

City of Kingsville, Texas

AGENDA CITY COMMISSION

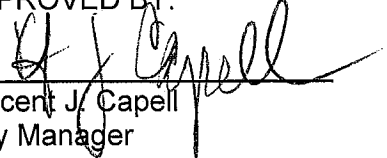
**MONDAY, JANUARY 14, 2013
REGULAR MEETING**

**HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS
CITY HALL/200 EAST KLEBERG AVENUE
6:00 P.M.**

I. Preliminary Proceedings.

OPEN MEETING

APPROVED BY:



Vincent J. Capell
City Manager

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S) – Required by Law

II. Public Hearing - (Required by Law).¹

1. None.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor. No formal action can be taken on these items at this time."

IV. Public Comment on Agenda Items³

1. Comments on all agenda and non-agenda items.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

1. Motion to approve out-of-state travel for City Commission and Staff to attend the National League of Cities Congress of Cities 2013 Congressional City Conference on March 9-13, 2013, in Washington, D.C. (City Manager).
2. Motion to approve out-of-state travel for Special Agent Mike Tamez to attend Drug Interdiction Assistance Program (DIAP) Commercial Motor Vehicle Criminal Interdiction Course on January 28-30, 2013 in Glendale, Arizona with DIAP paying for travel and per diem expenses. (Task Force Commander).
3. Motion to approve resolution authorizing the release of Chapter 59 funds of the Kingsville Specialized Crimes and Narcotics Task Force for donation to the Douglass Center. (Task Force Commander).
4. Motion to appoint Candace Jefferson for a 3 year term to the City Historic Preservation Commission. (Tourism Director).
5. Motion to appoint Floyd W. Holder, IV for a 3 year term to the City Historic Preservation Commission. (Tourism Director).
6. Motion to appoint Erinn Catherine McComb for a 3 year term to the City Historic Preservation Commission. (Tourism Director).
7. Motion to approve resolution to continue participation in the Texas Main Street Program, authorizing the Mayor to execute Texas Main Street Letter Agreement, and designating Downtown Manager Cynthia Martin as the Main Street Program Manager for the City of Kingsville to coordinate program activities. (Tourism Director).
8. Motion to approve resolution authorizing the Mayor to execute a Certification Agreement between the Texas Historical Commission and the City of Kingsville, Texas for participation in the Certified Local Government (CLG) program and designating Downtown Manager Cynthia Martin as the CLG Representative for the City to coordinate program activities. (Tourism Director).
9. Motion to approve resolution designating Downtown Manager Cynthia Martin as the City Historic Preservation Officer. (Tourism Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

10. Consideration and approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Certificates of Obligations, Series 2013" and approving all other matters related to the issuance of the certificates of obligations. (Finance Director).

11. Consideration and approval of an ordinance authorizing the issuance of "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2013"; a purchase contract; a paying agent/registrar agreement; and approving all other matters related thereto. (Finance Director).

12. Discuss speed limit on US Highway 77 through city limits. (Commissioner Garcia).

13. Consider awarding bid for 16" emergency water line extension along General Cavazos Blvd. as per staff recommendation. (Bid #13-04). (Director of Purchasing & IT).

14. Consider a resolution authorizing the City Manager to enter into a second revised Water Utility Supply Contract (GOV. Contract #N69450-12-C-0011) between the City of Kingsville and the Federal Government for Naval Air Station-Kingsville for an emergency water line connection. (City Engineer/Public Works Director).

15. Consider introduction of an ordinance vacating, abandoning, and closing Block 11, Lots 1-15, including a 20' alley, and a utility easement in Young Terrace Addition Subdivision. (City Engineer/Public Works Director).

16. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the General Fund for the Street Department to receive funding for street improvements and repairs for work done in front of the Santa Gertrudis Independent School District Administration and School building. (City Engineer/Public Works Director).

17. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the Police Department to purchase an ID Card System from Fiscal Year 2012 surplus. (Chief of Police).

18. Consider waiving interest on weed liens for property owned by Lionel H. Alarcon, Lots 11-12, Block 37, Original Town. (Finance Director).

19. Consider resolution authorizing the Mayor to execute a Professional Services Contract for the position of City Manager with Vincent J. Capell. (Mayor Fugate).

20. Consider introduction of an ordinance amending the Fiscal Year 2012-2013 budget for the General Fund's City Administration Dept. for an increase in compensation as a result of the City Manager's new Professional Services Contract. (Finance Director).

21. Discuss potential revision to Employee Health Benefit Plan for retirees who are no longer eligible for coverage. (Commissioner Pecos).

VII. Adjournment.

- ¹. No person's comments shall exceed 5 minutes. Cannot be extended by Commission.
- ². No person's comments shall exceed 5 minutes without permission of majority of Commission.

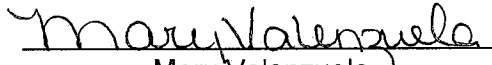
3. Comments are limited to 3 minutes per person. May be extended or permitted at other times in the meeting only with 5 affirmative Commission votes. The speaker must identify himself by name and address.
4. Items being considered by the Commission for action except citizens comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

NOTICE

This City of Kingsville and Commission Chambers are 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 361/595-8002 or FAX 361/595-8024 or E-Mail mvalenzuela@cityofkingsville.com for further information. Braille Is Not Available. The City Commission reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized by the Texas Government Code, Section 551-071 (Consultation with Attorney), 551-072 (Deliberations about Real Property), 551-073 Deliberations about Gifts and Donations), 551-074 (Personnel Matters), 551.076 (Deliberations about Security Devices), 551-086 (Certain Public Power Utilities: Competitive Matters), and 551-087 (Economic Development) .

I, the undersigned authority do hereby certify that the Notice of Meeting was posted on the bulletin board in the City Hall, 200 East Kleberg, of the City of Kingsville, Texas, a place convenient and readily accessible to the general public at all times and said Notice was posted on the following date and time:

January 10, 2013 at 1:00 P.M. and remained so posted continuously for at least 72 hours preceding the schedule time of said meeting.


Mary Valenzuela
City Secretary
City of Kingsville, Texas

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

By: _____
City Secretary's Office
City of Kingsville, Texas

MINUTES OF PREVIOUS MEETING(S)

DECEMBER 10, 2012

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, DECEMBER 10, 2012 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 6:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Al Garcia, Commissioner
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
David Mason, Purchasing Director
Mark Rushing, Finance Director
James Bryson, Accountant Manager
Mike Kellam, Director of Development Services
Diana Gonzales, Personnel Director
Diana Medina, Collections Manager
Roel Carrion, Interim Fire Chief
Emilio Garcia, Health Director
Bob Trescott, Tourism Director
Rose Morrow, Municipal Court Supervisor
Naim Kahn, Public Works Director/City Engineer
Dionicio Perez, Building Official
Cynthia Martin, Downtown & Volunteer Manager
Melissa Perez, Risk Manager
Willie Vera, Task Force Commander
Valerie Valero, Engineering
Ruthie Valdez, Interim Library Director
Tony Verdin, Computer Operation Technician

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 6:02 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

The invocation was delivered by Mark Rushing, Finance Director followed by the Pledge of Allegiance and the Texas Pledge.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

Mayor Fugate called for consideration of the minutes for regular meeting held on Monday, November 26, 2012. **Commissioner Leubert made a motion to accept the minutes as presented, seconded by Commissioner Pecos. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, voting "FOR". Fugate "ABSTAIN".**

II. Public Hearing - (Required by Law).¹

1. Public hearing regarding introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for 607 South 13th (Lots 5, Block 30, Retama Park) for an off-site caterer/bakery. (Director of Planning & Development Services).

Mayor Fugate opened the public hearing at 6:04 p.m.

Mr. Mike Kellam, Director of Development Services stated this is a special use permit for an offsite carter bakery. This item was presented on November 14, 2012 to the Planning & Zoning Commission meeting. No one appeared in opposition during this meeting and received no written comments in opposition to this request. Business hours will be from 10:00 A.M. to 7:00 P.M. with minimal customer traffic expected. Handicap accessiblity parking space shall be properly designated for one of the two required parking stalls for ADA customers. Minimal remodeling will be done to the interior of the building. This property is one block from 14th Street, one of the busiest commercial corridors of the city. Given the proximity to the existing commercial corridor, neighboring commercial uses and the aforementioned findings, staff is comfortable with the issuance of the special use permit. The business shall obtain all required permits for building, including Fire and Health Departments codes to operate said business. Planning staff and the Planning and Zoning Commission recommend conditional approval of this rezoning request.

Mayor Fugate closed the public hearing at 6:09 p.m.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor. No formal action can be taken on these items at this time."

Mr. Vince Capell, City Manager reported that it being the holiday season, our next regular scheduled Commission meeting falls on Christmas Eve and City Hall will be closed in observance of the holiday on Monday, December 24, 2012 and Tuesday, December 25, 2012. Our next regular scheduled meeting is January 14, 2013.

Mayor Fugate stated that he is fine with waiting to meet on January 14, 2013, unless any of the other Commissioners have any objection.

No objections were made by the Commission.

Mr. Capell stated that in the past week the City hosted an Employee Recognition and Safety Week which went very well. He commended Diana Gonzales, Director of Personnel, Melissa Perez, Risk Manager and the Safety Committee on all their hard work for putting this together. Mr. Capell introduced Ms. Cynthia Martin, Downtown & Volunteer Manager and Ruthie Valdez, Interim Library Director.

Mrs. Courtney Alvarez, City Attorney stated that all agenda items and staff reports are due December 28, 2012. She further stated that Municipal Court dates are December 20, 2012 and January 3, 2013. Mrs. Alvarez stated that regarding tonight's agenda, item number 3 is a proposed interlocal with Kingsville Independent School District. She stated that she has spoken with Ms. Griffith of KISD who stated that she and the KISD attorney have not had the opportunity to review the proposed interlocal so therefore they are unable to provide comments at this time. Item number 7 regarding vacating a plat, staff has met with a representative from the property owner. After having a discussion with them, staff will be making some modifications and bring this item back to Commission in January.

Mayor Fugate stated he recently took a trip with Dick Messbarger to Washington, D.C. The purpose of this trip was to discuss issues regarding NAS Kingsville. He stated that the last three years, the Navy has spent close to \$100,000,000 in infrastructure improvements. He stated that with the completion of the Joint Land Use Study (JLUS), makes Kingsville stand well for the next BRAC round. He further stated that recently the Navy has received \$14,000,000 to connect NAS Kingsville with the City water and wastewater services. He further stated that there is still concern with regards to wind farms. Mayor Fugate stated that Celanese is interested in building a plant in Texas at one of their facilities that will convert natural gas into gasoline. Celanese representatives have asked for help in talking to Congress about making natural gas part of a bio-fuel or an alternative fuel in defining that in this legislation which will give them some benefits that can be used in developing their plant.

IV. Public Comment on Agenda Items³

1. Comments on all agenda and non-agenda items.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Mayor Fugate asked for a motion to approve the consent agenda items as presented. Commissioner Garcia made a motion to approve the consent agenda as presented, second by Commissioner Leubert. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

1. Motion to approve resolution authorizing the submission of a grant application on behalf of the City of Kingsville Fire Department to Firehouse Subs Public Safety Foundation for the purpose of requesting grant funding for three additional StreetSmart Lifeline (EMS) Segway vehicles, with no cash match. (Interim Fire Chief).
2. Motion to approve authorizing the purchase of two 2012 Dodge Chargers and applicable equipment for the Kingsville Police Department from Grapevine Dodge Chrysler Jeep via Buyboard (contract #358-10) for and using "Operation Stone Garden" grant funds of approximately \$50,465.50 with any additional funding for equipping the vehicles coming from Chapter 59 Funds, as per staff recommendation. (Purchasing Director).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider a resolution authorizing the Mayor to execute an Interlocal Agreement with the Kingsville Independent School District relating to Waiver of Certain Planning Fees in Exchange for Certain Land. (Mayor Fugate).

Mayor Fugate stated that he would like to bring everyone up to speed regarding the new city hall project. He stated that at this time we have \$5.3 million, including City's money to put into the new city hall, plus additional money that will be coming in next May. He stated that when the Kingsville School District deeded the property to the foundation, they left out the old homemaking cottage. He stated that he would like to ask for this structure as they would not have any need for it. He stated that this building could be used for the Utility Department.

Mayor Fugate met with Karen Griffith and Mr. Baha of the Kingsville Independent School District. They are asking for the City to waive all necessary permits fees for the building of the new high school, this amount would have a total of a little less than \$68,000. They are asking for the City to demolish a portable building located at the old Lamar School, as well as sweep their parking lots at their schools twice a year. He recalls the City waiving a great deal of permits for the new Gillette and Harvey School. The permits fees waived will be in exchange for the homemaking building and possibly the gymnasium.

Mr. Kellam briefed the Commission of the layout of the new city hall.

Commissioner Garcia asked staff to make the renditions available for public viewing.

4. Consider a resolution authorizing the Mayor to sign all necessary documentation on behalf of the City of Kingsville regarding the voluntary demolition of Kleberg County Trustees property located at 508 S. 2nd Street, Kingsville, Texas. (Director of Planning & Development Services).

Mr. Kellam stated that staff has received a complaint regarding the tree which is extremely over grown, that is going in through the roof of the house creating a structural integrity issue.

Motion made by Commissioner Garcia to authorize the demolition, second by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".

5. Consider introduction of an ordinance amending the zoning ordinance by granting a Special Use Permit for 607 South 13th (Lots 5, Block 30, Retama Park) for an off-site caterer/bakery. (Director of Planning & Development Services).

Introduction item only.

6. Consider a resolution abandoning a utility easement within the Serenity Estates No. 2 Subdivision. (City Engineer/Public Works Director).

Mr. Naim Kahn, City Engineer/Public Works Director stated that property owner Victoria Guerrero is requesting to abandon a 15 foot utility easement located within the Serenity Estates No. 2 Subdivision. Staff has verified with AEP, AT&T CMA, Center Point, including City's water and sanitary sewer departments, which all confirmed that there are no active lines detected within the easement. Staff recommends that the utility easement in question be abandoned.

Mayor Fugate stated that when the water line was placed for Steve Childress property, it opened up an easement that allowed access to this private road. This would give us access to all the properties in Serenity Acres which would allow us to abandon this easement in question.

Commissioner Pecos asked what happens when individuals ask for a sewer line.

Mr. Kahn stated that at this time there isn't a sewer line in that area. If city wants to run a sewer line the capability is there.

Motion made by Commissioner Garcia to approve this resolution, second by Commissioner Pecos. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos, Fugate voting "FOR".

7. Consider a resolution vacating the plat of Young Terrace Addition Subdivision. (City Engineer/Public Works Director).

No action or discussion done on this item.

8. Consider removing from the table a resolution of the City of Kingsville authorizing the City Attorney to execute a License Agreement for the King Ranch Running W Mark for a mural to be located in downtown Kingsville. (City Manager).

Motion made by Commissioner Pecos to remove this item from the table, second by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting "FOR".

9. Consider a resolution of the City of Kingsville authorizing the City Attorney to execute a License Agreement for the King Ranch Running W Mark for a mural to be located in downtown Kingsville. (City Attorney).

Mayor Fugate stated that after speaking with the previous Downtown Manager and City Manager, staff wanted to make sure everything that we were doing with regards to the mural was legal.

Motion made by Commissioner Pecos to authorize the City Attorney to execute a license agreement for the King Ranch Running W Mark for a mural to be located in downtown Kingsville, second by Commissioner Pena. The motion was passed and approved by the following vote: Leubert, Pecos, Pena, Garcia, Fugate voting "FOR".

10. Consider a resolution of the City of Kingsville consenting to T-Mobile entering into a Master Prepaid Lease with Crown Castle International Corp., which includes the cell tower lease for 1133 W. Kenedy Street, Kingsville, Texas, as the Master Prepaid Lease will be subject to and subordinate to the City's Lease with T-Mobile and authorizing the City Manager to execute any necessary paperwork to reflect same. (City Attorney).

Mrs. Alvarez stated that the City has a lease agreement with T-Mobile for property the City owns at 1133 W. Kenedy Street. This lease agreement for a cell tower site was approved by the City Commission and executed on January 30, 2004. The lease agreement is for an initial ten year with four-5 year renewal options. Under the lease T-Mobile has certain payment and maintenance obligations, among others, to the City. The lease requires they obtain the City's consent prior to assigning, subletting, subcontracting or transferring any interest in the lease to any other party. The City received a request from T-Mobile for consent to their entering into a Master Prepaid Lease with Crown Castle International Corporation. The only thing that will change is that the City will still be receiving the check, but it will be sent by another party. The terms of the lease with the City could not change without the City's prior approval. The Master Prepaid Lease states that if Crown does not meet its obligations, then T-Mobile

will meet them. There appears to be no negative impact to the City from approving the requested action item.

Commissioner Pecos asked if there is any money involved as far as the City is concerned.

Mrs. Alvarez stated no the City will continue to receive funds except it won't be from T-Mobile it will be coming from Crown Castle International Corporation.

Commissioner Pecos asked if there is any way the City can raise these fees.

Mrs. Alvarez stated probably not since it is a 25 year contract which has the terms set in already.

Motion made by Commissioner Pena to approve this resolution, second by Commissioner Pecos. The motion was passed and approved by the following vote: Pecos, Pena, Garcia, Leubert, Fugate voting "FOR".

11. Consider waiving interest on weed liens for property owned by Roy Saenz, Lots 1-8, Block 1, Colonia Mexicana. (Finance Director).

Mr. Rushing stated that this property was purchased by Mr. Roy Saenz on September 20, 2010. Mr. Saenz has already paid the principal amount of \$1,764.54 and is asking for Commission to consider waiving the interest in the amount of \$879.13.

Commissioner Garcia asked if Mr. Saenz was aware of this lien at the time of closing.

Mr. Rushing stated that Mr. Saenz was not aware of this due to Mr. Saenz not purchasing the title insurance.

Commissioner Pecos stated that he has spoken to Mr. Saenz who stated that he was not aware of the liens.

Motion made by Commissioner Garcia to approve waiving interest on weed liens for property owned by Roy Saenz, second by Commissioner Pecos. The motion was passed and approved by the following vote: Pena, Garcia, Leubert, Pecos Fugate voting "FOR".

