

City of Kingsville, Texas

AGENDA CITY COMMISSION MONDAY, FEBRUARY 22, 2021 REGULAR MEETING

**CITY HALL
HELEN KLEBERG GROVES COMMUNITY ROOM
400 WEST KING AVENUE
5:00 P.M.**

**Conference Line call: 1 (415) 655-0001 and
when prompted type access code: 126 210 9951 #**

OR

Live Videostream: <http://www.cityofkingsville.com/webex>

I. Preliminary Proceedings.

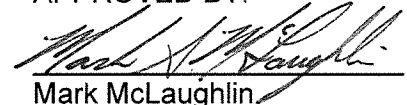
OPEN MEETING

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting-February 8, 2021

APPROVED BY:


Mark McLaughlin
City Manager

****AUDIENCE AND PRESENTER SOCIAL DISTANCING
AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT
AT PUBLIC MEETINGS OF THE CITY COMMISSION. To**

reduce the chance of COVID-19 transmission, public meetings will be held in a manner intended to separate, to the maximum practical extent, audience and presenters from personal contact with members of Community, City Staff, and City Commission. Public testimony and public hearing input for Public Comment and all items on the agenda at public meetings of the City Commission shall be provided in written format and presented to the City Secretary and/or designee prior to the start of each meeting of the City Commission. This testimony and/or public input shall be in accordance with the City Secretary's instructions, which shall be posted on the City Secretary's outdoor public bulletin board at City Hall and on the City website and allow for electronic submission. The written public testimony shall be provided to members of the City Commission prior to voting on measures for that meeting. Written testimony shall be limited in accordance with the City Secretary requirements and shall be placed into the record of each meeting. This written testimony shall serve as the required public testimony pursuant to Texas Government Code section 551.007 and shall constitute a public hearing for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference; and, if so conducted, the public may participate remotely by

following the instructions of the City Secretary which would be posted on the City Secretary's outdoor public bulletin at City Hall and on the City website.

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

1. None.

III. Reports from Commission & Staff.²

"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, Condemnation Update, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."

IV. Public Comment on Agenda Items.³

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 final passage of an ordinance amending the Fiscal Year 2020-2021 budget to appropriate additional funds needed for Ground Storage Tank Project Water Well #14. (City Engineer).

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

2. Discuss status of the County's EDA Grant for renovations at the JK Northway. (City Manager).
3. Consideration of a plan of finance and approval of an ordinance authorizing the issuance of the "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021", a paying agent/registrar agreement, and an escrow agreement; providing for the sale of such bonds; delegating authority to city representatives to select obligations to be refunded and approve final terms of the bonds; and approving all other matters related thereto. (Finance Director).
4. Consideration and approval of an ordinance authorizing the issuance of the City of Kingsville, Texas Tax Notes, Series 2021; entering into a paying agent/registrar agreement and a purchase and investment letter; and other matters related thereto. (capital outlay items) (Finance Director).
5. Consideration and approval of a resolution authorizing publication of Notice of Intention to Issue Certificates of Obligation. (TWDB projects) (Finance Director).
6. Presentation regarding the City of Kingsville, Texas venue project. (Finance Director).
7. Consider awarding RFP#21-04 for 2021 Water Well #14 Ground Water Storage Tank Replacement AND a resolution authorizing the City Manager to enter into a Standard Form of Agreement between the City of Kingsville and Contractor on the Basis of a Stipulated Price for Water Well #14 Ground Storage Tank Replacement project (RFP#21-04). (City Engineer).
8. Consider a resolution authorizing the Mayor to enter into an Interlocal Agreement between the City of Kingsville, Texas and Tarrant County for the Tarrant County Cooperative Purchasing Program. (Purchasing Manager).
9. Consider awarding RFP#21-05 Dick Kleberg Park Baseball Field Fencing Installation (ball fields #4 & #6), as per staff recommendation. (Purchasing Manager).
10. Discuss and consider acceptance of monument sign donation from H. M. King Historical Foundation. (Mayor Fugate).

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 citizen's comments to the Mayor and Commission, no comment at this point without 5 affirmative votes of the Commission.

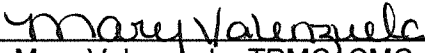
NOTICE

This City of Kingsville and Community Room 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 located at City Hall, 400 West King Ave, 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:

February 19, 2021 at 2:30 P.M. and remained so posted continuously for at least 72 hours proceeding the schedule time of said meeting.



Mary Valenzuela, TRMC, CMC, 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)

FEBRUARY 8, 2021

A REGULAR MEETING OF THE CITY OF KINGSVILLE CITY COMMISSION WAS HELD ON MONDAY, FEBRUARY 8, 2021 IN THE HELEN KLEBERG GROVES COMMUNITY ROOM, 400 WEST KING AVENUE, KINGSVILLE, TEXAS AT 5:00 P.M.

CITY COMMISSION PRESENT:

Hector Hinojosa, Mayor Pro-Tem
Norma N. Alvarez, Commissioner
Edna Lopez, Commissioner
Ann Marie Torres, Commissioner

CITY COMMISSION PRESENT:

Sam R. Fugate, Mayor

CITY STAFF PRESENT:

Mark McLaughlin, City Manager
Mary Valenzuela, City Secretary
Courtney Alvarez, City Attorney
Janine Reyes, Tourism Director
Kyle Benson, IT Manager
Derek Williams, IT
Uchechukwu Echeozo, Director of Planning & Development Services
Susan Ivy, Parks Director
Rudy Mora, Engineer
Bill Donnell, Public Works Director
Ricardo Torres, Police Chief
Brenda Joyas, Downtown Manager

STAFF PRESENT VIA CONFERENCE CALL OR VIDEOSTREAM

Emilio Garcia, Health Director

I. Preliminary Proceedings.

OPEN MEETING

Mayor Pro-Tem Hinojosa opened the meeting at 5:00 p.m. with four Commission members present. Mayor Sam Fugate absent.

INVOCATION / PLEDGE OF ALLEGIANCE – (Mayor Fugate)

MINUTES OF PREVIOUS MEETING(S)

Regular Meeting - January 25, 2021

Motion made by Commissioner Lopez to approve the minutes of January 25, 2021 as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa voting "FOR".

