times while any Certificates are Outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Certificates. The City reserves the right to change the Paying Agent/Registrar for the Certificates on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Certificates. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner, by United States mail, first class, postage prepaid, of such change and of the address of the new

Paying Agent/Registrar. Each Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

ARTICLE VII

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF CERTIFICATES

Section 7.1 Sale of Certificates. The sale of the Certificates to Compass Bank (the "Purchaser") at a price equal to the par value thereof is hereby approved, and delivery of the Certificates to the Purchaser shall be made upon payment therefor in accordance with the terms of sale. It is hereby officially found, determined and declared that the terms of the sale of the Certificates are the most advantageous terms reasonably obtainable by the City at this time.

Section 7.2 Approval, Registration and Delivery. The Mayor is hereby authorized to have control and custody of the Certificates and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and other officers and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Certificates and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Certificates by the Comptroller. Upon registration of the Certificates, the Comptroller (or the Comptroller's certificates clerk or an assistant certificates clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificates prescribed herein to be attached or affixed to each Certificates initially delivered and the seal of the Comptroller shall be impressed or printed or lithographed thereon.

Section 7.3 Application of Proceeds of Certificates. Proceeds from the sale of the Certificates shall, promptly upon receipt by the City, be applied as follows:

- (1) Accrued interest, if any, shall be deposited into the Debt Service Fund created in Section 5.2 of this Ordinance;
- (2) A portion of the proceeds shall be applied to pay expenses arising in connection with the issuance of the Certificates;
- (3) The remaining proceeds shall be applied, together with other funds of the City, to provide funds to pay contractual obligations to be incurred for the construction of public works, specifically the construction of the public works described in Section 3.1 of this Ordinance; and
- (4) Any proceeds from the sale of the Certificates, including investment income thereon, remaining after making all the foregoing deposits and payments shall be deposited into the Debt Service Fund and used to pay debt service on the Certificates.

Section 7.4 Tax Exemption The City intends that the interest on the Certificates shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the

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

- (a) The City will use all of the proceeds of the Certificates to (i) provide funds for water and sewer system improvements, street improvements and for the payment of contractual obligations for professional services, which will be owned and operated by the City and (ii) to pay the costs of issuing the Certificates. The City will not use any portion of the proceeds of the Certificates to pay the principal of or interest or redemption premium on, any other obligation of the City or a related person.
- (b) The City will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Certificates to constitute "private activity bonds" within the meaning of Section 141(a) of the Code.
- (c) Principal of and interest on the Certificates will be paid solely from ad valorem taxes and revenues collected by the City, investment earnings on such collections, and as available, proceeds of the Certificates.
- (d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Certificates are delivered, the City reasonably expects that the proceeds of the Certificates will not be used in a manner that would cause the Certificates or any portion thereof to be an "arbitrage bond" within the meaning of Section 148 of the Code.
- (e) At all times while the Certificates are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Certificates in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Certificates and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Certificates. To the extent necessary to prevent the Certificates from constituting "arbitrage bonds," the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Certificates to be less than the yield that is materially higher than the yield on the Certificates.
- (f) The City will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Certificates to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code.

- (g) The City represents that not more than fifty percent (50%) of the proceeds of the Certificates will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expects that at least eighty-five percent (85%) of the spendable proceeds of the Certificates will be used to carry out the governmental purpose of the Certificates within the three-year period beginning on the date of issue of the Certificates.
- (h) The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Certificates, if any, be rebated to the federal government. Specifically, the City will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Certificates as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Certificate is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Certificates and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.
- (i) The City will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Certificates not been relevant to either party.
- (j) The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with

respect to the Certificates on such form and in such place as the Secretary may prescribe.

- (k) The City will not issue or use the Certificates as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Certificates are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.
- (l) Proper officers of the City charged with the responsibility for issuing the Certificates are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Certificates and stating whether there are facts, estimates or circumstances that would materially change the City's expectations. On or after the date of issuance of the Certificates, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.
- (m) The covenants and representations made or required by this Section are for the benefit of the Certificate holders and any subsequent Certificate holder, and may be relied upon by the Certificate holders and any subsequent Certificate holder and bond counsel to the City.

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

Notwithstanding any other provision of this Ordinance, the City's representations and obligations under the covenants and provisions of this Section 7.4 shall survive the defeasance and discharge of the Certificates for as long as such matters are relevant to the exclusion of interest on the Certificates from the gross income of the owners for federal income tax purposes.

Section 7.5 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. With respect to such designation, the City represents the following: (a) that during the calendar year 2012, the City (including all entities which issue obligations on behalf of the City), 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 and (b) that the City has examined its financing needs for the calendar year 2012 and reasonably anticipates that the amount of bonds, leases, loans or other obligations, together with the Certificates and any other tax-exempt obligations heretofore issued by the City (plus those of all entities which issue obligations on behalf of the City) during the calendar year 2012, when the higher of the

face amount or the issue price of each such tax-exempt obligation issued for the calendar year 2012 by the City is taken into account, will not exceed \$10,000,000.

Section 7.6 Related Matters. In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor, City Secretary and all other appropriate officers, agents, representatives and employees of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance and delivery of the Certificates, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Defeasance. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Certificates to pay the principal of and interest thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar or with the State Treasurer of the State of Texas either:

- (a) cash in an amount equal to the principal amount of such Certificates plus interest thereon to the date of maturity or redemption; or
- (b) pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer 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 issuer 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, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption;

provided, however, that if any of the Certificates are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. Upon such deposit, such Certificates shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

Section 8.2 Legal Holidays. In any case where the date interest accrues and becomes payable on the Certificates or principal of the Certificates matures or the date fixed for redemption of any Certificates or a Record Date shall be in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the City a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the last day of that calendar month.

Section 8.3 Ordinance a Contract - Amendments. This Ordinance shall constitute a contract with the registered owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any registered owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of registered owners who own in the aggregate 51% of the principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all registered owners of Outstanding Certificates, no such amendment, addition, 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, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required to be held by registered owners for consent to any such amendment, addition, or rescission.

When used with reference to the Certificates, "Outstanding" shall mean, as of a particular date, all Certificates theretofore and thereupon delivered pursuant to this Ordinance except: (a) any Certificates canceled by or on behalf of the City at or before such date; (b) any Certificates defeased pursuant to the defeasance provisions of this Ordinance or otherwise defeased as permitted by applicable law; and (c) any Certificates in lieu of or in substitution for which a replacement Certificate shall have been delivered pursuant to this Ordinance.

Section 8.4 No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Certificates or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificates.

Section 8.5 Further Proceedings. The Mayor, City Secretary and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance.

Section 8.6 Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance and in the form of the documents attached hereto as exhibits as, in the judgment of the Mayor, and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, or as may be required for approval of the Certificates by the Attorney General of Texas; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Certificates or such documents shall be subject to the prior approval of the City Council.

Section 8.7 Severability. If any Section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 8.8 Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall for the time required by law preceding this meeting, as required by the Open Meetings Law, Chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 8.9 Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 8.10 Effective Date. This Ordinance shall be in force and effect from and after its passage on the date shown below.

[Signature page follows]

PASSED AND APPROVED on this December 20, 2011.

Danny Owen

Mayor

Karin Wilkerson

City Secretary