Mayor Fugate read a proclamation that was presented on October 18, 2012 for Toys for Tots.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 7:10 p.m.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

DECEMBER 19, 2012

A SPECIAL MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON WEDNESDAY, DECEMBER 19, 2012 IN THE HONORABLE ROBERT H. ALCORN COMMISSION CHAMBERS 200 EAST KLEBERG AVENUE AT 12:00 P.M.

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor
Al Garcia, Commissioner
Dianne Leubert, Commissioner
Noel Pena, Commissioner
Arturo Pecos, Commissioner

CITY STAFF PRESENT:

Vince Capell, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
David Mason, Purchasing Director
Emilio Garcia, Health Director
Willie Vera, Task Force Commander
Jessica Storck, Administrative Assistant 2
Ricardo Torres, Chief of Police
Bill Donnell, Assistant Public Works Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Fugate called the meeting to order in the City Commission Chamber at 12:02 P.M. and announced quorum as present.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

Mayor Fugate stated that unless there are any objections, he would like to skip the invocation and pledge of allegiance. No objections were made.

MINUTES OF PREVIOUS MEETING(S) – Required by Law

None

II. Public Hearing - (Required by Law).¹

1. None.

III. Reports from Commission & Staff.² (City Manager's Staff Report Attached).

"At this time, the City Commission and Staff will report/update on all committee assignments which may include, but is not limited to the following: Planning & Zoning Commission, Zoning Board of Adjustments, Historical Board, Housing Authority Board, Library Board, Health Board, Tourism, Chamber of Commerce, Coastal Bend Council of Governments, Conner Museum, Keep Kingsville Beautiful, and Texas Municipal League. Staff reports include the following: Building & Development, Code Enforcement, Proposed Development

Report; Accounting & Finance – Financial & Investment Information, Monthly Financial Reports; Police & Fire Department – Grant Update, Police & Fire Reports; Street Updates; Public Works- Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Hotel Occupancy Report, Quiet Zone, Proclamations, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor. No formal action can be taken on these items at this time.”

Mrs. Courtney Alvarez, City Attorney reminded staff that the next regular schedule Commission meeting is Monday, January 14, 2013. Deadline for agenda items is January 4, 2013. City Hall will be closed December 24-25, 2012 and January 1, 2013 for the holidays.

Commissioner Pecos stated that while attending the National League of Cities in Boston, MA, he was nominated into the Military Installation Counsel and is ready to work with them.

Mayor Fugate stated that through the Economic Development Council and funded by AEP, we are members of the Defense Communities which is an excellent organization.

IV. Public Comment on Agenda Items³

1. Comments on all agenda and non-agenda items.

V.

Consent Agenda

Notice to the Public

The following items are of a routine or administrative nature. The Commission has been furnished with background and support material on each item, and/or it has been discussed at a previous meeting. All items will be acted upon by one vote without being discussed separately unless requested by a Commission Member in which event the item or items will immediately be withdrawn for individual consideration in its normal sequence after the items not requiring separate discussion have been acted upon. The remaining items will be adopted by one vote.

CONSENT MOTIONS, RESOLUTIONS, ORDINANCES AND ORDINANCES FROM PREVIOUS MEETINGS:

(At this point the Commission will vote on all motions, resolutions and ordinances not removed for individual consideration)

Mayor Fugate asked for a motion to approve the consent agenda items as presented. Commissioner Leubert made a motion to approve the consent agenda as presented, second by Commissioner Pena. The motion was passed and approved by the following vote: Garcia, Leubert, Pecos, Pena, Fugate voting “FOR”.

1. Motion to approve resolution authorizing participation in Local Border Security Program FY2013 with the Texas Department of Public Safety for law

enforcement personnel overtime and operational costs, authorizing the Chief of Police to act on the City's behalf with such program. (Chief of Police).

2. Motion to approve final passage of an ordinance amending the zoning ordinance by granting a Special Use Permit for 607 South 13th (Lots 5, Block 30, Retama Park) for an off-site caterer/bakery. (Director of Planning & Development Services).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Executive Session: Pursuant to Section 551.074, Texas Government Code, Open Meetings Act, Personnel Matters, the City Commission shall convene in Executive Session to deliberate the evaluation of the City Manager. (Mayor Fugate).

Mayor Fugate announced the executive session.

Mrs. Alvarez reminded Commission that since this item is an attorney exception, it is required to be recorded. The recording is kept sealed and can only be opened under a court order.

The Commission convened into executive session at 12:12 p.m.

The Commission reconvened into regular session at 1:30 p.m.

4. Consider resolution authorizing the Mayor to execute a Professional Services Contract for the position of City Manager with Vincent J. Capell. (Mayor Fugate).

No discussion or action taken on agenda item #4.

VII. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 1:30 p.m.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

PUBLIC HEARING(S)

CONSENT AGENDA

AGENDA ITEM #1

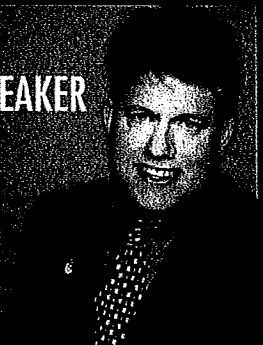
NATIONAL LEAGUE of CITIES

2013
Congressional
City Conference



OPENING KEYNOTE SPEAKER

Frank Luntz
Bipartisan political pollster
and communications expert



Marriott Wardman Park Hotel | Washington, DC | March 9-13

STAND UP for the issues that matter to cities.

As the 113th Congress gets underway, come to Washington, DC and join your fellow city leaders in calling on House and Senate members and the Administration to set aside partisan differences and break through the gridlock in order to find ways to support economic recovery and job creation efforts in our communities.

Make your voice heard at NLC's annual legislative conference, where you can share your hard-won insights with members of Congress, the White House, and federal agency representatives, as well as with your colleagues from across the country.

KEY FEDERAL POLICY ISSUES TO BE ADDRESSED INCLUDE:

- Federal budget deficit reduction plans
- Federal job creation and economic development strategies
- Federal tax code reform and municipal finance
- Immigration reform
- Water and transportation infrastructure investment
- Public safety
- Regulatory reform and streamlining

NLC's Congressional City Conference offers city leaders from across the country a unique opportunity to gain valuable insights and influence actions in Washington that will impact local communities.

- Connect with Congress and the Administration to insure that America's cities and towns have a voice in the federal policy debate;
- Hear the latest news from Washington "in the know" political players about the new Congress;
- Access information about how new federal laws and regulations will impact your city; and
- Represent your community at this national forum dedicated to the federal policy priorities of cities and towns!



PRELIMINARY SCHEDULE AND TRAVEL PLANNER

The conference provides a wide range of educational, networking and strategy sessions that maximize the value of attending for city officials. This preliminary schedule provides a timed outline of major events held during the conference in order to help attendees make travel arrangements.

Main Conference Events: Monday, March 11 – Tuesday, March 12
(note times are subject to change)

Monday, March 11

- | | |
|-------------------------|---|
| 7:30 a.m. – 9:00 a.m. | Celebrate Diversity Breakfast* |
| 9:00 a.m. – 10:30 a.m. | Opening General Session |
| 10:45 a.m. – 12:15 p.m. | Concurrent Workshops |
| 1:45 p.m. – 3:15 p.m. | Concurrent Workshops |
| 3:30 p.m. – 4:30 p.m. | General Session |
| 5:00 p.m. – 6:30 p.m. | State League Caucuses and Receptions |
| | Constituency and Special Group Meetings/Events* |

Tuesday, March 12

- | | |
|------------------------|--------------------------------------|
| 8:45 a.m. – 10:15 a.m. | Concurrent Workshops |
| 10:30 a.m. – Noon | Concurrent Workshops |
| 12:15 p.m. – 1:30 p.m. | Roundtable Networking Lunch |
| 1:45 p.m. – 3:15 p.m. | Concurrent Workshops |
| 3:30 p.m. – 4:45 p.m. | Closing General Session |
| 5:15 p.m. – 6:30 p.m. | State League Caucuses and Receptions |
| 6:30 p.m. – 7:30 p.m. | The Capitol Steps |

Wednesday, March 13

All-Day-Delegates' Pre-scheduled Capitol Hill Visits

PRE-CONFERENCE ACTIVITIES:

Saturday, March 9

5:30 p.m. – 7:00 p.m.

Constituency and Special Group Meetings/Events*

Sunday, March 10

8:30 a.m. – Noon

9:00 p.m. – 5:00 p.m.

1:30 p.m. – 4:00 p.m.

5:15 p.m. – 7:00 p.m.

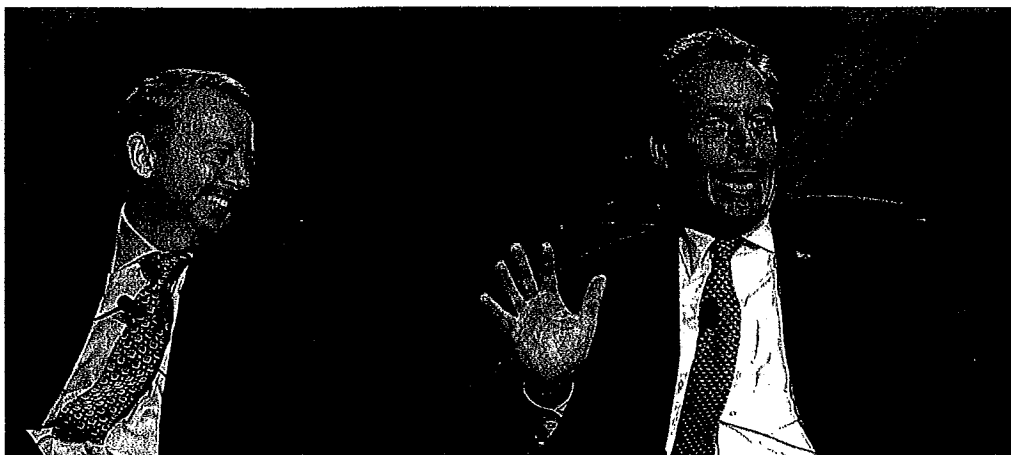
5:30 p.m. – 6:45 p.m.

NLC Board of Directors Meeting
NLC Advisory Council Meeting
Leadership Training Institute Seminars*
Policy and Advocacy Committee Meetings/Events*
Constituency and Special Group Meetings
Orientation to NLC for First Time Attendees

* Additional fees may apply

Speakers at the 2012 Congressional City Conference included:

Hilda Solis, Secretary, U.S. Department of Labor; Ray LaHood, Secretary, U.S. Department of Transportation; Terry McAuliffe, Former Chair, Democratic National Committee; Ed Gillespie, Former Chair, Republican National Committee; and David Brooks, Op-Ed Columnist, The New York Times.



THE ACTION PLAN AND SPECIAL EVENTS

Sunday, March 10

City officials gather for leadership meetings, policy discussions and legislative briefings on current federal issues and priorities important to America's cities and towns.

Monday, March 11 and Tuesday, March 12

The President, his Cabinet members and congressional leaders are invited to discuss their priorities and the ways in which they envision partnering with cities and towns to solve America's economic and civic challenges.

Monday Morning Special Event: Celebrate Diversity Breakfast

The 26th Annual Celebrate Diversity Breakfast* will feature a keynote speaker offering a discerning perspective on diversity issues facing America's cities and towns. * Fee: \$35

Tuesday Evening Special Event: The Capitol Steps Performance

The Capitol Steps, a Washington, DC, comedy institution, will offer bipartisan fun and satire provided by an entertaining troupe of former Congressional employees.

Wednesday, March 13: Capitol Hill Visits

City officials travel to Capitol Hill for meetings with their congressional delegations to advocate on behalf of NLC's federal action priorities and to showcase how cities and towns are partnering with the federal government to help the nation achieve its goals.

Registration Deadlines

February 19, 2013 — Deadline for housing requests and to cancel registrations. Make housing requests using the online registration form by this date (first come, first served). To cancel registrations, they must be in writing and postmarked by this date. All cancellations are subject to a \$100 cancellation fee. There are NO refunds for cancellations after February 19, 2013.

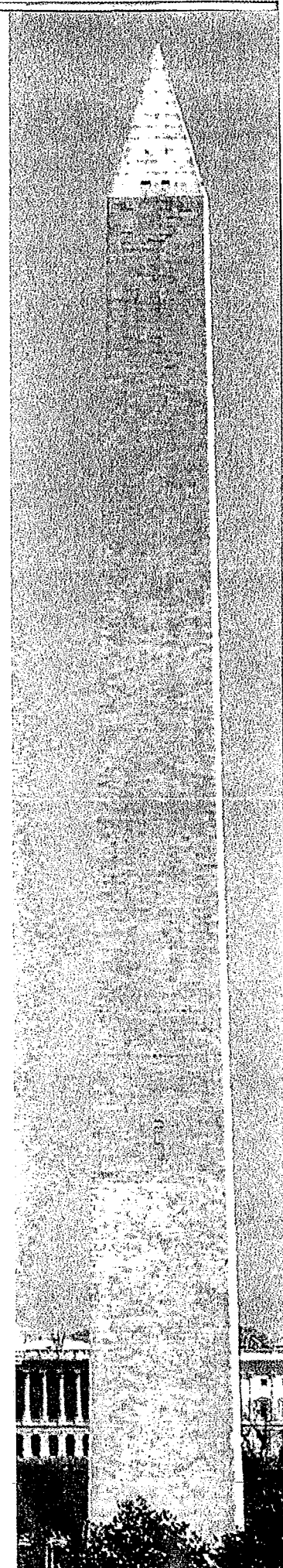
March 7, 2013 — Register at www.nlc.org by this date to secure the advance registration rate. Advance rates are: \$495 for NLC and Associate Members, \$620 for State League Members, and \$725 for Non-Members. First-time attendees pay just \$395. A \$100 processing fee is included in on-site registration.

Registration Information

To ensure your participation in this important conference, NLC is offering reduced rates.

Delegates who register online at www.nlc.org, by March 7, 2013, will receive \$100 off the on-site 2013 Congressional City Conference rate. Visit www.nlc.org to access the online registration form. Everyone who attends must register including delegates, speakers, guests, youth, chaperones, and members of the press. There is no charge for press registration with proper press credentials.

Pre-conference Leadership Training Institute Seminars — For descriptions of these very popular leadership development seminars, visit the conference website. An additional fee is required for these full or half-day trainings to be held Sunday, March 10.



AGENDA ITEM #2



**KINGSVILLE SPECIALIZED CRIMES
AND NARCOTICS TASK FORCE**

**P. O. BOX 213
KINGSVILLE, TEXAS 78364
tfadmin@kingsvilletaskforce.com
(361) 595-5778
Fax (361) 595-5781**



To: Vincent J. Capell, City Manager, City of Kingsville

From: Guillermo Vera, Commander, Kingsville Task Force

Date: December 31, 2012

Subject: Out of State Travel Request

An out of state travel request for your consideration is being submitted. The travel request is for Special Agent Mike Tamez to serve as an Associate Trainer and assist with conducting a 24-hour Commercial Motor Vehicle Criminal Interdiction course in Glendale, Arizona. The course is being conducted at the request of the Arizona Department of Public Safety and will be attended by approximately 100 Federal, State, and Local law enforcement officials.

The training conference is scheduled for Monday January 28th to Wednesday January 30, 2013. The Drug Interdiction Assistance Program (DIAP) will assume all of Agent Tamez's authorized travel expenses and per diems. Agent Tamez will instruct classes to enhance a patrol officer's ability to conduct criminal highway interdiction emphasizing on Passenger Vehicle Concealments and Trafficking.

If this request is approved, can it be placed on the City's Commissioners Court Agenda for Monday, January 14, 2013? Your kind consideration to this request is greatly appreciated.

Cc: Ken Starrs, Assistant Commander
Mike Tamez, Special Agent
File

Attachment



United States Department of Transportation
Federal Motor Carrier Safety Administration

National Training Center – NTC

Curtis Allen, Director

Drug Interdiction Assistance Program ~ DIAP

1310 North Courthouse, Suite 600
Arlington, Virginia 22201

E-Mail diap@dot.gov

Commander Willie Vera
Kingsville Specialized Drug and Narcotics Task Force
Kingsville, TX 78363

Re: Training Assistance

Special Agent Mike Tamez

January 28-30, 2013

Glendale, Arizona

Dear Commander Vera,

The US Department of Transportation / FMCSA / NTC Drug Interdiction Assistance Program (DIAP) will be conducting a 24-hour Commercial Motor Vehicle Criminal Interdiction course in Glendale, Arizona January 28-30, 2013. Along with CMVCI Course, I am requesting SA Tamez present his knowledge and expertise on Passenger Vehicle Concealments and Trafficking. The course is being conducted at the request of Arizona Dept. of Public Safety and will be attended by approximately 100 Federal, State, and Local law enforcement officials.

We are writing to request that an Agent of your Command, Mike Tamez, be authorized to travel for this training to serve as an Associate Trainer. A Certified DIAP/EPIC Instructor, Agent Tamez brings a wealth of experience and knowledge in our core areas of interest. It is requested that you permit us to draw on the success of the Kingsville Specialized Drug and Narcotics Task Force by authorizing him to assist us.

At the same time, our hope is that Agent Tamez would resume his duties after the training having himself benefited from the experience. It is our belief that communicating knowledge across affected agencies in the United States is essential to building on the strengths of enforcement operations nationwide.

Upon your approval of our request for his assistance, a representative from our DIAP office would contact Agent Tamez directly to arrange his travel. DIAP would, of course, assume all of his authorized travel expenses and per diems.

We are truly grateful for your consideration of this request. By partnering with great organizations like the Kingsville Specialized Drug and Narcotics Task Force, we believe we are that much closer to our goal of making the Nation's highways safer.

Yours very respectfully,

James "Cody" Smid
Training Specialist
Drug Interdiction Assistance Program

Curtis Allen
Director
National Training Center

AGENDA ITEM #3

RESOLUTION # 2013-_____

A RESOLUTION OF THE CITY OF KINGSVILLE AUTHORIZING THE RELEASE OF CHAPTER 59 FUNDS OF THE KINGSVILLE SPECIALIZED CRIMES AND NARCOTICS TASK FORCE FOR DONATION TO THE DOUGLASS CENTER.