****AUDIENCE AND PRESENTER SOCIAL DISTANCING AND PUBLIC TESTIMONY AND PUBLIC HEARING INPUT AT PUBLIC MEETINGS OF THE CITY COMMISSION.**

To reduce the chance of COVID-19 transmission, public meetings will be held in a manner intended to separate, to the maximum practical extent, audience and presenters from personal contact with members of Community, City Staff, and City Commission. Public testimony and public hearing input for Public Comment and all items on the agenda at public meetings of the City Commission shall be provided in written format and presented to the City Secretary and/or designee prior to the start of each meeting of the City Commission. This testimony and/or public input shall be in accordance with the City Secretary's instructions, which shall be posted on the City Secretary's outdoor public bulletin board at City Hall and on the City website

and allow for electronic submission. The written public testimony shall be provided to members of the City Commission prior to voting on measures for that meeting. Written testimony shall be limited in accordance with the City Secretary requirements and shall be placed into the record of each meeting. This written testimony shall serve as the required public testimony pursuant to Texas Government Code section 551.007 and shall constitute a public hearing for purposes of any public hearing requirement under law. The meeting may be held telephonically or via videoconference; and, if so conducted, the public may participate remotely by following the instructions of the City Secretary which would be posted on the City Secretary's outdoor public bulletin at City Hall and on the City website.

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

1. Public Hearing on request to replat Original Town, Block 79, Lots 25, 26 also known as 418 W. Huisache, Kingsville, Texas. James W. Turner Construction, authorized agent for Zoraida Lopez, owner. (Planning & Economic Development Director).

Mayor Pro-Tem Hinojosa read and opened this public hearing at 5:02 P.M.

Mayor Pro-Tem Hinojosa announced that this is a public hearing and if anyone would like to speak on behalf of this item may do so now with a five-minute time limit. Additional time cannot be extended by City Commission.

No discussion took place on this public hearing.

There being no further comments Mayor Pro-Tem Hinojosa closed this public hearing at 5:03 P.M.

III. Reports from Commission & Staff.²

"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, Condemnation Update, Proposed Development Report; Accounting & Finance – Financial & Investment Information, Investment Report, Quarterly Budget Report, Monthly Financial Reports, Utilities Billing Update; Police & Fire Department – Grant Update, Police & Fire Reports; Streets Update; Public Works; Landfill Update, Building Maintenance, Construction Updates; Park Services - grant(s) update, miscellaneous park projects, Emergency Management, Administration –Workshop Schedule, Interlocal Agreements, Public Information, Health Department, Hotel Occupancy Report, Quiet Zone, SEP, Legislative Update, Proclamations, Employee Recognition, Health Plan Update, Tax Increment Zone Presentation, Main Street Downtown, Chapter 59 project, Financial Advisor, Wastewater Treatment Plant, Water And Wastewater Rate Study Presentation, Golf Course, Library Summer Programs, Grants Update. No formal action can be taken on these items at this time."

Commissioner Alvarez commented that she would like to know what was done with the Master Plan that was created while previous City Manager Jesús Garza was with the City of Kingsville.

Mr. Uchechukwu Echeozo, Director of Planning & Development Services stated that the Master Plan was an item that was created prior to Mr. Garza coming to the City of Kingsville. The plan is about 10 years old. He further commented that there have been

other plans that were developed during the time Mr. Garza was City Manager, such as the Vision and Housing Plan which all came after the Master Plan.

Commissioner Alvarez further asked if staff could provide an update on what was accomplished from the Master Plan.

Commissioner Torres commented that she would also like an update on this as well.

Mr. Mark McLaughlin commented that at the next City Commission meeting, Financial Advisors will be in attendance to talk about the JK Northway and the Venue Tax. McLaughlin further commented that Kleberg County Judge Rudy Madrid has been invited to the meeting to give an update on the JK Northway Project. As of today, there has been no confirmation if Judge Madrid will be in attendance.

Ms. Courtney Alvarez reported that the next regular City Commission meeting is scheduled for February 22, 2021. The deadline for staff to submit their items for the meeting is Friday, February 22, 2021.

At this time, Mayor Pro-Tem Hinojosa read a proclamation honoring Black History Month.

IV. Public Comment on Agenda Items.³

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

No public comments made or received.

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)

Motion made by Commissioner Lopez to approve the consent agenda as presented, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Lopez, Torres, Alvarez, Hinojosa voting "FOR".

1. **Motion to approve final passage of an ordinance amending the Fiscal Year 2020-2021 budget to accept and expend funds awarded to for the Police Department for the 20-21 Operation Stonegarden Grant #3194306. (Police Chief).**
2. **Motion to approve the reappointment of Jonathan Plant to the Historical Development Board for another three-year term. (Downtown Manager).**

REGULAR AGENDA

CONSIDERATION OF MOTIONS, RESOLUTIONS, AND ORDINANCES:

VI. Items for consideration by Commissioners.⁴

3. Consider replat of Original Town, Block 79, Lots 25, 26 also known as 418 W. Huisache, Kingsville, Texas. (Planning & Economic Development Director).

Mr. McLaughlin stated that this item is for the replat of two 25-foot lots into one 50-foot lot. Letters were mailed to citizens around the location. Staff did not receive any feedback from those citizens who received the letters regarding this replat.

Motion made by Commissioner Lopez to approve the replat of Original Town, Block 79, Lots 25, 26 also known as 418 W. Huisache, Kingsville, Texas, seconded by Commissioner Alvarez. The motion was passed and approved by the following vote: Torres, Alvarez, Lopez, Hinojosa voting "FOR".

4. Consider awarding RFP#21-03 for Irrigation Components Installation Services for Baseball Fields #4 & #6, as per staff recommendation, to be funded by Texas Parks & Wildlife Grant. (Purchasing Manager).

Mrs. Susan Ivy, Parks & Recreation Director stated that the City published a Request for Proposal #21-03 in the newspaper on December 10, 2020 and December 17, 2020. Request for proposal were accepted until 2:00 p.m. on December 29, 2020, only one responsive proposal was received. The proposal received was from Hebert Irrigation in the amount of \$16,781.00 for each field. Staff reviewed RFP21-03 and made a recommendation to select Hebert Irrigation which was the only bidder and best value to the City. Purchasing has called references on the recommended contractor.