WHEREAS, the Texas Code of Criminal Procedure, Article 59.06(h) allows for the release of Chapter 59 funds for nonprofit programs for the prevention of drug abuse;

WHEREAS, the Douglass Center is a non-profit organization part of whose mission is to provide educational assistance to youths and to work to turn the tide against drug and alcohol abuse in the Kingsville community by making a positive statement to our young people about living a drug-free and alcohol-free lifestyle; and

WHEREAS, the Douglass Center intends to provide drug abuse/prevention programs at their facility;

NOW, THEREFORE BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Commission authorizes the Kingsville Specialized Crimes and Narcotics Task Force to assist with a \$5,000.00 donation to the Douglass Center to help educate young people about living a drug-free and alcohol-free lifestyle and comply with any reporting requirement the Task Force may designate.

II.

THAT local elected representatives shall be encouraged to promote, endorse, and support the Douglass Center for the benefit of the community.

PASSED AND APPROVED by a majority vote of the City Commission on the 14th day of January, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

**KINGSVILLE SPECIALIZED CRIMES
AND NARCOTICS TASK FORCE
APPLICATION FOR CHAPTER 59 DONATION**

1. APPLICANT'S
NAME Jeannette Price ADDRESS Communities In Schools PHONE 361-595-8200 Ext. 2016
2. ORGANIZATION'S
NAME Douglass Youth Center, Inc. ADDRESS 902 S. 2nd Street PHONE 361-592-3559
3. NARRATIVE: Explain what will be done with the contribution to insure compliance with the disposition of forfeited property under Chapter 59 of the Texas Code of Criminal Procedure and the number of citizens it will affect in our community.

Douglass Youth Center will have a four week Drug Free Summer Program. The program will be for approximately 40-50 youth and young adults in Kleberg County and the city of Kingsville. The program will consist of drug prevention and awareness activities. They will include charter building activities, self-esteem, social and communication skills, and good decision making skills activities. The center will also provide educational and enrichment fieldtrips throughout the program. The trips will be to encourage children to stay focus on positive behavior during the summer. The center would like to also purchase drug prevention and awareness videos, literature, and equipment. Purchasing the items stated will help children to learn the negative effects of drugs and alcohol. The TASK Force will be invited to be a guest speaker to do a presentation on drug prevention and awareness, as well as other Law Enforcement agencies. The program will end with a drug free skit and dance to be held at the center, which will be open to the entire community.

APPROVED: Guillermo Vera, Cmdr.
KTF Commander

DATE: 01/03/13

TIME: 3:30 PM

NOTE: \$5,000.00 Donation approved in KTF
2012/2013 Budget. G. Vera

Good Morning Commander,

Would please e-mail me a copy of the application to apply your Chapter 59 Funds. I would like to complete an application for when funds become available for Douglass Youth Center can have an application on file with the TASKforce.

Thank you in advance for your support! Have an awesome day!

Jeannette Price

Communities In Schools

361-595-8200 ext. 2016

Called

Thur, Nov. 1st
11:07 AM

Submit Appli ASAP for Review.
* Roy Cantu has Appli. - will deliver.

Reminded Comm. Cantu 01/02/13
Rec'd Application on 01/03/13
@ KTF & Sc. JH

**KINGSVILLE SPECIALIZED CRIMES
AND NARCOTICS TASK FORCE
Chapter 59 Donation Policy**

1. A person/entity seeking a donation (financial assistance) through the Kingsville Specialized Crimes and Narcotics Task Force and with particularity Chapter 59 Forfeiture Funds shall file an application with the Commander on forms provided through his office.
2. The filing procedures shall be as follows:
 - a. Filing period. An application for financial assistance shall be filed with the Commander not less than 30 days or more than 60 days prior to the proposed donation.
 - b. The name, address and telephone number of the entity seeking a donation.
 - c. No more than one donation will be made per calendar year.
 - d. Applicant shall provide documentation relating to any other financial assistance that they receive for review by the Commander.
3. Applicant must meet one of the following criteria:
 - a. Nonprofit program for the prevention of drug abuse, applicant must provide a copy of the organization's charter.
 - b. Nonprofit chemical dependency treatment facilities licensed under Chapter 464, Health and Safety Code;
 - c. Nonprofit drug and alcohol rehabilitation or prevention programs administered or staffed by professionals designated as qualified and credentialed by the Texas Commission on Alcohol and Drug Abuse; or
 - d. Must be an organization that has the same beliefs and value system as the Kingsville Specialized Crimes and Narcotics Task Force and the law enforcement code of ethics.
 - e. Short written statement explaining what will be done with the contribution to insure compliance with the disposition of forfeited property under Chapter 59 of

the Texas Code of Criminal Procedure and the number of citizens it will affect in our community.

4. The Commander shall grant or deny a permit solely on the basis of the requirements stated in the aforementioned sections above. The Commander shall advise the organization's point of contact of the decision to grant or deny the request for contribution no later than the sixtieth day after date of receiving the completed application and all required attachments.

AGENDA ITEM #4

[REDACTED]
Kingsville, TX 78363

Candace Jefferson

Objective Human Resources Generalist

Experience Dec 2004-Present Christus Spohn Memorial Hosp. Corpus Christi, TX
Human Resources Coordinator

- Responsible for employee relations
- Participates in Associate Problem Solving
- Assists in providing support to managers regarding Associate discipline/counseling issues, terminations, and general issues
- Maintains monthly expired licensures/certifications
- Process associate evaluations and assume additional responsibilities as assigned

Aug 2003-Nov 2004 White House-NSC Washington, DC
Administrative Support Assistant (Rover)

- Assigned to cover office responsibilities throughout the National Security Council including National Security Advisor's office in West Wing.

Sept 2000-July 2003 Dept. of State U.S. Embassy Tel Aviv
Office Management Specialist

- Office Manager in the Regional Security Office
- American office staff of 21, 160 Local Guards, 8 Amb's Protective Detail agents, and 8 Surveillance Detail Unit employees
- Responsible for Embassy Access; assigned to support Secy of State visits and Secret Service details; responsible for notification of ICE Deportations to Israel; maintaining correspondence files; Time & Attendance

April 1994-Sept 2000 Christus Spohn Hospital Kleberg & Shoreline, Kingsville and Corpus Christi, TX

Human Resources Coordinator

- Assisted in managing daily operations in HR Office at Christus Spohn Hospital Kleberg, Kingsville, TX
- Responsible for employee relations issues; employee benefits; mediating grievances; recruitment, Workers' Comp, LOA, processing employee evaluations, supervised HR Asst.
- 1997 Employee of the Year
- 1999-Transferred to Christus Spohn Hospital Shoreline, Corpus Christi, TX

April 1987-March 1994 King Faisal Specialist Hosp. Riyadh, S.A.

Hospital Assistant

- Secretary in Office Services Dept (Rover); assigned to cover office responsibilities throughout the hospital and Research Centre

Sept 1983-April 1987 Baylor College of Medicine Houston, TX

Medical Secretary

- Dept of Surgery at Ben Taub General Hospital
- Managed the office of a Cardiovascular Surgeon; scheduled meetings and made travel arrangements
- Assisted in research and preparing papers for conference presentations and publication

1980-Sept 1983 City of Kingsville, TX

- Administrative Secretary to the Mayor and City Manager
- Assisted in developing a Tourism/Visitor Center, arranged fund raisers; arranged tours and social events for travel writers visiting the King Ranch

Education 1994-2000 Texas A&M University at Kingsville, TX

- Part-time student
- Incomplete B.A. Anthropology

Interests Reading, Archeological excavations, traveling, handicrafts

AGENDA ITEM #5

FLOYD W. HOLDER, IV

Professional Contact Information

Texas A&M University - Kingsville
Political Science Department, Rhode Hall 255,
361-593-3608
Floyd.holder@tamuk.edu

Personal Contact Information

[REDACTED]
Kingsville, TX 78363
[REDACTED]
[REDACTED]

Objective: Too successfully educate students in the politics behind and of Texas Government.

Education:

Master of Arts in Political Science, Summer 2012, Texas Tech University, Lubbock, TX.

Minor of Degree: Quantitative Methods

Thesis: States Safety Culture: A Predictor of Restrictive Policy Diffusion

Master of Public Administration, Fall 2009, Texas State University, San Marcos, TX.

Minor of Degree: Urban and Environmental Planning

Thesis: An Empirical Analysis of the State's Monopolization of the Legitimate Means of Movement: Evaluating the Effects of Required Passport use on International Travel

Bachelor of Science in Geography, Summer 2007, Texas State University, San Marcos, TX.

Minor of Degree: Business Administration

Level 1 Certified Tutor, Fall 2011, College Reading and Learning Association.

Research Materials:

1) Working Papers

Holder IV, Floyd. *The Determinants of Changes in Supreme Court Output: The Rise of Dissenting Opinions*. Manuscript in Preparation. Copies Available Upon Request.

Work Experience:

1) Texas A&M University- Kingsville

Kingsville, TX

- *Position: Lecturer for the Political Science Department, August 2012 to Present*

My duties revolved around helping students learn about political science and how major events in government affected them. I designed tests, assignments, and lecture materials. Specifically, I taught what Texas Government consists of and how it became that way over time.

Supervisor: Dr. Shannon Baker, [REDACTED] or shannon.baker@tamuk.edu

2) *Texas Tech University*

Lubbock, TX

- *Position #1: Teacher's Assistant for the Political Science Department, August 2010 to May 2012*

My duties revolved around helping the professor of record administer the class. Specifically, I graded exams and extra credit, took attendance, lectured on occasion, and provided additional instruction outside class during my office hours to students. In addition, I provided weekly updates on various items to the professor. The subjects I proctored for were on the fundamentals of American Government, Public Policy, and Public Administration.

Professors: Dr. Barkdull, Dr. Dometrius, and Dr. Mayer.

Supervisor: Dr. Frank Thames, [REDACTED] or frank.thames@ttu.edu

- *Position #2: Tutor for the Athletic Department, August 2011 to December 2011*

My duties revolved around helping student athletes learn course material. Specifically, I reviewed lecture notes given to students and additional lecture material at my disposal. In addition, I provided weekly updates on various items to the students professor if requested. The subjects I proctored for were on the fundamentals of American Government, College Algebra, Geography, Public Policy, and Public Administration.

Supervisor: Kristin Price, [REDACTED] or kristin.price@ttu.edu.

- *Position #3: Interviewer with the Earl Survey Research Lab. May 2012 to August 2012*

My duties revolved around collect answers to surveys that outside groups had hired the lab to perform. Specifically, I cold-called citizens based upon the phone numbers provided by the lab. I used a computer program called Interviewer to catalog the data gathered.

Supervisor: Sarah Tomanak-Norman, [REDACTED] or sarah.t.norman@ttu.edu.

3) *McAllen-Miller International Airport*

McAllen, TX from September 2009-March 2010

- *Position: Airport Operations Specialist.*

My duties revolved around helping the airport administrators comply with part 121 of the 14 Code of Federal Regulations. Specifically, I inspected airport property which included cargo buildings, terminals, and the aircraft operating areas. When not inspecting, I manned a communications desk the monitored the FIDS, fence-line monitoring system, cameras, and airport ID system. Also, I answered the phone and dispatched maintenance staff to go clean up spills. Finally, I took fingerprints to process ID badge applications. My area of specialty was the proper fueling procedures of the part 121 certification.

Supervisor: Donald "Buck" Taft, [REDACTED].

4) *Houston Airport System*

McAllen, TX from September 2009-March 2010

- *Position: KIAH Airport Operations Intern.*

My duties revolved around helping the airport operations specialists and coordinators ensure the airport was in compliance part 121 of the 14 Code of Federal Regulations. Specifically, I helped inspected airport property. When not with operations, I went to different divisions of the Houston Airport System to learn about how the airport worked. The different airport departments included the paint shop, building cleaning, air traffic control, and land maintenance.

Supervisor: Please contact the IAH Airport Operations Trainer, [REDACTED]

5) *Texas State University*

San Marcos, TX

- *Position #1: Teachers Assistant for the Political Science Department, January 2009 to August 2009.*

My duties revolved around helping the professor of record administer the class. Specifically, I graded exams and extra credit, took attendance, lectured on occasion, and provided additional instruction outside class during my office hours to students. In addition, I provided weekly updates on various items to the professor. The subjects I proctored for was on quantitative methods.

Professors: Dr. Tajalli and Dr Yun.

Supervisor: Dr. Vicki Brittain, [REDACTED] or vb01@txstate.edu.

- *Position #2: Shift Operations Leader for Aquarena Center; January 2008 to January 2009.*

My duties revolved around helping the park directors ensure that visitors had an enjoyable experience at the park. Specifically, I ensured that park attractions left on-time, inspected facilities, giving tours, designing new exhibits, driving glass-bottom boats, cleaning up after spills, and finally, responding to boats that became disabled.

Supervisor: Deborah Lane, [REDACTED] or dl16@txstate.edu.

- *Position #3: Treasurer and Shift Leader for 805-SWAT, October 2007 to May 2009.*

My duties revolved around helping the Alcohol and Drug Resource Center directors ensure that students and locals had a free, safe-ride home option available at night from off-campus. Specifically, I ensured that cars donated by Enterprise Rent-A-Car were received, purchased food for volunteers, dispatched cars, took phone requests for rides, and finally, cleaned the office. These events occurred every Thursday, Friday, and Saturday nights.

Supervisor: Cheryl Harper, [REDACTED] or cheryl@txstate.edu.

6) *Zoning Board of Adjustments and Appeals for the City of San Marcos, TX*

San Marcos, TX from June 2008-June 2009

- *Position: Board Member.*

I was a board member on a panel that heard appeals for deviations from the city zoning ordinances. As part of this board, I first had to go inspect the properties under question, then listen to appeals, and finally, vote on whether or not to allow for the amendment.

Supervisor: Please contact the current Planning Dept. Director, 512-393-8230.

7) *Washington Mutual Bank F.A.*

Houston, TX from October 2002-June 2004

- *Position: High School Internship Program as a Full-Time Teller.*

My duties revolved around processing customer bank transactions and selling company products and services.

Supervisor: Please contact the current Branch Manager, 832-237-7027.

International/Other Experience:

1) People to People Student Ambassador's - Spokane, WA

During these summers, I traveled with fellow student ambassadors to learn about different cultures, visit with foreign officials, and build diplomatic relations with foreign citizens.

- Summer 2000 – England, Ireland, Wales
- Summer 2001 – Switzerland, France, Germany, Austria, Italy, Vatican City
- Summer 2002 – Australia, New Zealand
- Summer 2003 – Brazil
- Summer 2004 – Japan
- Summer 2005 – Thailand, Cambodia
- Several trips throughout to Mexico.
- Other personal travels have been to Canada and Spain.

2) Interuniversity Consortium: Political and Social Research (ICPSR) - Ann Arbor, MI


During the summer of 2011, I took advanced courses in Maximum Likelihood Estimation and Time-Series Analysis that used STATA and SPSS software programs to perform the regressions, figures, and estimations required for projects.

Expertise/Strengths:

- ✓ Excellent skills in research, quantitative, data, operations, and cost/benefit analysis.
- ✓ Exceptional proficiency in **Interviewer**, Microsoft Office, SQL, **STATA**, **SPSS**, and Quicken.
- ✓ Ability to analyze, identifying problems, and implement effective solutions within a business or educational environment.
- ✓ Disciplined, well organized, strong work habits, early riser, meets deadlines.

AGENDA ITEM #6

Erinn Catherine McComb
Department of History, Political Science, and Philosophy
304 Rhode Hall
Texas A&M University Kingsville
700 University Blvd
Kingsville, TX 78363



Education

Ph.D., Mississippi State University 2012

Fields:

Modern American History

Early American History

International Security/Internal Safety (ISIS)

American Gender History

Dissertation Title: "Why Can't a Woman Fly?: NASA and the Cult of Masculinity, 1958-1972"

Advisor: Dr. Alan I Marcus

M.S., Troy University-Dothan 2007

B.A., University of South Florida 2003

Employment

Lecturer, Texas A&M University Kingsville (Fall 2012-Spring 2013)

Teaching Assistant, Mississippi State University (Fall 2007-Spring 2012)

Teaching Experience

Lecturer at Texas A&M University Kingsville

Early American History (Fall 2012)

Modern American History (Fall 2012)

Lecturer at Mississippi State University:

U.S. History, 1917-1945 (Fall 2011)

America's Viet Nam War (Fall 2009, Summer 2010, Summer 2011)

Afro-American History and Culture (Fall 2010)

Modern American History (Summer 2009, Fall 2009, Spring 2011)

Early American History (Summer 2008)

Teaching Assistant at Mississippi State University:

Early American History (Fall 2007, Spring 2009, Spring 2012)
Modern American History (Spring 2008 and Fall 2008)

Conferences

"Taking Off: Aerospace Engineering at America's Land-Grant Colleges," Thinking Land Grants: A 'Cerebration' of the 150th Anniversary of the Morrill Land-Grant Act, October 3-6 2012, Mississippi State University. <http://www.history.msstate.edu/MorrillActWebSite/sessions.html>

"'It's Hip to Be Square': Individual Control, Masculinity, and Engineers within NASA, 1958-1972," Society for the History of Technology (SHOT), November 2011, Cleveland, Ohio.

"NASA As a Diplomatic Tool for Gender Consumption: Mercury through Gemini," Society for Historians of American Foreign Relations (SHAFR), June 2011, Alexandria, V.A.

Roundtable, "New Directions in NASA History" Chaired by Roger Launius, NASA History Symposium, "Key Moments in Human Spaceflight," April 26-27, 2011, Washington, D.C. <http://history.nasa.gov/1961-1981conf/index.html>.

"The Masculine Identity of the Astronaut from Mercury through Gemini," 5th Annual Southern Regional Conference for the History of Science, Technology, and Medicine (Southern HoST), April 2011, Auburn University.

"Consuming Gender in NASA: The Paradox of the Astronaut Image, 1958-1966," Society for the History of Technology (SHOT), September 2010, Tacoma, Washington.

"Lady Astronauts and the Cosmonaut Queen: Culture and NASA, 1958-1964," 4th Annual Southern Regional Conference for the History of Science, Technology, and Medicine (Southern HoST), Spring 2010, Mississippi State University.

"Feminauts and the Night Witch: Women in the Space Race, 1958-1964," 2010 Sarah Isom Gender Conference, Spring 2010, University of Mississippi.

"Behind Gendered Lines: The WACs in World War II," 2009 Mississippi Regional Phi Alpha Theta Conference, Mississippi State University.

"The Wounded Don't Cry: WACs in Combat during World War Two," 2009 International Security/Internal Safety Conference, University of Southern Mississippi.

"Bismarckian Realpolitik and the Nazi-Soviet Non-Aggression Pact," 2008 International Security/Internal Safety Conference, Northwestern State University of Louisiana.

Publications

"Taking Off: National Security, Identity, and Aerospace Engineering at Land-Grant Universities, 1957-1970," chapter submitted for a multivolume work on the history of Land-Grant Universities.

Service and Professional Membership

MSU Preparing Future Faculty (Fall 2010-Summer 2011)
American Historical Association (AHA) (Fall 2009-Current)
Society for the History of Technology (SHOT) (February 2010-Current)
Phi Alpha Theta—Mississippi State University (Fall 2008-Current)
*President (Fall 2008-Spring 2009)

Awards and Fellowships

2012 Society for the History of Technology (SHOT)-NASA Fellowship (declined due to prior contract)
2011 Travel Grant, Women in Technological History (WITH)
2011 Travel Grant, SHAFR Conference
2011 Travel Grant, NSF/SHOT Conference
2010 Travel Grant, SHOT Conference
2009 Graduate Student Outstanding Paper Competition Winner for the Gender Studies Program at Mississippi State University for “Lady Astronauts and the Cosmonaut Queen: Culture and NASA, 1958-1964.”
William Parrish Teaching Assistant of the Year, Mississippi State University (Fall 2007-Spring 2008)
Teaching Assistantship, Mississippi State University (Fall 2008-Spring 2012)
James W. Garner Scholarship (Fall 2007-Spring 2012)

References

Dr. Alan I Marcus

242 Allen Hall, Department of History
Mississippi State University
Mississippi State, MS 39762
Phone: [REDACTED]
E-mail: aimarcus@history.msstate.edu

Dr. Jessica Martucci

214 Allen Hall, Department of History
Mississippi State University
Mississippi State, MS 39762
Phone: [REDACTED]
E-mail: jmartucci@history.msstate.edu

Dr. Shannon Baker

Associate Professor, History
Rhode Hall 330

Texas A&M Kingsville
Kingsville, TX 78363
Phone: [REDACTED]
E-mail: Shannon.baker@tamuk.edu

Dr. Alan Meyer

310 Thach Hall
Department of History
Auburn, Al 36849
Email: adm0028@auburn.edu

AGENDA ITEM #7

RESOLUTION NO. 2013- _____

A RESOLUTION AUTHORIZING THE CITY OF KINGSVILLE TO CONTINUE PARTICIPATION IN THE TEXAS MAIN STREET PROGRAM, AUTHORIZING THE MAYOR TO EXECUTE THE TEXAS MAIN STREET LETTER AGREEMENT, AND DESIGNATING DOWNTOWN MANAGER CYNTHIA MARTIN AS THE MAIN STREET PROGRAM MANAGER FOR THE CITY OF KINGSVILLE TO COORDINATE PROGRAM ACTIVITIES.

WHEREAS: The Texas Main Street Program of the Texas Historical Commission has been created to assist small cities to develop a public/private effort to revitalize their "Main Street" area, and Kingsville was recently selected in 2011 to participate in the Texas Main Street Program and would like to continue to participate in 2013,

WHEREAS: The City of Kingsville desires to maintain its designation as a Texas Main Street to assist with the improvement and revitalization of our downtown area,

WHEREAS: The Mayor needs to execute the Texas Main Street Program Letter Agreement on behalf of the City to continue participation in this program,

WHEREAS: The City of Kingsville has hired Cynthia Martin as the Downtown Manager to assist the City with overseeing the "Main Street" area and the Texas Main Street Program.

NOW THEREFORE BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

SECTION 1. That the City of Kingsville will continue participation in the 2013 Main Street Program with the specific goal of revitalizing the central business district within the context of the preservation and rehabilitation of its historic buildings.

SECTION 2. That the City of Kingsville will provide an adequate budget to employ a full-time Main Street Program Manager for a minimum of three years from its original designation date in 2011, and provide funds for the training of the Main Street Program Manager and the operating expenses of the program.

SECTION 3. That the Mayor be authorized to execute the Texas Main Street Program Letter Agreement on behalf of the City of Kingsville.

SECTION 4. That Cynthia Martin, the City's Downtown Manager, be designated to supervise the Main Street Manager activities.

SECTION 5. That this Resolution shall be and become effective on or after adoption.

PASSED, APPROVED, AND ADOPTED by a majority vote of the City Commission this 14th day of January, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Date: December 27, 2012

To: Courtney Alvarez, City Attorney and Vince Capell, City Manager

From: Robert R. Trescott, Director of Tourism

Re: Appointment of Cynthia Martin as Kingsville Certified Local Government (CLG) Representative, the Kingsville Main Street Manager and the City of Kingsville Historic Preservation Officer

The City of Kingsville is currently participating in the Certified Local Government (CLG) Program, the Texas Main Street Program and has a Historic Preservation Commission. The CLG program asks the City to appoint a CLG representative for Kingsville and to appoint a Historic Preservation Officer to oversee the Historic Development Board. Participation in the Texas Main Street Program requires the City to have a Main Street Manager. In the past, these positions have been held by myself as former Downtown Manager. Now that Cynthia Martin is the Downtown Manager, it is requested that Cynthia Martin be appointed to these positions.

Texas Main Street Letter of Agreement

This 2013 Letter of Agreement outlines participation as an official Texas Main Street program for the city of **Kingsville**.

I. The Texas Main Street Program (TMSP) will provide the following:

A. **Training.** The Main Street manager will attend two Main Street/preservation-specific trainings in their entirety per year from the list below. Training is a scored category in the annual report (see related section II.H, I.).

1. TMSP Basic Training (Jan. 19–30, 2013, Llano). New managers only.
2. TMSP Annual Meeting/Winter training (Jan. 30–Feb. 1, 2013, Llano).
3. TMSP Summer Workshop (June 5–7, 2013, La Grange).
4. Texas Downtown Development and Revitalization Conference, Texas Downtown Association/Texas Main Street Annual Conference (Nov. 5–8, 2013, Bastrop).
5. National Main Street Conference (Apr. 14–17, 2013, New Orleans, LA).
6. National Preservation Conference of the National Trust for Historic Preservation (Oct. 29–Nov. 2, 2013, Indianapolis, IN)

Relevant professional development that is not Main Street specific can be substituted for one of the above trainings with prior approval of the TMSP office. Approval can be based upon manager experience, program stability under the Main Street model and past attendance at Main Street trainings.

If a replacement manager is hired who has not previously attended Main Street training, the manager will be required to attend Basic Training and the Annual Meeting (1. and 2.). A stipend of \$500 will be charged to the sustaining city for this training.

To help ensure an effectively-functioning local program, board and committee members are also encouraged to attend training. No stipend is charged for their participation.

B. **Brand and Network.** This Letter of Agreement (LOA) constitutes recognition of your city as an official Texas Main Street program and allows use of the National Main Street Center brand (see “Name Use Policy” at www.mainstreet.org). If participation ceases, the local program may no longer use the term ‘Main Street’ to describe the program. The TMSP provides access to the Texas Main Street manager electronic listserv and the monthly *Main Street Matters* publication.

C. **On-site visits/technical expertise.** By request, TMSP site visits address design, economic development and organizational issues. Services may include, but are not limited to: façade renderings, preservation and historic building expertise by licensed architects; business development and funding advice, board training and strategic planning.

D. **Securing a Main Street Manager.** Should a replacement manager be needed, the TMSP should be contacted to advise on the job description, assist with the job posting, provide resumes when available and participate in the interview process.

II. The city of **Kingsville** agrees to adopt and commit to the national Main Street strategy consisting of the following ten criteria:

1. **Broad-based support for the downtown revitalization process.** The goal is for public and private sectors to understand, be philosophically committed to and commit the maximum resources possible to achieve commercial district revitalization.
2. **Be vision and mission driven.** The vision crystallizes the organization's long-term hopes and the mission provides purpose and direction.
3. **Work Plan.** The program shall operate under a comprehensive work plan that provides a blueprint for activities, reinforces accountability and measures success.
4. **Historic preservation ethic.** Historic preservation includes processes for rehabilitating, renovating and restoring older commercial buildings in addition to land use and planning policies that encourage full use of the existing commercial centers and which removes barriers to revitalizing the historic Main Street district. Effective local programs keep abreast of potential and existing activity impacting the physical character of the district involving historic buildings, new construction, public spaces and infrastructure. Local programs should seek the advice of the TMSP design staff for projects in the Main Street district.
5. **Active board of directors and committees.** Direct involvement of an active board and volunteers is critical to a successful revitalization program. Board and volunteers should also understand and abide by the Main Street organizational model that differentiates between the roles of volunteers and the program manager.
6. **Adequate operating budget.** To be successful and achieve sustainability, a Main Street Program must have the financial resources necessary to carry out its work plan. The size of a program's budget will change as the program matures, and is likely to vary according to regional economic differences and community size.
7. **Paid, professional program manager.** Coordinating a successful program requires a trained, professional, full-time staff member. A full-time Main Street position is required for the first three years in the program. If necessary, a small-city program may split the position after the first three years so that the manager may also have specific economic development, tourism or other relevant duties. The position must still remain full time. The local program should move forward in an efficient manner to fill a manager vacancy and the state coordinator should be kept apprised of progress in filling vacancies.
8. **Ongoing training for staff and volunteers.** Outlined in section I.A.
9. **Reporting.** Tracking statistics such as reinvestment, job/business creation provides a tangible measurement of program progress. Monthly reports, which track specific goal-based activities, are to be submitted to the TMSP office by the 10th of the following month, and quarterly reinvestment reports are to be submitted the 10th of the month following the end of each calendar quarter. Even if there has not been activity in a month or quarter, the local program must still submit a report noting such. Submission of a Ten Criteria annual report is also required.

A local program can be placed on probation, which can result in the suspension of TMSP services, for any of the following reasons:

1. Failure to submit an annual Ten Criteria report;
2. Failure to achieve Ten Criteria objectives more than two years in a row;
3. Failure to submit monthly reports for more than four consecutive months;
4. Failure to submit reinvestment reports for more than two consecutive quarters;
5. Failure to abide by this Letter of Agreement.

The local program must work with the state coordinator or delegate to overcome these deficiencies. Program termination via decision of a committee comprised of at least two TMSP staff and the division director of the Texas Historical Commission's Community Heritage Development Division is possible if a local program does not exhibit a reasonable attempt toward overcoming deficiencies.

10. **National Main Street membership.** To achieve National Recognition status as attained through a successful Ten Criteria report, a local program must budget for and maintain an active membership in the National Main Street Center.

The term for this Letter of Agreement for the **Kingsville Main Street Program** is Jan. 1, 2013 to Dec. 31, 2013. The appropriate stipend (attached invoice) is due Jan. 31, 2013.

Authorized Signature
(City Manager, Mayor, or Board Chair)

Date: _____

Signer title: _____

Signer printed name: _____

Debra Farst, State Coordinator
Texas Main Street Program

Date: _____

Mark Wolfe, Executive Director
Texas Historical Commission

Date: _____

TEXAS HISTORICAL COMMISSION

real places telling real stories

December 14, 2012

Mr. Cynthia Martin
Main Street Manager
Kingsville Main Street Program
P.O. Box 1458
Kingsville, TX 78364-1458

Re: Increase in Main Street participation fees as previously announced

Dear Cynthia,

The Texas Main Street Program is one of the oldest, largest and most respected Main Street programs in the nation, having been one of the first state coordinating programs created in 1981 following the nationwide introduction of the then-new Main Street Four Point Approach™. As a proven model for economic development, participating Texas Main Street programs have reported more than \$2.6 billion of reinvestment into their historic downtowns.

On April 25, you received a notice via the Main Street listserv that the governing board of the Texas Historical Commission would be considering a fee increase at their quarterly meeting later that week. That email contained the rationale for doing so and as expected, the Commission approved a new fee schedule reflecting increases, which were not mandated by the legislature. A condensed version of that communication is outlined again in this letter.

Over the years, services from our office have increased dramatically, as has the size of the network to which we provide services. (Many of you recall that until 2003, design services were not provided to any cities after their first three years of participation. Now, we complete hundreds of renderings and design reports for individual properties.) We believe the new schedule represents the first fee increase in the 30+ year history of the program.

Implementation of the new fee structure will begin in January 2013. To ease the burden, fee increases will be phased through 2015. Fees continue to be based upon population, with the 2010 U.S. Census used for this new fee schedule.

These fees do not include your annual membership in the National Trust Main Street Center.

Texas Main Street Program Annual Fees for 2013-2015:

Small City, population 50,000 and fewer

Existing fee: \$300

2013: \$400

2014: \$535

2015: \$535

Urban City, population 50,001 and greater

Existing fee: \$1500

2013: \$2000

2014: \$2600

2015: \$2600

Supplemental Training Fee (no change from existing policy)

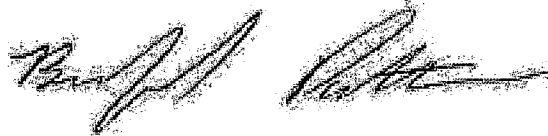
1. Any new Texas Main Street small or urban city receives complementary new manager basic training upon initial entry into the program.
2. A participating city, including provisional, that hires a new manager without significant Main Street knowledge and experience will be assessed a \$500 training fee to offset the resources necessary for additional training.

Attached are your annual Letter of Agreement and 2013 invoice reflecting these new fees. If you have questions, please contact Debra Farst, Texas Main Street State Coordinator.

Sincerely,



Debra Farst
State Coordinator
Texas Main Street Program



Brad Patterson
Director
Community Heritage Development Division

cc: Mr. Vincent Capell, Kingsville City Manager

enclosures: Letter of Agreement
Invoice



TEXAS HISTORICAL COMMISSION
real places telling real stories

INVOICE

December 14, 2012

Mr. Cynthia Martin
Kingsville Main Street Program
P.O. Box 1458
Kingsville, TX 78364-1458

Texas Main Street City participation for 2013

2013 Contract for Services	\$ 400
New manager training fee (Jan. 2013 in Llano)	<u>\$ 500*</u>

Total due by 1/31/2013: \$ 900

Please make check payable to: Texas Historical Commission

Remit to: Texas Main Street Program
P. O. Box 12276
Austin, TX 78711-2276

Please call Jill Robinson at 512.463.5757 with any questions.

** The Letter of Agreement requires training for new managers and payment of this administrative/training/replacement fee. The training takes place in Llano, Texas from Jan. 29-Feb. 1, 2013. Please contact the state office for details.*



AGENDA ITEM #8

RESOLUTION # 2013-_____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A CERTIFICATION AGREEMENT BETWEEN THE TEXAS HISTORICAL COMMISSION AND THE CITY OF KINGSVILLE, TEXAS FOR PARTICIPATION IN THE CERTIFIED LOCAL GOVERNMENT (CLG) PROGRAM AND DESIGNATING DOWNTOWN MANAGER CYNTHIA MARTIN AS THE CLG REPRESENTATIVE FOR THE CITY OF KINGSVILLE TO COORDINATE PROGRAM ACTIVITIES; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Texas Certified Local Government Program (CLG) is a partnership between local governments, the Texas Historical Commission and the National Park Service designated to foster historic preservation in our communities and CLGs have access to dedicated grant funds for historic preservation projects in communities.

WHEREAS, the Texas CLG Program adopted revised state rules in 2011 and the National Park Service requires new Certification Agreements for all CLGs upon adoption of new rules.

WHEREAS, the City needs to appoint/designate a CLG representative.

BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the Mayor is authorized and directed as an act of the City of Kingsville, Texas to execute a Certification Agreement between the Texas Historical Commission and the City of Kingsville, Texas for Participation in the Certified Local Government Program and in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT the City's Downtown Manager, Cynthia Martin, is designated as the CLG representative for the City of Kingsville.

III.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

IV.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
____ 14th day of January _____, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Date: December 27, 2012

To: Courtney Alvarez, City Attorney and Vince Capell, City Manager

From: Robert R. Trescott, Director of Tourism

Re: Appointment of Cynthia Martin as Kingsville Certified Local Government (CLG) Representative, the Kingsville Main Street Manager and the City of Kingsville Historic Preservation Officer

The City of Kingsville is currently participating in the Certified Local Government (CLG) Program, the Texas Main Street Program and has a Historic Preservation Commission. The CLG program asks the City to appoint a CLG representative for Kingsville and to appoint a Historic Preservation Officer to oversee the Historic Development Board. Participation in the Texas Main Street Program requires the City to have a Main Street Manager. In the past, these positions have been held by myself as former Downtown Manager. Now that Cynthia Martin is the Downtown Manager, it is requested that Cynthia Martin be appointed to these positions.

TEXAS HISTORICAL COMMISSION
real places telling real stories

October 10, 2012

The Honorable Sam Fugate
City of Kingsville
PO Box 1458
Kingsville, TX 78364

Dear Mayor Fugate,

Thank you for your continued participation in the Texas Certified Local Government Program. The CLG Program is a partnership between your local government, the Texas Historical Commission and the National Park Service designed to foster historic preservation in your community. Your participation helps ensure the success of historic preservation efforts in communities across Texas. In addition, CLGs have access to dedicated grant funds for historic preservation projects in the community.

In 2011, the Texas CLG Program adopted revised state rules for the program. The new rules eliminated redundant language and incorporated recent changes instituted by the National Park Service. The National Park Service requires new Certification Agreements for all CLGs upon adoption of new rules. To satisfy this requirement, two copies of the new Certification Agreement, along with a copy of the revised state rules, are included for your signature. Please sign both copies and return them to our office no later than 45 days from the date of this letter. Following receipt of the signed copies, an original copy signed by THC Executive Director Mark Wolfe will be returned to you, along with a copy of the newly revised Texas Handbook for Certified Local Governments.

Please feel free to contact me with any questions. Thank you for all of your efforts to support historic preservation in Texas.