Motion made by Commissioner Lopez to approve the award of RFP#21-03 for Irrigation Components Installation Services for Baseball Fields #4 & #6, as per staff recommendation, to be funded by Texas Parks & Wildlife Grant, seconded by Commissioner Torres. The motion was passed and approved by the following vote: Alvarez, Lopez, Torres, Hinojosa voting "FOR".

5. Consider a resolution authorizing participation in the Federal Transportation Alternatives Set-Aside Program through the Texas Department of Transportation for installation and design of sidewalks. (step one: preliminary application). (City Engineer).

Mr. Mora state that on January 15, 2021, Texas Department of Transportation (TxDOT) issued the 2021 Transportation Alternatives (TA) Call for Project. The application is a two-step process. Step 1 is to submit a preliminary application by March 1, 2021. Step 2 is to submit a detailed application by June 14, 2021. If funds are awarded, the City would be notified in the Fall of 2021 and placed on a Conditional Project List for anticipated fund in 2023-2024 of up to \$13 million dollars. Eligible TA Project Activities include bicycle infrastructure improvements, shared use paths, sidewalk improvements and infrastructure related projects to improve safety for non-motorized transportation. Project Evaluation and Selection Criteria includes safety, project readiness, geographic equity, connectivity and accessibility, community support and planning and demand. The City may submit three applications in 2021. Four potential project locations have been identified in the City. Those being the following: 1) Memorial Middle School/Harrel Elementary School; 2) Harvey Elementary School/Jubilee Academies; 3) Kleberg Elementary School/Epiphany Elementary School; and 4) Gillette Middle School. Mr. Mora stated that staffs recommends the following: 1) City Commission select three locations from the list provided, and 2) authorize applying to the Transportation Alternatives Set-Aside Program 2021 Call for project for the locations selected by the City Commission.

Mr. McLaughlin commented that the ranking order was done by him. He recommends to the Commission to select the following: 1) Memorial Middle School/Harrel Elementary School; 2) Harvey Elementary School/Jubilee Academies; and 3) Kleberg Elementary School/Epiphany Elementary School.

Commissioner Lopez commented that this has been something that she had been concerned about for some time. She further thanked staff for their hard work on this project.

Motion made by Commissioner Lopez to approve the resolution authorizing participation in the Federal Transportation Alternatives Set-Aside Program through the Texas Department of Transportation for installation and design of sidewalks as per City Manager's recommendation, seconded by Commissioner Alvarez.

Mayor Pro-Tem Hinojosa asked if this was 20% cash match but can be waived if the City qualifies for the Transportation Development Credit, and further asked what this means.

Mr. Mora responded that this is something that he has asked TXDOT. He further stated that the City does qualify but has not received a clarification if engineering fees are part of this as well, which is why he doesn't want to bring up the funding part of this and mislead anyone.

Commissioner Torres asked that for Kleberg School, the City is encompassing sidewalks all around Epiphany Elementary School and asked how staff went about choosing that and not the other schools.

Mr. Mora responded that its about connectivity and accessibility. Based on the amount of areas that we can connect in this exhibit, there are five major employers in this area, those being City of Kingsville, Kleberg County Courthouse, H.E.B, and Kingsville Independent School District. Mora further stated that these are part of the criteria, but there are also five historic markers that are connected to this area. Historic markers are The City of Kingsville City Hall, Robert Kleberg Library, two churches located in this area. Mora stated that the more connectivity and accessibility you have, the more you are given for this project.

Commissioner Torres stated that as for Kleberg School, the side where the ditch is located and on the back of it, sidewalks can be used in that area especially with the area being very busy. Torres further stated that she understands that there are businesses within and around Epiphany Elementary School, but it is one of her concerns that Kleberg Elementary School we would not encompass sidewalks around that area since Ave B is going all the way down to Gillett School.

Mr. Mora stated that it would depend on what is out there such as firepoles, fire hydrants and other obstacles out in the area. He further stated that he can go back and revisit and encompass the surrounding of that school. Mr. Mora further stated that this can be changed as to how the Commission would like to see it. He further stated that this project has a due date of March 1, 2021.

Commissioner Torres commented that this is a great plan, but she is looking at Kleberg Elementary School as she has driven and walked by the school when the children are let out and see that the children are all over the place. She further commented that sidewalks are needed within Kleberg Elementary School area, and not only around the Epiphany area.

Mayor Pro-Tem Hinojosa stated that there has been a motion and a second and asked if they agreed with how the motion was made if not, the motion would need to be amended.

Commissioner Lopez commented that a vote would need to be taken on the motion that lays on the floor.

Mayor Pro-Tem further asked Ms. Alvarez, City Attorney for clarification.

Ms. Alvarez stated that it is her understanding that the motion Commissioner Lopez has made is to approve this resolution and the three locations recommended by the City Manager.

The motion was passed and approved by the following vote: Alvarez, Lopez, Hinojosa voting "FOR". Torres voting "AGAINST".

6. Consider a resolution authorizing the Mayor to execute an Engineering Services Agreement with International Consulting Engineers for the Flood Infrastructure Fund Grant Program administered by the Texas Water Development board (TWDB) for drainage system improvements. (City Engineer).

Mr. Rudy Mora, City Engineer stated that on January 25, 2021 the Commission awarded the Request for Qualifications (RFQ) to ICE for Professional Engineering Services. The contract is for drainage improvements at locations 1, 3, 4 and 7. The total amount of the contract is \$784,609.00. ICE will provide Design and Project Management Services as proposed to the TWDB application for the project budget. Mora further stated that there is no financial impact in approving the contract to a consultant for Professional Engineering Services. The City is not obligated to proceed with the contract if the City is not awarded the TWDB FIF funds.

Motion made by Commissioner Alvarez to approve the resolution authorizing the Mayor to execute an Engineering Services Agreement with International Consulting Engineers for the Flood Infrastructure Fund Grant Program administered by the Texas Water Development board (TWDB) for drainage system improvements, seconded by Commissioner Lopez. The motion was passed and approved by the following vote: Torres, Alvarez, Lopez, Hinojosa voting "FOR".