Sincerely,



Matt Synatschk
State Coordinator
Texas Certified Local Government Program



CERTIFICATION AGREEMENT
BETWEEN THE TEXAS HISTORICAL COMMISSION
AND THE **CITY OF KINGSVILLE** FOR PARTICIPATION IN THE
CERTIFIED LOCAL GOVERNMENT PROGRAM

The City of Kingsville, in consideration of having been granted Certified Local Government status, agrees to carry out the following responsibilities as a Certified Local Government, in cooperation with the National Park Service and the Texas Historical Commission.

It will:

1. enforce the local historic preservation ordinance for the designation and protection of local historic properties;
2. establish and maintain by the local preservation ordinance a qualified review commission, board or committee for historic preservation having specific powers, such as review responsibility pertaining to proposed National Register nominations as well as actions that will affect local historic properties;
3. designate a city official, staff person or other appropriate resident of the municipal entity to serve as a local Historic Preservation Officer for the purpose of administering the local preservation ordinance;
4. provide appropriate training for historic preservation officer, related city staff and members of the historic preservation commission;
5. maintain a system for the survey and inventory of local historic properties that is coordinated with the statewide cultural-resource-survey-process, with technical assistance provided by the National Register Program office of the Texas Historical Commission's History Programs Division;
6. ensure, to the maximum extent possible, public participation in the local historic preservation program, including the process of nominating properties to the National Register of Historic Places;
7. adopt the Secretary of the Interior's Standards for Rehabilitation as the standards by which the local review commission will review all work applications brought before it under the terms of the local historic preservation ordinance;
8. review and comment upon nominations to the National Register of Historic Places for properties within its jurisdiction within 60 days of receiving the nominations from the National Register Program office of the Texas Historical Commission, and submit the city commission's reports and the recommendations of the chief elected official of the city to the National Register Program office as to whether or not the nominated properties meet the criteria of the National Register;

9. assist the National Register Program office of the Texas Historical Commission, if necessary, in verifying the names and addresses of property owners within local historic districts being nominated to the National Register, and assist with arrangements for local public information meetings at mutually agreeable times and locations when such districts are nominated;
10. submit to the State Historic Preservation Officer by the end of each calendar year an annual report that describes the actions of the local review commission, board or committee and other preservation-related activities of the previous fiscal year (October 1st through September 30th);
11. monitor and report to the Texas Historical Commission any actions affecting any county courthouse, Recorded Texas Historic Landmark, State Archeological Landmark, National Register property, and any locally designated landmark;
12. coordinate local historic preservation efforts, to the extent practicable, with the Texas Historical Commission, which shall provide technical assistance, guidance, and information to the Certified Local Government as feasible upon request;
13. carry out the general program procedures as outlined in the Texas Administrative Code, Title 13 Cultural Resources, Part 2 Texas Historical Commission, Chapter 15 Administration of Federal Programs, Rule 15.6 Rules and Procedures for Certified Local Governments; and
14. assist the Texas Historical Commission in any duties and powers assigned to the State Historic Preservation Office by the National Historic Preservation Act of 1966 as amended, and other federal enabling legislation.

Signature: Mayor (or chief elected official) _____ Date _____
City of Kingsville

Printed Name _____

Mark Wolfe, State Historic Preservation Officer _____ Date _____

AGENDA ITEM #9

RESOLUTION #2013- _____

**A RESOLUTION OF THE CITY OF KINGSVILLE DESIGNATING DOWNTOWN
MANAGER, CYNTHIA MARTIN, AS THE CITY HISTORIC PRESERVATION OFFICER.**

WHEREAS, the City Commission has authorized participation with several Texas Historical Commission programs; and

WHEREAS, the Texas Historical Commission requires the City to designate a City Historic Preservation Officer for participation in some programs.

NOW THEREFORE, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the Downtown Manager, Cynthia Martin, is hereby designated as the City Historic Preservation Officer.

II.

THAT this Resolution shall be and become effective on or after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the 14th day of January, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

Date: December 27, 2012

To: Courtney Alvarez, City Attorney and Vince Capell, City Manager

From: Robert R. Trescott, Director of Tourism

Re: Appointment of Cynthia Martin as Kingsville Certified Local Government (CLG) Representative, the Kingsville Main Street Manager and the City of Kingsville Historic Preservation Officer

The City of Kingsville is currently participating in the Certified Local Government (CLG) Program, the Texas Main Street Program and has a Historic Preservation Commission. The CLG program asks the City to appoint a CLG representative for Kingsville and to appoint a Historic Preservation Officer to oversee the Historic Development Board. Participation in the Texas Main Street Program requires the City to have a Main Street Manager. In the past, these positions have been held by myself as former Downtown Manager. Now that Cynthia Martin is the Downtown Manager, it is requested that Cynthia Martin be appointed to these positions.

REGULAR AGENDA

AGENDA ITEM #10

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE,
TEXAS CERTIFICATES OF OBLIGATION, SERIES 2013" AND APPROVING ALL
OTHER MATTERS RELATED TO THE ISSUANCE OF THE CERTIFICATES OF
OBLIGATION

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ORDINANCE NO. 2013-____

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2013" AND APPROVING ALL OTHER MATTERS RELATED TO THE ISSUANCE OF THE CERTIFICATES OF OBLIGATION

WHEREAS, the City Commission of the City of Kingsville (the "Issuer" or the "City") deems it advisable to issue Certificates of Obligation hereinafter described (the "Certificates") for the purposes specified in Section 1 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 Commission has heretofore, on November 26, 2012 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 *Kingsville Record and Bishop News*, which is a newspaper of general circulation in the City, in its issues of December 5, 2012, and December 12, 2012, 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 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 COMMISSION OF THE CITY OF KINGSVILLE, 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 KINGSVILLE, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2013" (the "Certificates"), in the original aggregate principal amount of [\$4,275,000] 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, specifically: (1) city wide drainage improvements; and (2) city wide street improvements and rehabilitation, and the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, financial advisory, legal, architectural, and engineering).

Section 2. Date, Denominations, Numbers, and Maturities of the Certificates. The Certificates shall be dated as of January 1, 2013 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 August 1 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 3 hereof, and the Certificates shall bear interest at the rates per annum shown below from the initial date of delivery and payable on February 1, 2014 and on each August 1 and February 1 thereafter through the respective maturity date or earlier redemption, to wit:

Years of Stated Maturity (August 1)	Principal Installment	Interest Rate	Years of Stated Maturity (August 1)	Principal Installment	Interest Rate
2015	175,000		2025	225,000	
2016	180,000		2026	235,000	
2017	185,000		2027	240,000	
2018	190,000		2028	250,000	
2019	195,000		2029	255,000	
2020	195,000		2030	265,000	
2021	200,000		2031	270,000	
2022	210,000		2032	280,000	
2023	215,000		2033	290,000	
2024	220,000				

Section 3. 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, the Form of Statement of Insurance, 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

NUMBER
R- _____
REGISTERED

DENOMINATION
\$ _____
REGISTERED

CITY OF KINGSVILLE, TEXAS
CERTIFICATE OF OBLIGATION,
SERIES 2013

INTEREST <u>RATE</u>	MATURITY <u>DATE</u>	DATED <u>DATE</u>	DELIVERY <u>DATE</u>	<u>CUSIP NO.</u>
		January 1, 2013	February 14, 2013	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ (\$ _____)

THE CITY OF KINGSVILLE, TEXAS (the "Issuer" or 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 "Registered 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 Delivery Date, specified above. Interest on this Certificate is payable by check payable on February 1, 2014 and on each August 1 and February 1 thereafter, mailed to the Registered Owner of record as shown on the books of registration kept by the Paying Agent/Registrar, as of the date which is the 15th calendar day of the month next preceding the interest payment date (the "Record Date"), or in such other manner as may be acceptable to the Registered Owner and the Paying Agent/Registrar.

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 authorizing ordinance adopted by the City Commission of the City on January 14, 2013 (the "Ordinance"), in the original aggregate principal amount of [\$4,275,000] 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, specifically: (1) city wide drainage improvements; and (2) city wide street improvements and rehabilitation, and the payment of contractual obligations for professional services in connection with such projects (including, but not limited to, financial advisory, legal, architectural, and engineering).

THE CERTIFICATES are issued pursuant to the Ordinance whereunder the City Commission 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 pledge of certain "Net 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" of the System. 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 August 1, ____, in whole or in part, on August 1, ____ 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. At least 45 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity, a written notice of such redemption shall be given by the City to the Paying Agent/Registrar, and the Paying Agent/Registrar shall send a copy of such notice at least 30 days prior to the date fixed for redemption by United States mail, first-class postage prepaid, addressed to the Registered Owner of each Certificate to be redeemed in whole or in part at the address shown on the

Registration Books; 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. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption, and redeemed Certificates shall no longer be regarded as outstanding except for the right of the Registered Owner or Registered Owners thereof to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

NOT LESS THAN 30 DAYS prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Certificates to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given, the Certificates called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Certificate or portion thereof has not been surrendered for payment, interest on such Certificate or portion thereof shall cease to accrue. When Certificates or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal 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 terminate on the date fixed for redemption.

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 Registered 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 Registered 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 Registered Owners.

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.

BY BECOMING the Registered Owner of this Certificate, the Registered 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 Registered Owner and the City.

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 KINGSVILLE, TEXAS

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
City Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Mayor

(CITY SEAL)

* * *

FORM OF AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

This Certificate of Obligation 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 STATEMENT OF INSURANCE

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal and interest on this Certificate to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Certificate (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Certificate acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

* * *

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 of Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Certificate of Obligation 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 of Obligation 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 of Obligation, 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 first three paragraphs:

NO. I-1

[\$4,275,000]

United States of America
State of Texas
CITY OF KINGSVILLE, TEXAS
CERTIFICATE OF OBLIGATION, SERIES 2013

DATED DATE: JANUARY 1, 2013

DELIVERY DATE: February 14, 2013

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: FOUR MILLION TWO HUNDRED SEVENTY FIVE THOUSAND DOLLARS ([\$4,275,000])

THE CITY OF KINGSVILLE, 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 "Registered Owner"), the Principal Amount, specified above, with principal installments payable on August 1 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF</u> <u>STATED MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENT</u> \$	<u>INTEREST</u> <u>RATE</u> %
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(Information to be inserted from schedule in Section 2 hereof.)

INTEREST on the unpaid Principal Amount hereof from the Delivery 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 February 1 and August 1 of each year, commencing February 1, 2014.

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 Registered 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 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 for determining the person to whom payments hereon shall be

made (the "Record Date") means the 15th 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 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 Commission of the City on January 24, 2013 (the "Ordinance").

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has examined and finds that this Certificate of Obligation has been issued in conformity with the Constitution and laws of the State of Texas and is a valid and binding obligation of the City of Kingsville, Texas, and further that this Certificate of Obligation has been registered this day by me.

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 4. 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 Kingsville, Texas Certificates of Obligation, Series 2013” in the original aggregate principal amount of [\$4,275,000] authorized by this Ordinance.

“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 _____, as representative of a syndicate of underwriters including _____.

[“Insurance Policy” means the financial guaranty insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Certificates when due.]

“Insurer” means [Assured Guaranty Corporation.]

“Interest Payment Date” means when used in connection with any Certificate, shall mean February 1, 2014 and on each August 1 and February 1 thereafter until maturity or earlier redemption of such Certificate.

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

“Net Revenues” means the gross revenues of the System less the expense of operation and maintenance thereof, including all salaries, labor, materials, interest, repairs, and extensions necessary to render efficient service; provided, however, that only such repairs and extensions as in the judgment of

the City Commission, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair the security of any bonds payable from and secured by a lien on the Net Revenues of the System shall be deducted in determining "Net Revenues."

"Ordinance" means this "Ordinance Authorizing the Issuance of 'City of Kingsville, Texas Certificates of Obligation, Series 2013' and Approving All Other Matters Related to the Issuance of the Certificates of Obligation" adopted by the City Commission on January 14, 2013.

"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 January 1, 2013, 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 15th calendar 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.

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

Section 5. 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 Kingsville, Texas Certificates of Obligation Series 2013 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 certain of the Net Revenues. The City shall deposit such pledged Net Revenues to the credit of the Interest and Sinking Fund created pursuant to this section. Notwithstanding the requirements of this section, if Net Revenues are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to this section may be reduced to the extent and by the amount of the Net Revenues then on deposit in the Interest and Sinking Fund or budgeted for deposit therein.

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 Kingsville, Texas Certificates of Obligation Series 2013 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 6. 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 7. 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 Commission. 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 8. 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 Resolution 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 9. 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 any type of agreement necessary for the Paying Agent/Registrar to perform its duties hereunder. 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 10. 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.

Section 11. Sale of Certificates; Approval of Official Statement. (a) Sale. The sale of the Certificates to the Initial Purchaser pursuant to a negotiated price of par, plus a net original issue premium of \$_____, and less an underwriting discount of \$_____, is hereby confirmed. The 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 Initial Certificate shall be registered in the name of the Initial Purchaser. [Net premium of \$_____ will be used to pay costs of issuance.] Remaining Certificate proceeds shall be deposited in the Project Fund after paying costs of issuance, including [the Insurance Policy which is hereby approved.]

(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 January 7, 2013, prior to the date hereof is hereby ratified and confirmed. The Commission 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 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 Commission.

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. Redemption. The City reserves the right to redeem the Certificates as described in the Form of Certificates in Section 3 hereof.

Section 18. 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 Depositary 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 Depositary 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 19. 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 20. 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 21. 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 22. Continuing Disclosure Undertaking. (a) Annual Reports. The City will provide certain updated financial information and operating data to the MSRB via 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 8 through 18 authorized by Section 11 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 2013. 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 also provide timely notices of certain events to the MSRB through EMMA. The City will provide notice of any of the following events with respect to the Certificates, if such event is material to a decision to purchase or sell Certificates: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial

difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other events affecting the tax exempt status of the Certificates; (6) tender offers; (7) defeasances; (8) ratings changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person.

(c) Notice of Occurrence of Certain Events, If Material. The City also will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of holders; (3) redemption calls; (4) release, substitution, or sale of property securing repayment of the Certificates; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

(d) 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.

(e) 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.

(f) 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 23. 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 2013 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 24. 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 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 the proceedings authorizing the Certificates and that, based upon the principal amount of the Certificates, such fee is [\$4,275,000.00.] 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. Notwithstanding any City Charter provision or other rule requiring ordinances to be read at more than one meeting, this Ordinance is passed as an emergency measure and shall take effect immediately and be in full force and effect from and after its passage on the date shown below.

PASSED AND APPROVED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE,
TEXAS this January 14, 2013.

/s/ Mary Valenzuela
City Secretary
City of Kingsville, Texas

/s/ Sam Fugate
Mayor
City of Kingsville, Texas

PASSED AND APPROVED by a majority vote of the City Commission on the _____
day of _____, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

EXHIBIT A

Purchase Contract

The Purchase Contract can be found in executed form at Tab 4.

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of October 1, 2012 (this "Agreement"), by and between the CITY OF KINGSVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Houston, 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 Kingsville, Texas Certificates of Obligation, Series 2013" (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 Public Financial Management, Inc., Austin, 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.

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.
Houston, Texas

By _____

Title _____

Address: 601 Travis
Floor 16
Houston, Texas 77002

Attest:

CITY OF KINGSVILLE, TEXAS

By _____
City Secretary

By _____
Mayor
Address: 200 East Kleberg Avenue
Kingsville, Texas 78363

(ISSUER SEAL)

SIGNATURE PAGE OF PAYING AGENT/REGISTRAR AGREEMENT

SCHEDULE A

Paying Agent/Registrar Fee Schedule

[TO COME]

AGENDA ITEM #11

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF KINGSVILLE, TEXAS
LIMITED TAX REFUNDING BONDS, SERIES 2013; A PURCHASE CONTRACT; A
PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING ALL OTHER
MATTERS RELATED THERETO

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ORDINANCE NO. 2013-____

**ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF KINGSVILLE,
TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2013; A PURCHASE
CONTRACT; A PAYING AGENT/REGISTRAR AGREEMENT; AND
APPROVING ALL OTHER MATTERS RELATED THERETO**

WHEREAS, the City of Kingsville, Texas (the "Issuer", or the "City") has been organized, created, and established pursuant to the laws of the State of Texas as a municipal corporation and political subdivision of the State of Texas;

WHEREAS, the City Commission desires to refund the outstanding obligations in Schedule I attached hereto (collectively, the "Refunded Obligations");

WHEREAS, the City Commission of the Issuer deems it necessary and desirable to proceed with the issuance of the bonds described herein to refund the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the Issuer 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 Issuer, 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 Obligations;

WHEREAS, the City Commission of the Issuer hereby finds and declares a public purpose and deems it advisable to refund the Refunded Obligations in order to lower the overall debt service requirements of the City and the terms of the Bonds (defined herein) are the most reasonably available and in the best interest of the City; and

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE 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 1207, Texas Government Code, as amended, a series of bonds of the Issuer to be known as "CITY OF KINGSVILLE, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2013" (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 January 1, 2013 and shall be in the denomination of \$5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds from the date of delivery. 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 Underwriter (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 will mature on August 1 in each of the years as provided below and will bear interest at the rates per annum shown below from the date of delivery and payable on February 1, 2014 and on each August 1 and February 1 thereafter through the respective maturity date or earlier redemption, to wit:

<u>Years of Stated Maturities</u>	<u>Principal Installment</u>	<u>Interest Rate</u>	<u>Years of Stated Maturities</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
2014	\$135,000		2019	\$ 95,000	
2015	145,000		2020	100,000	
2016	150,000		2021	95,000	
2017	165,000		2022	100,000	
2018	175,000		2023	105,000	

Section 3. General Characteristics. 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.

(a) Registration, Transfer, and Exchange; Authentication: The Issuer shall keep or cause to be kept at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, and exchanges as herein provided. The Mayor and the City Secretary are authorized to enter into a Paying Agent/Registrar Agreement substantially in the form of Exhibit B attached hereto. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provide; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of the Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during the 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. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange, and delivery of a substitute Bond or Bonds shall be paid as provided in the "Form of Bonds" set forth in this Ordinance. Registration of assignments, transfers, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the "Form of Bonds" set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in subsection (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the forgoing transfer and exchange of any Bond or portion thereof, and the Paying

Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds. Pursuant to Chapter 1201, Texas Government Code, as amended, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of said certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts (the "Initial Bond").