7. Consider a resolution approving cooperation with the cities served by AEP to review AEP Texas Inc.'s requested final reconciliation of advanced metering cost; hiring legal and consulting services to negotiate with the company and direct any necessary litigation and appeals; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to legal counsel. (City Attorney).

Motion made by Commissioner Alvarez to approve the resolution approving cooperation with the cities served by AEP to review AEP Texas Inc.'s requested final reconciliation of advanced metering cost; hiring legal and consulting services to negotiate with the company and direct any necessary litigation and appeals; finding that the meeting at which this resolution is passed is open to the public as required by law; requiring notice of this resolution to legal counsel, seconded by Commissioner Lopez.

Ms. Alvarez stated that back in 1999 the Texas Legislature deregulated the State's wholesale power system. In 2001, the Legislature did the same thing for retail electric system. She further stated that they left the transmission and distribution system still regulated by the PUC. Anytime that AEP, the local wires and distribution utility, wants to make a change either to their rates or to try and recapture some funds either from losses from poles down from a hurricane or in this instance infrastructure funding they put in for their advance metering system cost, they would have to make a request to

the Texas Public Utility Commission to get the approval, prior to making changes to their customers utility bills. She stated that for this instance, they have done a filing and are seeking \$13,807,740.00 for under-recovery of Advanced Metering Cost. Alvarez further stated that the City has the option to participate in an intervention case with other cities as there is no one at the PUC that looks out to review and verify the submissions that are filed to ensure that they are adequate and appropriate and not excessive. She also stated that the City of McAllen is taking the lead on this one and there is no cost to the City of Kingsville for intervening in this matter in order to evaluate the filing, determine whether the filing complies with the law, and if lawful, to determine what further strategy, including settlement, to pursue.

The motion was passed and approved by the following Alvarez, Lopez, Torres, Hinojosa voting "FOR".

8. Consider introduction of an ordinance amending the Fiscal Year 2020-2021 budget to appropriate additional funds needed for Ground Storage Tank Project Water Well #14. (City Engineer).

The base bid will be to remove and install a new galvanized bolted tank. Alternate No. 1 is to remove the GST at Well 20, it will not be replacement since the well is out of services. Alternate 2 included powder coated finish in lieu of a galvanized finish.

Commissioner Alvarez asked that on the budget amendment, there will be a dollar amount noted.

Mr. McLaughlin responded that the budget amendment already shows the dollar amount which is \$19,190.00. Staff has already budgeted \$125,000 for this but it is short the \$19,190.

Mayor Pro-Tem Hinojosa commented that the money is coming from the fund balance. He further commented that he is always asking where the money would be coming from, as he is aware that the City has a healthy fund balance. He also commented that he never likes to spend the fund balance, but on a personal note, this is just to notify the new Commissioners where he is coming from.

Introduction item.

VI. Adjournment.

There being no further business to come before the City Commission, the meeting was adjourned at 5:41 P.M.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, TRMC, CMC, City Secretary

CONSENT AGENDA

AGENDA ITEM #1

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: February 8, 2021

SUBJECT: Consider Approving a Budget Amendment for RFP# 21-04 for 2021 Water Well #14 Ground Storage Tank (GST) Replacement.

Summary:

On February 2, 2021, the City received 4 bids and were publicly opened for the 2021 Water Well #14 GST Replacement. Bidder 1 was Donald Hubert Construction located in Kingsville, Texas. Bidder 2 was J & K Utility Services LLC located in Creedmoor, Texas. Bidder 3 was RGV Industrial Machine LLC, located in Elsa, Texas. Bidder 4 was the Bronco LLC., located in Driscoll, Texas. The total bids ranged from \$144,190.00 to \$259,500.00. The project is \$19,190 over our budgeted amount and I am requesting a budget amendment to cover the overage.

The budgeted amount is \$125,000.00.

Background:

The purpose of the project is to replace an existing Ground Storage Tank at water well #14. It was recently taken out of service because of several leaks. It provides 84,000 gallons of treated water to the residents. The project is located at 1133 Kenedy Avenue.

The base bid will be to remove and install a new galvanized bolted tank. Alternate No. 1 is to remove the GST at well 20, it will not be replacement since the well is out of service. Alternate No. 2 included a powder coated finish in lieu of a galvanized finish.

The Engineering Department provided Professional Engineering Services. The project is scheduled to be completed in 6 months. The project has a long lead time due materials and manufacturing. This time of completion was evident from last year's two GST replacements at wells 19 and 23. The City's water source is 90% ground water and



**City of Kingsville
Engineering Dept.**

10% treated water from the South Texas Water Authority. The City has 7 ground water wells in operation wells 14, 19, 21, 22, 23, 24, and 25. The total well capacity is 5,710 gallons per minute. The ground water storage capacity is 3,425,000 gallons. The elevated water storage capacity is 2,000,000.00 gallons.

Financial Impact:

The project will be funded by the City's Utility Fund Capital Project Fund (054-5-6002-72100) in the amount of \$125,000.00. The additional \$19,190 will come from the unappropriated fund balance of Fund 051, which will be transferred over to Fund 054.

Recommendation:

Staff recommends approving the budget amendment of \$19,190.

Attachments:

Bid Tabulation



BID TABULATION

City of Kingsville
 Project Name: 2021 Water Well #14 Ground Storage Tank Replacement
 Bid Number: 21-04
 Date: February 2, 2021



ITEM		QTY	UNIT	DESCRIPTION		Donald Hubert Const. Co. Inc. P.O. Box 84 Kingsville, TX 78364		J & K Utility Services LLC 5607 Williams Road Crescentmoor, TX 78610		RGV Industrial Machine Shop & Pumps, LLC 200 E. Hwy. 107 (P.O. Box 39) Eliza, TX 78543		Banco LLC PO Box 186 Driscoll, TX 78351	
						UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE
BASE BID: 2021 Water Well #14 Ground Storage Tank Replacement													
B-1	1	LS		Remove/Dispose of Existing Ground Storage Tank at Water Well #14		\$15,500.00	\$15,500.00	\$16,232.00	\$16,232.00	\$12,500.00	\$12,500.00	\$13,000.00	\$13,000.00
B-2	1	LS		Install New 84,000 Gallon Bolted GST At Water Well #14 Including all Related Appurtenances		\$18,240.00	\$18,240.00	\$109,415.00	\$109,415.00	\$121,800.00	\$121,800.00	\$114,500.00	\$114,500.00
TOTAL BASE BID							\$133,740.00		\$125,647.00		\$134,300.00		\$127,500.00
ALTERNATE BID NO. 1: 2021 Water Well #14 Ground Storage Tank Replacement													
A1-1	1	LS		Remove/Dispose of Existing Ground Storage Tank at Water Well #20 and all Related Appurtenances		\$9,450.00	\$9,450.00	\$19,115.00	\$19,115.00	\$12,500.00	\$12,500.00	\$13,000.00	\$13,000.00
TOTAL ALTERNATE BID NO. 1							\$9,450.00		\$19,115.00		\$12,500.00		\$13,000.00
ALTERNATE BID NO. 2: 2021 Water Well #14 Ground Storage Tank Replacement													
A2-1	1	LS		Powder Coated Finish Steel Tank (In Lieu of Galvanized Finish)		\$1,000.00	\$1,000.00	\$1,847.00	\$1,847.00	\$112,200.00	\$112,200.00	\$119,000.00	\$119,000.00
TOTAL ALTERNATE BID NO. 2							\$1,000.00		\$1,847.00		\$112,200.00		\$119,000.00
TOTAL BASE BID							\$133,740.00		\$125,647.00		\$134,300.00		\$127,500.00
TOTAL BASE BID + ALTERNATIVE BID NO. 1							\$143,190.00		\$144,762.00		\$146,800.00		\$140,500.00
TOTAL BASE BID + ALTERNATIVE BID NO. 2						*	\$134,740.00		\$127,494.00		\$246,500.00		\$246,500.00
TOTAL BASE BID + ALTERNATIVE BID NO. 1 & 2							\$144,190.00	*	\$146,609.00		\$259,000.00		\$259,500.00

* DENOTES ERROR IN BID

BID RESULTS RANKING - LOWEST TO HIGHEST:

1

2

3

4

ORDINANCE NO. 2021-_____

AN ORDINANCE AMENDING THE FISCAL YEAR 2020-2021 BUDGET TO APPROPRIATE ADDITIONAL FUNDS NEEDED FOR THE GROUND STORAGE TANK PROJECT WATER WELL #14.

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 2020-2021 budget be amended as follows:

CITY OF KINGSVILLE
DEPARTMENT EXPENSES
BUDGET AMENDMENT

Dept No.	Dept Name	Account Name	Account Number	Budget Increase	Budget Decrease
Fund 054 – Utility Fund Capital Projects Fund					
<u>Revenues</u>					
0000	Non Dept	Transfer from Utility Fund	75010	(\$19,190)	
<u>Expenditures</u>					
6002	Water Prod	Utility Plant	72100	\$19,190	
Fund 051 – Utility Fund					
<u>Expenditures</u>					
6900	Transfers	Transfer to UF Cap Projects FD	80054	\$19,190	

[To amend the City of Kingsville FY 20-21 Budget to appropriate additional funds needed for the Ground Storage Tank project at Water Well #14. Funds will come from the Utility Fund unappropriated fund balance.]

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 8th day of February 2021.

PASSED AND APPROVED on this the 22th day of February 2021.

EFFECTIVE DATE:_____

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

REGULAR AGENDA

AGENDA ITEM #2

AGENDA ITEM #3

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2021", A PAYING AGENT/REGISTRAR AGREEMENT, AND AN ESCROW AGREEMENT; PROVIDING FOR THE SALE OF SUCH BONDS; DELEGATING AUTHORITY TO CITY REPRESENTATIVES TO SELECT OBLIGATIONS TO BE REFUNDED AND APPROVE FINAL TERMS OF THE BONDS; AND APPROVING ALL OTHER MATTERS RELATED THERETO

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ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2021", A PAYING AGENT/REGISTRAR AGREEMENT, AND AN ESCROW AGREEMENT; PROVIDING FOR THE SALE OF SUCH BONDS; DELEGATING AUTHORITY TO CITY REPRESENTATIVES TO SELECT OBLIGATIONS TO BE REFUNDED AND APPROVE FINAL TERMS OF THE BONDS; AND APPROVING ALL OTHER MATTERS RELATED THERETO

WHEREAS, the City of Kingsville, Texas (the "City") has been organized, created, and established pursuant to the laws of the State of Texas as a home rule city and political subdivision of the State of Texas;

WHEREAS, the City Commission of the City (the "City Commission") desires to refund certain of its outstanding bonds listed on Schedule I attached hereto;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a trust company or commercial bank not a depository of the City, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations (defined below);

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with such trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree, provided that such deposits may be invested and reinvested in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the Refunded Obligations;

WHEREAS, the Escrow Agreement hereafter authorized constitutes an escrow agreement of the kind authorized and permitted by Chapter 1207;

WHEREAS, the City Commission of the City hereby finds and declares a public purpose and deems it advisable to refund the Refunded Obligations in order to effect present value savings; 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 and Approval Parameters. 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 City to be known as "CITY OF KINGSVILLE, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2021" (the "Bonds"), payable from ad valorem taxes as provided in this Ordinance, for the purposes of refunding the Refunded Obligations and paying costs of issuance thereof.