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (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 transferred and assigned; (iii) may be exchanged for other Bonds; (iv) shall be administered, and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the "Form of Bonds" set forth in this Ordinance. The Initial Bond shall be delivered to the Purchaser and is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each Bond issued in exchange for the Initial Bond or any Bond or Bonds issued under this Order, the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the "Form of Bonds" in this Ordinance.

Section 4. Form of the Bonds. 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 Registration Certificate to accompany the Initial Bond on the initial delivery thereof, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance:

FORM OF BONDS

United States of America
State of Texas
CITY OF KINGSVILLE, TEXAS
LIMITED TAX REFUNDING BOND, SERIES 2013

[FORM OF FACE OF THE DEFINITIVE BONDS]

NUMBER			DENOMINATION
R-_____			\$ _____
REGISTERED			REGISTERED
 INTEREST RATE %	 DATED DATE January 1, 2013	 MATURITY DATE	 CUSIP NO.

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$)

THE CITY OF KINGSVILLE, TEXAS (the "Issuer"), a municipal corporation and political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "Registered Owner") on the Maturity Date, specified above, upon presentation and surrender of this Bond 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 later of the date of initial delivery; or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check each August 1 and February 1, commencing August 1, 2013, mailed to the Registered Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last business day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Registered Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the Issuer and the Paying Agent/Registrar, the Registered Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. 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 Issuer. 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 Issuer 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 Bond, when due, in the manner set forth in the Ordinance defined below.

THIS BOND is one of a series of Bonds, dated as of January 1, 2013 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance adopted by the City Commission of the Issuer on January 14, 2013 (the "Ordinance"), in the original aggregate principal amount of \$1,265,000 for the purpose of providing money for refunding certain outstanding obligations and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended.

THE BONDS are issued pursuant to the Ordinance whereunder the Issuer covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the Issuer, 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 Issuer's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner.

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 Registered 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 Registered Owner of this Bond shall be deemed and treated by the Issuer 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 Issuer and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

THE CITY RESERVES THE RIGHT to redeem the Bonds maturing on or after August 1, ____, in whole or in part, on August 1, ____ 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. At least 45 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity, a written notice of such redemption shall be given by the City to the Paying Agent/Registrar, and the Paying Agent/Registrar shall send a copy of such notice at least 30 days prior to the date fixed for redemption by United States mail, first-class postage prepaid, addressed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Registration Books; 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. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption, and redeemed Bonds shall no longer be regarded as outstanding except for the right of the Registered Owner or Registered Owners thereof to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

NOT LESS THAN 30 DAYS prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given, the Bonds called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Bond or portion thereof has not been surrendered for payment, interest on such Bond or portion thereof shall cease to accrue. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal 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 terminate on the date fixed for redemption.

IF ANY BOND shall not be paid upon the surrender thereof at the applicable maturity date, such Bonds shall continue to bear interest until paid and, to the extent permitted by law, interest on any

overdue payments of principal of or interest on such Bond shall be paid at the rate of interest borne by such Bond.

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 principal corporate trust offices of the Paying Agent/Registrar 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 of payment.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer 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.

IN CASE any officer of the Issuer 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 Issuer authorizes the printing of a true and correct copy of an opinion of Winstead PC, Attorneys, relating to the validity and enforceability of the Bonds under Texas law and the status of interest on the Bonds under federal income tax laws on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the Issuer Secretary of the Issuer, and also 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 opinion, certificate, or 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.

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 Issuer 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 Issuer; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

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, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each Registered Owner and the Issuer.

IN WITNESS WHEREOF this Bond 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 Bond.

CITY OF KINGSVILLE, TEXAS

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
City Secretary

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Mayor

(SEAL)

* * *

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 paragraph:

NO. I-1 \$1,265,000

United States of America
State of Texas
CITY OF KINGSVILLE, TEXAS
LIMITED TAX REFUNDING BOND, SERIES 2013

Dated Date: JANUARY 1, 2013

Registered Owner: _____

Principal Amount: ONE MILLION TWO HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$1,265,000)

THE CITY OF KINGSVILLE, TEXAS (the "Issuer"), 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 "Registered Owner"), the Principal Amount, specified above, with principal installments payable on February 1 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF</u> <u>STATED MATURITIES</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u> \$	<u>INTEREST</u> <u>RATE</u> %
---	---	-------------------------------------

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

INTEREST on the unpaid Principal Amount hereof from the date of initial delivery, 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 August 1 and February 1 of each year, commencing August 1, 2013.

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 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 Issuer 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 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 Issuer. 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 Issuer 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 this Bond, when due, in the manner set forth in the Ordinance defined below.

* * *

FORM OF STATEMENT OF INSURANCE

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor, as paying agent for the Bond (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

* * *

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)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
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 Taxpayer
Identification Number of Transferee)

(Please print or type name, address, and 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

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]

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 Kingsville, Texas Limited Tax Refunding Bonds, Series 2013” authorized by this Ordinance.

“Chapter 1207” means The Texas Government Code, Chapter 1207, as amended.

“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 Bonds.

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

“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 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 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 12 hereof.

“Initial Purchaser” means _____, as representative of the underwriters, including _____.

“Insurance Policy” means the financial guaranty insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

“Insurer” means Assured Guaranty Corporation.

“Interest Payment Date” means, when used in connection with any Bond, August 1, 2013 and each August 1 and February 1 thereafter until maturity.

“Issuer” means the City of Kingsville, Texas, a home-rule city and a political subdivision of the State of Texas, or any successor thereto.

“Official Statement” means the disclosure document describing the Bonds dated the date of the Purchase Contract.

“Ordinance” means this “Ordinance Authorizing the Issuance of City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2013; a Purchase Contract; a Paying Agent/Registrar Agreement; and Approving All Other Matters Related Thereto” adopted by the City Commission of the Issuer on January 14, 2013.

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

“Paying Agent/Registrar” means The Bank of New York 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 January 1, 2013, between the Paying Agent/Registrar and the Issuer 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 Obligations” means the obligations described in Schedule I.

“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.

“Registration Books” means the books or records for the registration or the transfer and exchange of the Bonds.

Section 6. City Fund. The Issuer hereby confirms the establishment of the following fund of the Issuer at a depository of the Issuer:

(a) Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the Issuer at an official depository bank of the Issuer. 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 Bonds. Accrued interest received from the Purchasers of the Bonds and 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 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 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 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 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.

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 Issuer 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 Issuer 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 Issuer.

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

(i) The Issuer is a duly created and existing political subdivision 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 Issuer 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 Issuer covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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.

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

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 Bonds, the Issuer 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 Issuer 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 Issuer 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 Issuer, 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 Resolution, 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 Issuer covenants that the Issuer 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 Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer 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 designated payment 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 Issuer 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 Issuer 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 Issuer 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 Issuer on this date.

Section 11. Successor Registrar, Successor Paying Agent. The Issuer covenants with the registered owners of the Bonds that prior to the time all of the Bonds have been finally retired, the Issuer will provide competent and legally qualified persons to act as and perform the services of paying agent and as registrar for the Bonds under this Ordinance. The Issuer reserves the right to, and may, at its option, change the Paying Agent/ Registrar with respect to the Bonds upon not less than 60 days written notice to the Paying Agent/Registrar. Any Paying Agent/Registrar may resign and be discharged of its respective duties under this Ordinance by written resignation filed with the Issuer not less than 60 days before the date such resignation is to take effect. In the event that the person at any time acting as a Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified national or state banking institution organized and doing business under the laws of the United States of America or the State of Texas, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, to act as such Paying Agent/Registrar, under this Ordinance. Upon any change in a 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 Issuer. Upon any change in a Paying Agent/Registrar, the Issuer 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 12. Initial Bond; Exchange or Transfer of Bonds. Initially, one Bond (the "Initial Bond") numbered I-1 and being in the principal amount, respectively, 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 Issuer 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 Issuer 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 Issuer.

Section 13. Sale of the Bonds; Approval of Purchase Contract. (a) Sale. The Bonds authorized by this Ordinance are hereby sold by the Issuer to the Initial Purchaser, having all of the rights, benefits, and obligations of a Holder, in accordance with the provisions of a Purchase Contract, dated January 14, 2013, attached hereto as Exhibit A and incorporated herein by reference as a part of this Ordinance for all purposes. The Initial Bond shall be registered in the name of the Initial Purchaser. The Mayor or Mayor Pro Tem are hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer, and in regard to the approval and execution of the Purchase Contract, the City Commission hereby finds, determines, and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Issuer. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of the Purchase Contract.

(b) Approval of Official Statement. The Issuer 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 May 12, 2013, prior to the date hereof is hereby ratified and confirmed. The Issuer 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 its being furnished an opinion of Winstead PC Attorneys, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(d) 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 of the Issuer for delivery to the Initial Purchaser.

Section 14. 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 Bond, 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 15. Issuer Officers' Duties. (a) Issuance of Bonds. The Mayor of the Issuer 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 Issuer 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 Issuer are authorized to execute and deliver on behalf of the Issuer 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 Issuer are authorized to execute the certificate to which this Ordinance is attached on behalf of the Issuer and to do any and all things proper and necessary to carry out the intent hereof.

Section 16. 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 Issuer and the City Commission covenant and agree that in the event the Issuer 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 Issuer and other officers of the Issuer 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 17. 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 Issuer 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 Issuer 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 Issuer evidence to the Issuer'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 Issuer 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 Issuer 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 Issuer, 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 Issuer 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 Issuer a certificate evidencing such destruction.

Section 18. Redemption. The Bonds are subject to optional redemption as described in the Form of Bonds in Section 4.

Section 19. 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 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer. 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.

(b) Any money so deposited with a Depositary may at the written direction of the Issuer 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 Depositary 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 Issuer.

(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 Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

Section 20. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the Issuer and its successors and assigns, and shall not be amended or repealed by the Issuer as long as any Bond remains outstanding except as permitted in this Section. The Issuer 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 Issuer 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 Issuer desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the Issuer 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 Issuer 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 21. Use of Proceeds. The proceeds of the Bonds shall be deposited with The Bank of New York Mellon Trust Company, N.A., as Escrow Agent pursuant to the Escrow Deposit Letter in substantially the form attached hereto as Exhibit "E" and hereby approved, and used to accomplish the payment of the principal and interest on the Refunded Obligations on the date of delivery of the Bonds; and to pay costs of issuance.

Section 22. Matters Related to Refunding. (a) In order that the Issuer shall satisfy in a timely manner all of its obligations under this Ordinance, the Mayor of the Issuer and all other appropriate officers and agents of the Issuer are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the payment of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the Issuer all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the Issuer's obligations under this Ordinance and to direct the transfer and application of funds of the Issuer consistent with the provisions of this Ordinance.

(b) The Refunded Obligations are subject to redemption prior to their stated maturities at the price of par plus accrued interest to the date of redemption. The Issuer shall give written notice to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas as paying agent for the Refunded Obligations that the Refunded Obligations have been called for redemption, and the Issuer hereby orders that the Refunded Obligations be called for redemption on the dates set forth in the respective Notices of Redemption in Exhibit "C" hereto, which are incorporated herein by reference for all purposes, and such order to redeem the Refunded Obligations on such dates shall be irrevocable upon delivery of the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent for the Refunded Obligations, is authorized and instructed to provide notice of the redemption to the holders of the Refunded Obligations in the form and manner described in the respective ordinances authorizing issuance of the Refunded Obligations.

Section 23. Continuing Disclosure Undertaking. (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 2013, financial information and operating data with respect to the City of the general type described in Exhibit D hereto with respect to such Fiscal Year or the 12-month period then ended. The continuing disclosure information is available to the public, without charge through the MSRB at www.emma.msrb.org. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted accounting principles or such other accounting principles as the City may be required to adopt from time to time by state law or regulations and (ii) 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 will provide unaudited statements by the required time and 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 each nationally recognized municipal securities information repository ("NRMSIR") and any state information depository ("SID"), or filed with the SEC.

(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) bond calls; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds; and (xi) ratings 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 18 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 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 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: (a) 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 Holders 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, (b) upon

repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (c) in any other circumstance or manner permitted by the Rule.

Section 24. Designation as Qualified Tax-Exempt Obligations. The Issuer 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 Issuer represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the Issuer (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 Issuer reasonably anticipates that the amount of tax-exempt obligations issued during 2013 by the Issuer (including any subordinate entities) will not exceed \$10,000,000; and (c) the Issuer 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 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 the proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is \$1,265. 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 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 repayment with proceeds of the Bonds.

Section 26. Further Procedures. The Mayor and the City Secretary of the Issuer 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 Bonds, the Purchase Contract, 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 Issuer 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 Bonds by the Texas Attorney General’s office.

Section 27. 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 Issuer to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the Issuer 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 28. 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) 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.

(c) 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.

(d) 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 Issuer hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

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

(f) Open Meeting. The Issuer 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.

(g) Immediate Effect. Notwithstanding any charter provision or other laws, this Ordinance shall be immediately effective upon its adoption by the City Commission.

PASSED AND APPROVED on first and final reading by the City Commission of the City of Kingsville this January 14, 2013.

/s/ Sam Fugate
Mayor, City of Kingsville, Texas

ATTEST:

/s/ Mary Valenzuela
City Secretary, City of Kingsville, Texas

PASSED AND APPROVED by a majority vote of the City Commission on the _____
day of _____, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

SCHEDULE I

Refunded Obligations

Certificates of Obligation, Series 2002A

Original Dated Date	Original Maturity	Interest Rates(%)	Amount
12/15/2002	2014	4.100	\$ 140,000
	2015	4.200	145,000
	2016	4.200	155,000
	2017	4.500	155,000
	2018	4.500	165,000
	2019	4.650	90,000
	2020	4.650	95,000
	2021	4.650	95,000
	2022	4.650	100,000
	2023	4.650	<u>105,000</u>
			<u>\$1,245,000</u>

EXHIBIT A

Purchase Contract

The Purchase Contract can be found in executed form at Tab 3.

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of October 1, 2012 (this "Agreement"), by and between the CITY OF KINGSVILLE, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Houston, 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 Kingsville, Texas Limited Tax Refunding Bonds, Series 2013" (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 Public Financial Management, Inc., Austin, 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.

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.
Houston, Texas

By _____

Title _____

Address: 601 Travis
Floor 16
Houston, Texas 77002

Attest:

CITY OF KINGSVILLE, TEXAS

By _____
City Secretary

By _____
Mayor
Address: 200 East Kleberg Avenue
Kingsville, Texas 78363

(ISSUER SEAL)

SIGNATURE PAGE OF PAYING AGENT/REGISTRAR AGREEMENT

SCHEDULE A

Paying Agent/Registrar Fee Schedule

[TO COME]

EXHIBIT C

Notice of Redemption

To the Holders of
THE FOLLOWING NAMED SERIES OF
CITY OF KINGSVILLE, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2002A
Dated December 15, 2002

NOTICE IS HEREBY GIVEN that the **CITY OF KINGSVILLE, TEXAS** has called for redemption **ON FEBRUARY 14, 2013 AT A PRICE OF PAR, PLUS ACCRUED INTEREST** the following described outstanding bonds (the "Obligations") of the above described series as follows:

MATURITY DATES <u>(February 1)</u>	PRESENT CUSIP <u>NUMBERS</u>	PRINCIPAL <u>AMOUNT REDEEMED</u>
2014		\$ 140,000
2015		145,000
2016		155,000
2017		155,000
2018		165,000
2019		90,000
2020		95,000
2021		95,000
2022		100,000
2023		<u>105,000</u>
TOTAL		<u>\$1,245,000</u>

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., 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.

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
P.O. 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 January 14, 2013.

/s/ Sam Fugate
Mayor, City of Kingsville, Texas

Any questions regarding this notice may be addressed to (800) 275-2048.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.
as Paying Agent

EXHIBIT D

Description of Annual Financial Information

The following information is referred to in Section 23 of this Ordinance.

Annual Financial Statements and Operating Data. The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and under the headings of the Official Statement referred to) below:

(a) the portions of the audited financial statements of the Issuer included in the Official Statement, but for the most recently concluded fiscal year, and, to the extent that such statements are not completed and available, unaudited financial statements for such fiscal year;

(b) the tables or schedules in the Official Statement in Tables 1 through 12.

Accounting Principles. The accounting principles, with respect to the Issuer, 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 E

Escrow Deposit Letter

[Escrow Deposit Letter can be found in Tab No. ____]

AGENDA ITEM #12

AGENDA ITEM #13



Purchasing Department

361-595-8025
361-595-8035 Fax

DATE: January 3, 2013

TO: City Commission through City Manager

FROM: David Mason, Purchasing/Technology Director

SUBJECT: Bid 13-04 16" Emergency Water Line Extension Along General
Cavazos

SUMMARY

This authorizes the award of a contract for the installation of the 16" Emergency Water Line Project along General Cavazos.

BACKGROUND

We advertised for sealed bids on December 2, and December 9, 2012 and proposals were originally to be accepted until 1:30 pm on December 21, 2012. One Bid Addendum was issued on December 18, 2012 and Bid Opening was extended until 1:30 p.m. December 27, 2012. Two Bids were received on that date:

Etech Construction	\$ 188,686.25
Hubert Construction	\$ 246,000.00

RECOMMENDATION

It is recommended the contract be awarded to Etech Construction, Inc., 11115 Cedar Park, San Antonio, TX 78249.

FINANCIAL IMPACT

This action will expend \$188,686.25 from fund 051-5-600.1-717.00 Cavazos Water Line Extension and be reimbursed from 051-4-000-940.00.