As authorized by Section 1207.007, Texas Government Code, the Mayor, the City Manager, and the Finance Director, each an "Authorized Representative", are hereby authorized, appointed, and designated as officers of the City authorized to act on behalf of the City in selling and delivering the

Bonds authorized herein and carrying out the procedures specified in this Ordinance, including determining the method of sale, the aggregate principal amount of each maturity of the Bonds and the rate of interest to be borne on the principal amount of each maturity, the allocation of premium generated from the sale of the Bonds, the redemption provisions therefor, whether the Bonds are sold by private placement or negotiated or competitive sale, any insurance provisions, the City contribution, if any, and the obligations to be refunded (the "Refunded Obligations"). Each of the above individuals, acting for and on behalf of the City, is authorized to execute the Pricing Certificate substantially in the form attached hereto as Exhibit A on or before 180 days after the adoption this Ordinance. The Bonds shall be issued in the principal amount not to exceed \$4,000,000; the maximum maturity will not exceed August 1, 2033, net present value savings on the Bonds shall be not less than 3.00%, and the net effective per annum rate, calculated in a manner consistent with the provisions with Chapter 1204 Texas Government Code, shall not exceed 5.00%. The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Initial Purchaser (hereinafter defined). Upon execution of the Pricing Certificate, it shall become a part of this Ordinance and be incorporated by reference herein, and (to the extent necessary or appropriate) Bond Counsel is authorized to complete this Ordinance to reflect such final terms.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds. The Bonds shall be dated March 15, 2021 and shall be in the denomination of \$5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Initial Bond (as hereinafter defined) being number I-1 and the Definitive Bonds (as hereinafter defined) numbered consecutively from R-1 upward, payable to the Initial Purchaser (as hereinafter defined), or to the registered assigned or assignees of the Bonds or any portion or portions thereof (in each case, the "Registered Owner").

The Bonds shall mature on August 1 in each of the years and in the amounts and bear interest as set forth in the Pricing Certificate.

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 City 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 "Register"), and the City 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 City 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 Register 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 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 City shall have the right to inspect the Register 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 Definitive 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 City 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, 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 Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts (the "Initial Bond").

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

(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 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 City 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 Initial 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 Ordinance, 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 Statement of Insurance, 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 THE DEFINITIVE BONDS]

FORM OF BONDS

United States of America
State of Texas
CITY OF KINGSVILLE, TEXAS
LIMITED TAX REFUNDING BOND, SERIES 2021

NUMBER
R-
REGISTERED

DENOMINATION
\$
REGISTERED

<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>DELIVERY DATE</u>	<u>INTEREST RATE (%)</u>	<u>CUSIP NO.</u>
March 15, 2021	August 1, ____	_____, 2021		496782

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

THE CITY OF KINGSVILLE, TEXAS (the "City"), a home rule city and political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "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 Delivery Date, specified above, 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 dated August 1, 2021 and each February 1 and August 1 thereafter, mailed to the 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 Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the City and the Paying Agent/Registrar, the 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Ordinance defined below.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds, dated as of March 15, 2021 (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 City on _____, 2021 and the "Pricing Certificate" authorized therein (together the "Ordinance"), in the original aggregate principal amount of \$_____ for the purpose of providing money for refunding certain outstanding obligations of the City described in the Ordinance 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.

THE CITY RESERVES THE RIGHT, at its option, to redeem the Bonds maturing on or after August 1, 2030 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on August 1, 2029, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the City. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

IF A BOND subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

NOTICE OF ANY REDEMPTION identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar upon direction of the City at least 30 days prior to the date fixed for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed, in whole or in part, at the address shown on the Register. Any notice given shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, such Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Bonds to be redeemed before giving of a notice of redemption, the notice of redemption may state the City may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the City shall not redeem the

Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

THE BONDS are issued pursuant to the Ordinance whereunder the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limitations prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the 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 Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Bond shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owner.

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

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

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

CITY OF KINGSVILLE, TEXAS

/s/ Mary Valenzuela

City Secretary

/s/ Sam R. Fugate

Mayor

(SEAL)

* * *

[FORM OF INITIAL BOND]

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

NO. I-1

\$5,025,000

United States of America
State of Texas
CITY OF KINGSVILLE, TEXAS
LIMITED TAX REFUNDING BOND, SERIES 2021

Dated Date: MARCH 15, 2021

Delivery Date: _____, 2021

Registered Owner: _____

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

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 "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 STATED</u> <u>MATURITIES</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>
---	--	------------------------------------

(Information to be inserted from Pricing Certificate.)

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 August 1, 2021.

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 Owner 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 Owner hereof as shown by the Register 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 Owner hereof at its address as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for determining the Owner for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special

Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the “Special Payment Date”, which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Ordinance defined below.

* * *

[FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS]

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

COMPTROLLER’S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

(COMPTROLLER’S SEAL)

Comptroller of Public Accounts
of the State of Texas

* * *

[FORM OF AUTHENTICATION CERTIFICATE]

(TO BE PRINTED ON DEFINITIVE BONDS ONLY)

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., as Paying Agent/Registrar

Dated _____

By _____
Authorized Representative

* * *

[FORM OF STATEMENT OF INSURANCE]

STATEMENT OF INSURANCE

Build America Mutual Assurance Company, New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of 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 Bonds (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 BAM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of these Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy and (ii) that upon the occurrence and continuance of a default or an event of default under the Ordinance or this Bond, BAM shall be deemed to be the sole owner of the Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Ordinance, at law or in equity.

* * *

[FORM OF ASSIGNMENT]

ASSIGNMENT

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

/ _____

(Please insert Social Security or
Taxpayer Identification of Transferee)

/ _____

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

[illegible]

* * *

[END OF FORMS]

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

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

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

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

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

“Escrow Agent” means The Bank of New York Mellon Trust Company, N. A., Dallas, Texas.

“Escrow Agreement” means the agreement dated as of March 15, 2021, between the City and the Escrow Agent attached hereto as Exhibit C.

“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; (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, or (iv) any other obligation authorized by Section 1207.062(b), Texas Government Code.

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

“Initial Purchaser” means the entity named in the Pricing Certificate.

“Insurer” means Build America Mutual Assurance Company, a New York stock insurance company, or any successor thereto or assignee thereof.

“Interest Payment Date” means, when used in connection with any Bond, August 1, 2021 and each February 1 and August 1 thereafter until maturity.

“Official Statement” means the disclosure document describing the Bonds dated the date of the Pricing Certificate.

“Ordinance” means this “Ordinance Authorizing the Issuance of “City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021”, a Paying Agent/Registrar Agreement, and an Escrow Agreement; Providing for the Sale of Such bonds; Delegating Authority to City Representatives to Select Obligations to be Refunded and Approve Final Terms of the Bonds; and Approving All Other Matters Related Thereto” adopted by the City Commission of the City on _____, 2021.

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

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

“Paying Agent/Registrar Agreement” means the agreement, dated March 15, 2021, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit B.

“Policy” means the policy of municipal bond insurance relating to the Bonds issued on the delivery date by the Insurer.

“Pricing Certificate” means the certificate substantially in the form of Exhibit A.

“Purchase Contract” means the purchase contract between the City and the Underwriters as approved by an Authorized Representative.

“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 and as finalized in the Pricing Certificate.

“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.

“Underwriters” means the Initial Purchaser and the syndicate of underwriters named in the Pricing Certificate, if any.

Section 6. Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Bonds. Accrued interest received from the Initial Purchaser 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 City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

Section 7. Investments and Security. (a) Investment of Funds. The City may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. It is provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

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

Section 8. Covenants of the City. (a) General Covenants. The City covenants and represents that:

(i) The City is a duly created and existing home rule city and 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 City in accordance with their terms; and

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

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

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

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

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

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

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

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects

financed therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds.

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

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90% of the "Excess Earnings," within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

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

(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 obligations.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

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

Section 9. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 4 hereof.

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

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

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

Section 10. Successor Registrar, Successor Paying Agent. The City covenants with the registered owners of the Bonds that prior to the time all of the Bonds have been finally retired, the City 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 City 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 City 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 City 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 City. Upon any change in a Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, postage prepaid which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 11. 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 City as provided in such instructions.

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

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver

exchange Bonds in accordance with this Ordinance and each Bond so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

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

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

(b) Replacement Definitive Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

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

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

Section 13. City Officers' Duties. (a) Issuance of Bonds. The Mayor of the City shall submit the Initial Bond, the record of the proceedings authorizing the issuance of the Bonds, and any and all

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

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

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

Section 15. Notice to Owners. Except as may be otherwise provided in this Ordinance, where this Ordinance provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner, at the address of such Owner as it appears in the Register. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Owner of Bonds shall affect the sufficiency of such notice with respect to all other Owners. Wherever this Ordinance provides for notice in any manner, such notice may be waived in writing by the entity entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the City, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

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

satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bonds, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the City may charge the owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority to Issue Substitute Bonds. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the City or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Ordinance.

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

Section 17. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have been made available by the City to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the City to the Registered Owner thereof for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance 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, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, or to the extent such provisions do not apply to the funds, such funds will be paid by the Paying Agent/Registrar Agreement to the City upon receipt by the Paying Agent/Registrar of a written request thereof from the City.

Section 18. Redemption. The Bonds are subject to optional redemption as described in the FORM OF BOND.

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 City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered either: (i) 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 ("Verification"); or (ii) a certificate from the Mayor or the City's financial advisor certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations.

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

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

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 City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the

Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 21. Sale and Delivery of the Bonds. (a) The sale of the Bonds to the Initial Purchaser pursuant to the Pricing Certificate and the Purchase Contract is hereby confirmed and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the Purchase Contract. The Authorized Representatives are hereby authorized to sign and deliver the Purchase Contract.

(b) Approval of Official Statement. An Authorized Representative is hereby directed to approve the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approve 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 as approved by an Authorized Representative is approved.

(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, 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 City for delivery to the Initial Purchaser.

Section 22. Use of Proceeds. The proceeds from the sale of the Bonds shall be as follows: (i) the amount specified in the Pricing Certificate, shall be deposited to credit of the Escrow Fund which proceeds, together with other funds on deposit therein and received from the investment thereof, shall be used to retire the Refunded Obligations; (ii) accrued interest, if any, shall be deposited in the Interest and Sinking Fund in the amount specified in the Pricing Certificate; and (iii) the amount specified in the Pricing Certificate of the proceeds will be used to pay costs of issuance of the Bonds.

Section 23. Municipal Bond Insurance Policy. Concurrently with the issuance of the Bonds, the Insurer will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy") which is hereby authorized and approved. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due. To that end, for so long as said Policy is in effect, the requirements of the Insurer, as a condition to the issuance of said Policy, to be attached as Exhibit "F" are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary.

Section 24. Matters Related to Refunding. (a) In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Authorized Representative and all other appropriate officers and agents of the City 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 City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

(b) The Escrow Agreement, attached hereto as Exhibit "C", is hereby approved and may be executed and delivered on behalf of the City. To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Authorized Representative and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase non-callable obligations of the United States of America, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report referred to in the Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization, and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

(c) 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 City hereby orders that the Refunded Obligations be called for redemption on the date set forth in the Notice of Redemption in Exhibit D attached hereto, which is 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.

Section 25. Continuing Disclosure Undertaking. (a) Annual Reports. The City will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to its Electronic Market Access System ("EMMA"). The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 10 and in Appendix B. The City will update and provide this information within six months after the end of each fiscal year ending in and after 2021. The financial information and operating data to be provided may be set forth in full in one or more publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). 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 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 the last day of March in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

(b) Notice of Occurrence of Certain Events. The City will file with the MSRB notice of any of the following events with respect to the Bonds in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form

5701-TEB), or other material notices or determinations with respect to the federal income tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the City, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the City, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur; the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City. The City intends the words used in clauses (15) and (16) and the definition of financial obligation in this section to have the meanings ascribed to them in the Securities and Exchange Commission (the "SEC") Release No. 34-83885, dated August 20, 2018.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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 Owners of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds; (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 26. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 27. Further Procedures. The Mayor and the City Secretary of the City and all other officers, employees, attorneys, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the Pricing Certificate, the Escrow Agreement, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the Mayor and the City Secretary of the City and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Attorney General of the State of Texas.

Section 28. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is the lesser of one-tenth of one percent of the principal amount of the Bonds or \$9,500.00. 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 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 29. 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 City 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 City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(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 _____, 2021.