Approved

Vincent Capell, City Manager

AGENDA ITEM #14

RESOLUTION # 2013-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A SECOND REVISED WATER UTILITY SUPPLY CONTRACT (GOV. CONTRACT #N69450-12-C-0011) BETWEEN THE CITY OF KINGSVILLE, TEXAS AND THE FEDERAL GOVERNMENT FOR NAVAL AIR STATION-KINGSVILLE FOR EMERGENCY WATER LINE CONNECTION; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Commission of the City of Kingsville recognizes that the continued operation of Naval Air Station Kingsville (NAS Kingsville) is important to the economy of the City of Kingsville, Kleberg County, and the region and that its future operational capacity should be protected because it fulfills an essential community purpose; and

WHEREAS, the NAS Kingsville desires to continue purchasing water from the City of Kingsville and the parties recently approved a new ten (10) year water utility supply contract in 2012; and

WHEREAS, the parties now desire to install an emergency water line connection from the City's main water line to the new base wide water distribution system on Naval Air Station Kingsville, thereby necessitating this amendment to the contract; and

WHEREAS, the parties believe the contract amendment to be in the best interest of both parties;

NOW THEREFOR, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the City Manager is authorized and directed as an act of the City of Kingsville, Texas to enter into a Second Revised Water Utility Supply Contract with the federal government to supply water to Naval Air Station-Kingsville in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
____ 14th day of January _____, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE J		PAGE OF PAGES 1 5	
2. AMENDMENT/MODIFICATION NO.		3. EFFECTIVE DATE 29-Nov-2012		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO. (If applicable)	
6. ISSUED BY NAVFAC SOUTHEAST ACQ CORE UTILITIES BLDG 903, PO BOX 30 JACKSONVILLE FL 32212-0030		CODE N69450		7. ADMINISTERED BY (If other than item 6) See Item 6		CODE	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) KINGSVILLE, CITY OF 200 E KLEBERG AVE KINGSVILLE TX 78363-4573				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. N69450-12-C-0011			
				X 10B. DATED (SEE ITEM 13) 01-Jun-2012			
CODE 1QCU9		FACILITY CODE					
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offer must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required) See Schedule							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
X C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: FAR 52.243-1 ALT I Changes - Fixed Price							
D. OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) Modification Control Number: jacada5513457 Prepared by: Garske, Robert B. Emergency water line connection from the City's main 18" water line to a new base wide water distribution system on Naval Air Station Kingsville, TX. See page 2 for full details. Reason Code: CREQ Acceptance of this modification by the contractor constitutes an accord and satisfaction and represents payment in full for both time and money and for any and all costs, impact effect, and for delays and disruptions arising out of, or incidental to, the work as herein revised. Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)			
				TEL: _____ EMAIL: _____			
15B. CONTRACTOR/OFFEROR		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA		16C. DATE SIGNED	
(Signature of person authorized to sign)				BY _____		(Signature of Contracting Officer)	

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

SECTION SF 30 - BLOCK 14 CONTINUATION PAGE

The following have been added by full text:
P00002

Utility Service Agreement (Potable Water/Fire Line)

1. Water System

1.1 Connections

A new 16" emergency water main will be connected to the on-base combined potable and fire water distribution system. The City of Kingsville (COK) shall build the off base portion of the 16" water main on Texas Department of Transportation (DOT) right of way along General Cavazos Blvd. This water main connection will tap into the City's existing 18" water main located approximately 1,750 feet west of the intersection of General Cavazos Blvd and Senator Carlos Truan Blvd and connect to the new Naval Air Station Kingsville (NASK) potable and fire water distribution system. A new water meter shall be purchased and installed by the COK at a minimum size of 8". The COK shall maintain the new water main distribution system within the Texas DOT right of way.

1.2 Water Pressure and Flow

Pressures in the NASK potable water system shall be maintained in the range of 59-63 psi as measured at the NASK North Water Quality Monitoring Station during non-fire fighting events. NASK daily potable water use pressures shall be maintained via the existing primary 12" interconnect with COK located near the NASK back gate.

In the event of a fire or water emergency, if NASK potable water pressures falls below 53 psi, the new NASK potable water system shall allow for service through the new emergency 16" interconnect located near the NASK front gate. During a fire event, through the combination of flows through both 16" and 12" supply connections, potable water system pressures shall be maintained in the range of 51-57 psi as measured at the NASK North Water Quality Monitoring Station.

COK shall be capable of providing a supply minimum of 150,000 gallons per day for potable water use via existing 12" water main.

A minimum flow rate of 41 GPM shall be maintained through the new emergency 16" interconnect at all times as to not allow water to become stagnant in pipe. This amount is required to allow for complete turn-over of the volume of water in approximately 2 days while minimizing the amount of water being blended with supply through the existing 12" interconnect.

The COK shall be capable of providing 1,500 gpm for 4 hours through the combined 12" and 16" connections during a fire event at NASK.

1.3 Private Water Distribution System Components

Per City Code Ordinance, the Navy will install back flow preventers (BFP) on NASK property at the existing 12" water main located at the back gate along Caesar Avenue and at the new 16" connection on NASK property along Gen. Cavazos Blvd. The Navy will also replace the existing meter and vault at the existing connection.

The NASK will maintain the BFP and the water main and appurtenances within NASK property.

1.4 Water Quality Sampling

The NASK will provide, install and monitor a water quality sampling station on each public water connection point. These stations, located on Navy property, will monitor for chloramines, free ammonia, TTHM, HAAS, and PH.

The COK will collect a daily water sample from NASK's north gate on Caesar Street to monitor for Ammonia concentration.

The quality of the water supplied by the COK will meet or exceed the standards dictated by the Environmental Protection Agency's Safe Drinking Water Act (EPA SDWA) and the Texas Commission on Environmental Quality (TCEQ).

1.5 Rate

Naval Air Station Kingsville (NASK) will pay an outside city water rate for a 6" commercial meter based on rates obtained from the City of Kingsville.

1.6 Payment/Invoicing

A separate line item shall be established on future invoices to identify new services (emergency water line).

No payments will be made in advance.

1.7 Period of Performance

07 January 2013 – 01 July 2013 (180 days)

SECTION A - SOLICITATION/CONTRACT FORM

The total cost of this contract was increased by \$256,363.00 from \$1,500,000.00 (EST) to \$1,756,363.00 (EST).

SECTION B - SUPPLIES OR SERVICES AND PRICES

CLIN 0001

The unit price amount has increased by \$256,363.00 from \$1,500,000.00 to \$1,756,363.00.

The total cost of this line item has increased by \$256,363.00 from \$1,500,000.00 (EST) to \$1,756,363.00 (EST).

SUBCLIN 000101 is added as follows:

ITEM NO	SUPPLIES/SERVICES	QUANTITY	UNIT	UNIT PRICE	AMOUNT
000101	FUND ACRN AA FFP Funding Doc. No.: N6945012RCK2400 Customer ACRN:AA FOB: Destination MILSTRIP: N6945012RCK2400				\$0.00
NET AMT					\$0.00
ACRN AA CIN: 00000000000000000000000000000000					\$256,363.00

SECTION E - INSPECTION AND ACCEPTANCE

The following Acceptance/Inspection Schedule was added for SUBCLIN 000101:

INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
Destination	Government	Destination	Government

SECTION F - DELIVERIES OR PERFORMANCE

The following Delivery Schedule item has been added to SUBCLIN 000101:

DELIVERY DATE	QUANTITY	SHIP TO ADDRESS	UIC
POP 07-JAN-2013 TO 01-JUL-2013	N/A	N/A FOB: Destination	

SECTION G - CONTRACT ADMINISTRATION DATA

Accounting and Appropriation

Summary for the Payment Office

As a result of this modification, the total funded amount for this document was increased by \$256,363.00 from \$0.00 to \$256,363.00.

SUBCLIN 000101:

Funding on SUBCLIN 000101 is initiated as follows:

ACRN: AA

CIN: 00000000000000000000000000000000

Acctng Data: 97X4930 NE1K 000 77777 0 069450 2F 000000

Increase: \$256,363.00

Total: \$256,363.00

Cost Code: 69450RCK2400

SECTION I - CONTRACT CLAUSES

The following have been added by full text:

52.229-1 STATE AND LOCAL TAXES (APR 1984)

Notwithstanding the terms of the Federal, State, and Local Taxes clause, the contract price excludes all State and local taxes levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract. The Contractor shall state separately on its invoices taxes excluded from the contract price, and the Government agrees either to pay the amount of the taxes to the Contractor or provide evidence necessary to sustain an exemption.

(End of clause)

(End of Summary of Changes)

AGENDA ITEM #15

ORDINANCE NO. 2013-_____

AN ORDINANCE VACATING, ABANDONING, AND CLOSING BLOCK 11, LOTS 1-15, INCLUDING A 20' ALLEY, AND A UTILITY EASEMENT IN YOUNG TERRACE ADDITION SUBDIVISION; REPEALING ALL ORDINANCES IN CONFLICT HERewith AND PROVIDING FOR AN EFFECTIVE DATE AND PUBLICATION.

WHEREAS, the plat for Young Terrace Addition Subdivision was approved by the Kingsville City Commission back on October 19, 1959 at a duly noticed public meeting;

WHEREAS, the City on January 25, 1999 via ordinance No. 99005 abandoned all undeveloped land, except for a 10' x 118' utility easement between Lots 15 & 16 in Block 10, and Block 11, Lots 1-15, including a 20' alley, in Young Terrace Addition Subdivision;

WHEREAS, the owner of Young Terrace Addition Subdivision now seeks to vacate/abandon Block 11, Lots 1-15, including a 20' alley, and a 10' x 118' utility easement between Lots 15 & 16 in Block 10 in that subdivision with the intention of platting the land for alternate development;

WHEREAS, the City has confirmed with AEP, AT&T, CMA, Center Point and the City public works departments that there are no active lines detected within the utility easement or land referenced for abandonment/vacation and none of the parties are opposed to said action by the City; and

WHEREAS, the property owner will pay the filing fees to have the documentation for this action filed with the Kleberg County Clerk's Office.

WHEREAS, this Ordinance is necessary to protect the public safety, health, and welfare of the City of Kingsville.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF KINGSVILLE, TEXAS:

I.

THAT it is in the best interest of the City of Kingsville, Texas, that Block 11, Lots 1-15, including a 20' alley, and a 10' x 118' utility easement between Lots 15 & 16 in Block 10 of Young Terrace Addition Subdivision as described below be closed, vacated, and abandoned; and, the foregoing recitals are incorporated into this ordinance by reference as findings of fact as if set forth herein at length.

II.

THAT the City of Kingsville vacates, abandons, closes, and relinquishes any and all interest in the following described property with said interest reverting to the adjoining property owners.

Said property to be abandoned being Block 11, Lots 1-15, including a 20' alley, and a 10' x 118' utility easement between Lots 15 & 16 in Block 10 in Young Terrace Addition Subdivision platted as part of the Young Terrace Addition as recorded in the Kleberg County Map Records and more particularly described below and set out in the attached "Exhibit A".

Alley Block 11

BEGINNING, at the Northeast Corner of Block 11 of the East Boundary of the 20' alley, Young Terrace Addition as it exists in November 1959, Kleberg County, Texas;

THENCE, South for a distance of 436.13 feet to the Northwest Corner of Block 11 of the East Boundary of the 20' alley, Young Terrace Addition, Kleberg County, Texas;

THENCE, West for a distance of 20 feet to a point being the Southeast Corner of Block 11 of the West Boundary of the 20' alley, Young Terrace Addition, Kleberg County, Texas;

THENCE, North for a distance of 436.13 feet to the Southeast Corner of Block 11 of the South Boundary of the 20' alley, Young Terrace Addition, Kleberg County, Texas;

THENCE, East for a distance of 20 feet to a point being the Northeast Corner of Block 11 of the East Boundary of the 20' alley, Young Terrace Addition, Kleberg County, Texas, said point also being the POINT OF BEGINNING.

Utility Easement

BEGINNING, at the Northwest Corner of Block 10, Lot 16 of the West boundary of the 10' utility easement, Young Terrace Addition as it exists in November 1959, Kleberg County, Texas;

THENCE, South for a distance of 118 feet to the Southwest Corner of Block 10, Lot 16 of the West boundary of the 10' utility easement, Young Terrace Addition, Kleberg County, Texas;

THENCE, East for a distance of 10 feet to a point being the Southeast Corner of boundary of the 10' utility easement, Young Terrace Addition, Kleberg County, Texas;

THENCE, North for a distance of 118 feet to the Northeast Corner of Block 10, Lot 16 of the East boundary of the 10' utility easement, Young Terrace Addition, Kleberg County, Texas;

THENCE, East for a distance of 10 feet to a point being the Northwest Corner of Block 10, Lot 16 of the West Boundary of the 10' utility easement, Young Terrace Addition, Kleberg County, Texas, said point also being the POINT OF BEGINNING.

III.

THAT the City Manager is authorized to execute the conveyance of said property described hereinabove pursuant to Texas Law; and, the City Secretary is hereby authorized and instructed to file a signed and sealed copy of this ordinance in and among the records of the City, and in the land records of Kleberg County.

IV

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

V.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

VI.

THAT this Ordinance shall be not be codified, but will become effective on and after adoption and publication as required by law.

INTRODUCED on this the 14th day of January, 2013.

PASSED AND APPROVED on this the 28th day of January, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



Engineering Department

361-595-8007

361-595-8035 Fax

DATE: December 28, 2012

TO: City Commission through City Manager

FROM: Naim Khan, Director of Public Works/City Engineer

SUBJECT: Vacate (Abandon) a Block, including an Alley, & Utility Easement in Young Terrace Addition Subdivision

SUMMARY

This item authorizes the city to vacate (abandon) Block 11, Lots 1-15, including 20' alley, and a 10' x 118' utility easement between Lots 15 & 16 in Block 10 of the Young Terrace Addition Subdivision.

BACKGROUND

The Plat of Young Terrace Addition Subdivision that was accepted by the Kingsville City Commission on the 19th day of October 1959; and, on January 25, 1999 with Ordinance No. 99005, all undeveloped land was abandoned except for a 10' x 118' utility easement and Block 11, Lots 1-15, including an alley. The property owners, Nolan Farms, are requesting to abandon (or vacate) the 10' x 118' utility easement and land with alley with the intention of platting this subdivision for alternative developments in the near future. Staff has verified with AEP, AT&T, CMA, Center Point and the City's Water and Sanitary Sewer Departments that there are no active lines detected within the easement or land depicted in the plat referenced above.

RECOMMENDATION

Staff recommends that the requested easement and land be vacated and abandoned as reflected in the ordinance for this item.

FINANCIAL IMPACT

No financial impact to the City of Kingsville. Staff requires that all documentation of the vacating of the land and easement be appropriately recorded by the property owner at the Kleberg County Clerk's Office pursuant to state law with the property owner being responsible for any and all filing fees.

Approved

Vincent Capell, City Manager

AGENDA ITEM #16

ORDINANCE NO. 2013-

AN ORDINANCE AMENDING THE FISCAL YEAR 2012-2013 BUDGET FOR THE GENERAL FUND FOR THE STREET DEPARTMENT TO RECEIVE FUNDING FOR STREET IMPROVEMENTS AND REPAIRS FOR WORK DONE IN FRONT OF THE SANTA GERTRUDIS INDEPENDENT SCHOOL DISTRICT ADMINISTRATION AND SCHOOL BUILDING.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2012-2013 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT REVENUES AND EXPENSES
BUDGET AMENDMENT

Dept. No.	Department Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
Fund 001	General Fund				
	<u>Revenue</u>				
4-000.0	Intergovernmental Revenue		940.00	\$10,000	
	<u>Expense</u>				
5-305.0	Street & Bridge		521.00	\$10,000	

[To receive funding for street and drainage improvements and repairs from the Santa Gertrudis Independent School District for repairs done near the SGISD Administration and School building.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall be codified and become effective on and after adoption and publication as required by law.

INTRODUCED on this the 14th day of January, 2013.

PASSED AND APPROVED on this the ____ day of ____, 2013.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



Engineering Department

361-595-8007

361-595-8035 Fax

DATE: December 31, 2012
TO: City Commission through City Manager
FROM: Naim Khan, Director of Public Works/City Engineer
SUBJECT: Intergovernmental Revenue

SUMMARY

This item authorizes staff to accept \$10,000 from SGISD and use it for the Street improvement in front of the school.

BACKGROUND

The City finished the drainage and street improvement project in front of Santa Gertrudis School several months ago. This project was a part of Santa Rosa/Corral Drainage project. Since the culvert under the school driveway was built above the outfall pipes under Santa Rosa, storm water used to pond in this neighborhood and also water from the school detention pond used to stay for days. This project has improved the overall drainage situation in this area including the discharge from the detention pond.

The City had discussion with SGISD on several occasions previously regarding the participation of Santa Gertrudis School in the City's Santa Rosa/Corral Drainage Project. There was a verbal agreement between SGISD and the City to make a \$10,000 contribution to the City for the project. Staff recently contacted SGISD. They have informed the City that they are ready to pay as was initially promised.

Staff would like to use this money to improve the streets from Santa Gertrudis to Santa Cecelia, Right turn lane from Santa Cecelia to Santa Gertrudis and the pavement in front of the school driveway.

RECOMMENDATION

Staff recommends accepting \$10,000 from SGISD and approving a budget amendment from Intergovernmental Revenue to Street & Bridge (001-5-305.0-521.00) so that this money can be used for the improvement of the streets in front of the school as mentioned above.

FINANCIAL IMPACT

This is budget neutral. The City will receive \$10,000 of intergovernmental revenue for expenditure in Street & Bridge fund.

Approved

Vincent Capell, City Manager

AGENDA ITEM #17

ORDINANCE NO. 2013-

AN ORDINANCE AMENDING THE FISCAL YEAR 2012-2013 BUDGET FOR THE POLICE DEPARTMENT TO PURCHASE AN ID CARD SYSTEM FROM FISCAL YEAR 2012 SURPLUS.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures this fiscal year.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2012-2013 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT

Dept. No.	Department Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
<hr/>					
Fund 001	General Fund				
	<u>Capital</u>				
2	Fund Balance	Unreserved Fund Bal.	610.00		4,307.00
					<u>4,307.00</u>
	<u>Expenses</u>				
5-210.1	Police Dept-Admin.	Minor Eq./Office Furn.	217.00	<u>4,307.00</u>	
				<u>4,307.00</u>	

[To draw down FY 2012 General Fund balance reserves created from FY 2012 fiscal surplus for Kingsville Police Department to purchase an id card system.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall be codified and become effective on and after adoption and publication as required by law.

INTRODUCED on this the 14th day of January, 2013.

PASSED AND APPROVED on this the __ day of _____, 2013.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

**KINGSVILLE POLICE DEPARTMENT
INTER-OFFICE MEMORANDUM**

December 13, 2012

TO : James Bryson, Accountant
FROM : Ricardo Torres, Chief of Police
SUBJECT : ID Card System

The Kingsville Police Department Administrative Division is responsible for making all of the City of Kingsville's Identification Cards. During the last several months the printer ribbon for the printer used by our current ID card system is no longer being manufactured. It seemed easy enough to just get a new printer. In checking this avenue we found that the new printers do not work with the old software and the old system that we currently have in house.

Therefore, with the assistance of Mr. Mason, Purchasing Director, we were able to locate pricing on DIR Contract for the attached equipment. Originally this equipment was supposed to have been purchased last budget year with left over 2002-2002A funds that were allocated to the Kingsville PD in the Small Equipment line item. I checked with you and received an e-mail dated December 4th, 2012 that the funds were available and that a budget adjustment would have to be submitted to the City Commissioner for consideration. I am requesting that this take place so that we can make this purchase.

I have attached a quote from SHI Government Solutions acquired by our Purchasing Director, David Mason in the amount of \$4,307.00 for the cost of the equipment via DIR-SCD-810. (See attached quote for details.)

Thank you all for your assistance regarding this matter and I shall await your comments to proceed.



Pricing Proposal
 Quotation #: 6073170
 Created On: 11/27/2012
 Valid Until: 12/14/2012

City of Kingsville

David Mason

200 E Kleberg 78363
 PO Box 1458
 Kingsville, TX 78364
 United States
 Phone: (361) 595-8025
 Fax: (361) 595-8035
 Email: dmason@cityofkingsville.com

Inside Sales Manager

Jay Martell

1301 South Mo-Pao Expressway
 Suite 375
 Austin, TX 78746
 Phone: 800-870-6079
 Fax: 512-732-0232
 Email: Jay_Martell@SHI.Com

All Prices are in US Dollar (USD)

Product	Qty	Your Price	Total
1 Canon PowerShot ELPH 110 HS - Digital camera - compact - 16.1 Mpix - 5 x optical zoom - black Canon - Part#: 6039B001 Note: DIR-SDD-810	1	\$255.00	\$255.00
2 Asure ID Express - (v. 7) - license - 1 user - Win HID Global - Part#: 86412	1	\$438.00	\$438.00
3 Zebra P430i - Plastic card printer - color - duplex - dye sublimation/thermal transfer - CR-80 Card (85.6 x 54 mm) up to 130 cards/hour (color) - capacity: 100 cards - USB Zebra Technologies - Part#: P430i-U00AA-ID0 Note: ****Estimated shipping date 8/17/2012**** DIR-SDD-810	1	\$3,084.00	\$3,084.00
4 ZebraCare Extended Warranty - Extended service agreement - parts and labor - 3 years - carry-in - for Zebra P430i Zebra Technologies - Part#: CA0-P430-3C0 Note: DIR-SDD-810	1	\$415.00	\$415.00
5 CARD DIGITAL IMAGING, ZEBRA 104523-114 10 MIL PVC CARD (1000 PER BOX), MINIMUM ORDER QUANTITY: 1 Brady - Part#: 1350-5080	5	\$0.60	\$3.00
6 Zebra UHF Gen 2 RFID Impinj Monza 4QT - RF proximity card (pack of 100) - for Zebra P330i, P430i Zebra Technologies - Part#: 800059-402 Note: **DELIVERY DATE 2-3 Weeks**	1	\$112.00	\$112.00
Total			\$4,307.00

Additional Comments

Good afternoon. Here is the price quote you requested.

Please provide end-user contact information (first name, last name, and email address) for all orders. Not including this information may result in a delay in order processing.

Also, please include SHI quote number on your PO. Please contact me if you have any questions.

Thank You for choosing SHI-GSI To ensure the best level of service, please provide End User Name, Phone Number, and E-Mail Address when submitting a Purchase Order. For any additional information including Hardware and Software Contract Numbers, please contact an SHI-GS Sales Representative at 800-870-6079.

The Products offered under this proposal are subject to the SHI Return Policy posted at www.shi.com/returnpolicy, unless there is an existing agreement between SHI and the Customer.

AGENDA ITEM #18

CITY OF KINGSVILLE



P. O. BOX 1458 – KINGSVILLE, TEXAS 78364
November 28, 2012

Vince Capell
City Manager
City of Kingsville
P.O. Box 1458
Kingsville, Texas 78364

Re: Consider waiving interest on Weed Liens
Property owned by Lionel H. Alarcon
Lot 11-12, Block 37, Original Town

Lien # 1 Vol. 384 Page 858, filed 02/26/08 principal \$ 1,028.40 + interest	\$ 421.70 =	\$ 1,450.04
Lien # 2 Vol. 402 Page 381, filed 11/20/08 principal \$ 281.45 + interest	\$ 112.58 =	\$ 394.03
Lien # 3 Vol. 402 Page 373, filed 11/20/08 principal \$ 422.19 + interest	\$ 168.88 =	\$ 591.07
Lien # 4 Vol. 441 Page 348, filed 10/26/10 principal \$ 422.19 + interest	\$ 84.44 =	\$ 506.63
Lien # 5 Vol. 475 Page 426, filed 08/15/12 principal \$ 422.19 + interest	\$ 10.55 =	\$ 432.74
	\$ 2,576.42	\$ 798.15
		\$ 3,374.57

Mr. Capell,

Mr. Lionel H. Alarcon is requesting the City waive the Weed Lien Interest accrued **prior to 8/15/12** on the property he owns located at Lot 11-12, Block 37, Original Town (323 E. Henrietta). Mr. Alarcon acquired the property through a tax sale on August 2010. Current taxes due are for 2012 \$125.72. Per Mr. Alarcon there was no title policy purchased so he was unaware of the above referenced liens. The home that sat on the property was recently demoed by the City on October 30th, 2012. The total cost of the demo was \$1,236 and Mr. Alarcon signed an agreement to make monthly installments of \$103.00 per month.

There are five (5) separate Weed Lien filed against the property. The liens have been numbered Lien # 1, Lien # 2, and Lien # 3, Lien #4, and Lien#5 for reference purposes of this letter. **Lien #1** covers work performed from 04/07/05 through 11/20/07 by the City, **Lien # 2** covers work performed on 5/29/2008 by the City, **Lien #3** covers work performed on 10/19/2006 through 04/21/2008 by the City, **Lien #4** covers work performed on 08/28/2008 through 12/18/2008 by the City, and **Lien #5** covers work performed on 12/14/2010 through 06/08/2011.

If the Commission were to approve the waiver of interest in the amount of **\$787.60**, Mr. Lionel H. Alarcon would be required to pay the principal amount of **\$2,576.42 plus \$10.55 in interest for the lien filed 8/15/12 for a total amount due of \$2,586.97** within 30 days after the Commission approval date for the waiver of interest to be effective.

Sincerely,

Mark A. Rushing

Mark A. Rushing

Kleberg County Tax Office
P.O. Box 1457
Kingsville, TX 78363
361-595-8542
361-595-8546 (fax)

Roll Year	2012
Statement Number	2012000207
Account Number	1-001-037-11000-192
Name	ALARCON LIONEL H
Address	1501 E WARREN AVE
	KINGSVILLE , TX 78363-6542
Legal Description	ORIG TOWN, BLOCK 37, LOT 11, 12
Legal Description	000323 E HENRIETTA
Mortgage Co. Name	
Market Value	4,000

Entity	Taxable Value	Tax Rate	HS Exemption	DV Exemption	Other Exemption	Current Levy	Penalty/Interest Due	Other Due	Amount Paid	Last Pay Date	Amount Due
CITY OF KINGSVILLE	4,000	.842200	0	0	0	\$33.69	\$0.00	\$0.00	\$0.00		\$33.69
KINGSVILLE ISD	4,000	1.494100	0	0	0	\$59.76	\$0.00	\$0.00	\$0.00		\$59.76
KLEBERG COUNTY	4,000	.744810	0	0	0	\$29.79	\$0.00	\$0.00	\$0.00		\$29.79
SOUTH TX WATER AUTH	4,000	.061890	0	0	0	\$2.48	\$0.00	\$0.00	\$0.00		\$2.48

Total Due Today	\$125.72
Total Due In December	\$125.72
Total Due In January	\$125.72
Total Due In February	\$134.53

AGENDA ITEM #19

RESOLUTION #2013-_____

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A PROFESSIONAL SERVICES CONTRACT FOR THE POSITION OF CITY MANAGER WITH VINCENT J. CAPELL; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the chief administrator for the City of Kingsville ("City") is the City Manager and the professional services contract for the position of City Manager expires in March 2013; and

WHEREAS, the City Commission is charged with filling the position of City Manager and approving any contract for services for the position; and

WHEREAS, the City Commission desires to retain the services of the current City Manager and has decided to consider a renewal of his professional services contract prior to its expiration; and

WHEREAS, it is mutually deemed sound, desirable, practicable, and beneficial for the parties to enter into the agreement attached hereto.

NOW THEREFOR, BE IT RESOLVED by the City Commission of the City of Kingsville, Texas:

I.

THAT the Mayor is authorized and directed as an act of the City of Kingsville, Texas to enter into a Professional Services Contract for the position of City Manager with Vincent J. Capell in accordance with Exhibit A hereto attached and made a part hereof.

II.

THAT all resolutions or parts of resolutions in conflict with this resolution are repealed to the extent of such conflict only.

III.

THAT this Resolution shall be and become effective on and after adoption.

PASSED AND APPROVED by a majority vote of the City Commission on the
14th day of January, 2013.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into this the 1st _____ day of March, 2013, by and between the **CITY OF KINGSVILLE, TEXAS** (hereinafter referred to as the "City"), a Texas home-rule municipality, and **VINCENT J. CAPELL** (hereinafter referred to as "Manager"), both of which parties hereto understand and agree as follows:

WITNESSETH:

WHEREAS, City Commission desires to employ **VINCENT J. CAPELL** as City Manager for the City of Kingsville, Texas; and

WHEREAS, it is the desire of Kingsville City Commission to provide certain benefits, establish certain conditions of employment, and to set certain working conditions of said Manager; and

WHEREAS, **VINCENT J. CAPELL** desires to accept employment as Manager, and an officer, of said City on the terms outlined herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, and hereinbefore stated, the parties hereto agree as follows:

A. Duties and Responsibilities

As City Manager, Manager agrees to perform all duties and responsibilities as described in the City Charter, the Municipal Code, the ordinances of the City, and as reasonably directed by the City Commission.

B. Salary

The Manager will receive a base salary of \$ 10,833.33 per month (\$ 130,000 annualized) payable in installments at the same time as other employees of the City are paid, commencing with the first pay period after the start date of this contract. The Manager shall receive the same increase in his base salary as other city executive level management employees.

C. Automobile Allowance

The City agrees to pay Manager a monthly automobile allowance of \$500.00 (\$6,000.00 per annum). The monthly automobile allowance shall be subject to review from time to time by the City Commission and accordingly modified, if deemed necessary. This monthly automobile allowance shall cover all automobile-related expenses incurred by Manager, including expenses for automobile repair, maintenance, insurance, operation and replacement. Manager shall receive additional reimbursement for excess mileage outside the area as defined in the City of Kingsville "Travel Policy".

D. Vacation Leave & Sick Leave

Sick leave shall be calculated in accordance with the City of Kingsville "Administrative Policies and Procedures Manual". Vacation leave shall be provided at four weeks (160 hours) per year available on the first day of the contract year, March 1st of each year. Vacation leave remaining at the end of one contract year period shall lapse and shall not carryover to the next contract year period. Sick leave and vacation leave shall be paid out upon separation in accordance with the City of Kingsville "Administrative Policies and Procedures Manual".

E. Health Insurance

The Manager shall be covered by the City's group medical insurance plan. The City shall contribute 100 percent of all premiums for the Manager's coverage. The Manager may elect to have his/her eligible dependents covered under the health plan with the City contributing a percentage of the premiums as established by the City Commission. The fixed rate for the monthly premium for the Manager's eligible dependents (spouse or family coverage), should he elect to pay for such coverage, shall not exceed \$100.00 per month during the term of this contract.

F. Life Insurance

The City agrees to provide the Manager a basic life insurance plan equal to the City Manager's Annual Salary for the term of this contract. The City of Kingsville pays all premiums associated with this policy. The Manager may, at his option and at his cost, increase the basic life insurance plan amount, if such higher insurance is available under the City's life insurance plan.

G. Residency Required

The City Manager is required to reside within the City limits of Kingsville for the duration of this contract.

H. Severance Pay

In the event the City Commission decides to terminate Manager's employment during such time Manager is willing and able to continue performing the duties of the City Manager, then the City agrees to continue all salary and benefits in effect for Manager at the time of termination for a period of six (6) months beyond the date of termination, in return for Manager's agreement to remain available to perform consulting services for a six (6) month period following termination; provided, however, in the event that severance is paid to Manager, Manager agrees that he shall contemporaneously execute and deliver to the City a full release of any and all claims that he may have against the City. The failure to execute and deliver such release shall nullify any obligation by the City to pay severance.

In the event the City Commission terminates the Manager's employment because of the commission of an illegal act, including but not limited to, acts involving personal gain, corruption, misconduct or malfeasance in office, any felony, violation of the City Charter, the Administrative Policies and Procedures Manual or the City of Kingsville "Code of Ethics" then the City shall have no obligation whatsoever to pay any severance pay designated in this section.

Severance shall not be unreasonably withheld as a result of minor or unintentional acts.

I. Texas Municipal Retirement System

Contributions to Texas Municipal Retirement System (TMRS) are mandatory for all full time employees. Contribution rates and other policies of the City's TMRS Plan are determined by the City Commission and are subject to change.

J. Performance Evaluation and Compensation Adjustments

The City agrees to provide a performance evaluation at annual intervals. Adjustment of base salary, if any, is at the sole discretion of the City Commission.

K. Business Expenses

The City agrees to provide written guidelines on which business and related expenses will be reimbursed by the City.

L. Not Used

M. Professional Dues and Education

The City agrees to reimburse membership dues in ICMA and TCMA, and for reasonable expenses incurred in the attendance at annual conferences and/or regional conferences. Such reasonable expenses shall be defined as including conference registration fees, coach/economy air fares, hotel accommodations and meals in accordance with the City's travel policy. In addition, the City agrees to reimburse reasonable expenses incurred in attendance at one other professional development conference or training opportunity as approved by the Mayor or his designee. Developing and maintaining professional association contacts and standing provide the City access to valuable resources, and the reasonable participation and related travel by the Manager. All dues, continuing education and travel expenses are subject to annual appropriation by the City Commission.

N. Indemnification

The City will defend, hold harmless, and indemnify Manager against any tort, professional liability claim or demand, or other civil legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of the duties as City Manager. The

City will compromise and settle any such claim or suit, at its sole option, and settle any such claim or suit and pay the amount of any settlement or judgment rendered thereon.

O. Term of Agreement

This agreement shall be for a term not to exceed two (2) years from the start date.

IN WITNESS WHEREOF, the City of Kingsville, Texas, has caused this Employment Agreement to be signed and executed on its behalf by its Mayor after being authorized to do so at a regular and duly posted meeting of the Kingsville City Commission, and the Manager has signed and executed this Agreement.

Signed this the _____ day of _____, 2013.

CITY OF KINGSVILLE, TEXAS

Sam R. Fugate, Mayor

ACCEPTED:

Vincent J. Capell

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

AGENDA ITEM #20

ORDINANCE NO. 2013-

AN ORDINANCE AMENDING THE FISCAL YEAR 2012-2013 BUDGET FOR THE GENERAL FUND'S CITY ADMINISTRATION DEPT. FOR AN INCREASE IN COMPENSATION AS A RESULT OF THE CITY MANAGER'S NEW PROFESSIONAL SERVICES CONTRACT.

WHEREAS, it was unforeseen when the budget was adopted that there would be a need for funding for these expenditures.

I.

BE IT ORDAINED by the City Commission of the City of Kingsville that the Fiscal Year 2012-2013 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT REVENUES AND EXPENSES
BUDGET AMENDMENT

Dept. No.	Department Name:	Account Name:	Account Number:	Budget Increase	Budget Decrease
Fund 001 General Fund					
<u>Expense</u>					
5-103.0	Prof. Serv. Appraisal District		314.01		\$5,049.00
 <u>Revenue</u>					
4-170.0	Garbage Fees		812.00	\$5,371.00	
				<div style="border: 1px solid black; padding: 2px;">\$5,371.00</div>	<div style="border: 1px solid black; padding: 2px;">\$5,049.00</div>
 <u>Expense</u>					
5-101.0	Salaries & Wages		111.00	\$8,749.00	
	Retirement		114.00	\$979.00	
	FICA		115.00	\$670.00	
	Worker's Compensation		117.00	\$22.00	
				<div style="border: 1px solid black; padding: 2px;">\$10,420.00</div>	

[To increase compensation for the City Manager based on the new Professional Services Contract for City Manager Services.]

II.

THAT all Ordinances or parts of Ordinances in conflict with this Ordinance are repealed to the extent of such conflict only.

III.

THAT if for any reason any section, paragraph, subdivision, clause, phrase, word or provision of this ordinance shall be held invalid or unconstitutional by final judgment of a court of competent jurisdiction, it shall not affect any other section, paragraph, subdivision, clause, phrase, word or provision of this ordinance, for it is the definite intent of this City Commission that every section, paragraph, subdivision, clause, phrase, word or provision hereof be given full force and effect for its purpose.

IV.

THAT this Ordinance shall not be codified but shall become effective on and after adoption and publication as required by law.

INTRODUCED on this the 14th day of January, 2013.

PASSED AND APPROVED on this the ___ day of ___, 2013.

EFFECTIVE DATE: _____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

CITY OF KINGSVILLE



P. O. BOX 1458 – KINGSVILLE, TEXAS 78364

January 9, 2013

Vince Capell
City Manager
City of Kingsville
P.O. Box 1458
Kingsville, Texas 78364

Re: Budget Amendment to move FY13 Budget for the City Manager Salary Increase

Mr. Capell,

If the City Manager's annual base salary is increased \$15,000 starting March 1, 2013, the following method of funding the increase could be as follows:

For your consideration is a FY13 Budget Amendment to increase the expected Garbage Fee Revenue by \$5,371.00 and decrease the Appraisal District Collection Fees by \$5,049.00. The Garbage fees were conservatively budgeted in FY13 and the Appraisal District finalized budget for the City's portion of the Appraisal District budgeted amount came in less than the amount initially anticipated.

Sincerely,

Mark A. Rushing

Mark A. Rushing

AGENDA ITEM #21