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

ATTEST:

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

SCHEDULE I

CANDIDATES FOR REFUNDED OBLIGATIONS

CITY OF KINGSVILLE, TEXAS

Certificates of Obligation, Series 2013

MATURITY DATES (August 1)	INTEREST RATES (%)	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)	CALL DATE
2022	2.000	496782MQ3	265,000	08/01/2021
2023	2.000	496782MR1	270,000	08/01/2021
2024	3.000	496782MS9	270,000	08/01/2021
2025	3.000	496782MT7	285,000	08/01/2021
2026	3.000	496782MU4	290,000	08/01/2021
2027	3.000	496782MV2	300,000	08/01/2021
2028	3.000	496782MW0	310,000	08/01/2021
2029	3.000	496782MX8	315,000	08/01/2021
2030	3.000	496782MY6	330,000	08/01/2021
2031	3.000	496782MZ3	335,000	08/01/2021
2032	3.000	496782NA4	345,000	08/01/2021
2033	3.000	496782NB5	360,000	08/01/2021

EXHIBIT A

PRICING CERTIFICATE

The undersigned, being an Authorized Representative of the City of Kingsville, Texas, pursuant to Section 1 of the Ordinance adopted on _____, 2021 (the "Ordinance") authorizing the issuance of "CITY OF KINGSVILLE, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2021" (the "Bonds") does hereby approve the following terms of the Bonds:

1. The Bonds have been sold to _____, as Initial Purchaser.
2. The total principal amount of the Bonds is \$_____.
3. The purchase price for the Bonds is \$_____ (representing the principal amount of the Bonds of \$_____ plus a premium of \$_____, and less an Underwriters' discount of \$_____).
4. The refunding will result in a net present value savings of approximately \$_____ or _____% and a gross savings of \$_____. The net effective per annum rate is _____% which is less than 5.00% as provided in the Ordinance.
5. The maturity dates, principal amounts, and interest rates for the Bonds are as set forth below:

<u>Maturity (8/1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		

6. The Bonds scheduled to mature on or after August 1, 20____, are subject to redemption, in whole or in part, prior to their scheduled maturities, at the option of the City, in the principal amounts of \$5,000 or any integral multiple thereof, on August 1, 20____, or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

7. The Refunded Obligations are approved as set forth below:

<u>Name of Issue</u>	<u>Maturities Refunded</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>
Certificates of Obligation, Series 2013			
	08/01/2022	265,000	08/01/2021
	08/01/2022	270,000	08/01/2021
	08/01/2024	270,000	08/01/2021
	08/01/2025	285,000	08/01/2021
	08/01/2026	290,000	08/01/2021
	08/01/2027	300,000	08/01/2021
	08/01/2028	310,000	08/01/2021
	08/01/2029	315,000	08/01/2021
	08/01/2030	330,000	08/01/2021
	08/01/2031	335,000	08/01/2021
	08/01/2032	345,000	08/01/2021
	08/01/2033	360,000	08/01/2021

8. The Bonds shall be insured by _____, a New York stock insurance company, or any successor thereto or assignee thereof.

9. Proceeds from the sale of the Bonds (net underwriters' discount) shall be applied as follows: \$_____ shall be deposited into the Escrow Fund to refund the Refunded Obligations, \$_____ shall be used to pay costs of issuance of the Bonds, \$_____ shall be used to pay the cost of insuring the Bonds, and \$_____ representing a rounding amount shall be deposited in the Interest and Sinking Fund.

10. Allocation of premium: (net underwriters' discount): \$_____ to pay costs of issuance, \$_____ representing a rounding amount deposited to the Interest and Sinking Fund, and the balance deposited into the Escrow Fund.

11. The terms of sale of the Bonds are the most reasonable and advantageous and are in the best interest of the City.

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EXECUTED AND DELIVERED this _____.

CITY OF KINGSVILLE, TEXAS

Finance Director

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of March 15, 2021 (the "Agreement"), by and between the CITY OF KINGSVILLE, TEXAS (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of its "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021" (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 purchaser thereof as provided in the "Ordinance" (hereinafter defined);

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

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

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

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

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

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

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

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

ARTICLE II. DEFINITIONS

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

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

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

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

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

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

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

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

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

“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 Ordinance.

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

with the particular subject. "Security Register" means a register maintained by the Bank on behalf of the City providing for the registration and transfer of the Securities.

"Stated Maturity" means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

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

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

ARTICLE III. PAYING AGENT

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

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

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

ARTICLE IV. REGISTRAR

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

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

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

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

Section 4.02. Bonds. The City shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities 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 4.03. List of Security Holders. The Bank will provide the City at any time requested by the City, upon payment of the required fee, a copy of the information contained in the Security Register. The City may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

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

Section 4.04. Return of Cancelled Bonds. The Bank will, at such reasonable intervals as it determines, surrender to the City, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.05. Mutilated, Destroyed, Lost or Stolen Securities. The City hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing

by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

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

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the City's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the City as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Transfer of Funds. 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 City as prepared by the City's financial advisor or other agent.

Section 5.03. 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.

(b) 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.

(c) 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.

(d) 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 City.

(e) 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.

(f) 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 5.04. Recitals of City. The recitals contained herein with respect to the City and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

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

Section 5.05. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledge of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.06. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

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

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

Subject to the unclaimed property laws of the State of Texas and any provisions in the Ordinance 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 City for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the City does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.07. Indemnification. To the extent permitted by law, the City agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.08. Interpleader. The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the City are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.09. 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 5.10. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the City, to report to the owners of the Bonds 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 Bonds and (ii) the amount of interest or amount treating as interest on the Bonds and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

Section 6.08. Entire Agreement. This Agreement and the Ordinance 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 Ordinance, the Ordinance shall govern.

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

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

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

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

Section 6.11. Certificate of Interested Parties Form 1295. The Bank represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Bank is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

Section 6.12. Anti-Boycott Verification. The Paying Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Paying Agent understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Paying Agent and exists to make a profit.

Section 6.13. Iran, Sudan and Foreign Terrorist Organizations. The Paying Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Paying Agent nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Paying Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Paying Agent and exists to make a profit.

Section 6.14. 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.

Attest:

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

By _____

By _____

Title _____

Title _____

Address: 2001 Bryan Street 10th Floor
Dallas, Texas 75201

(BANK SEAL)

Attest:

CITY OF KINGSVILLE, TEXAS

By _____

By _____

City Secretary

Mayor

Address: 400 West King Avenue
Kingsville, Texas 78363

(CITY SEAL)

SCHEDULE A

Paying Agent/Registrar Fee Schedule

EXHIBIT C

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of March 15, 2021 (herein, together with any amendments or supplements hereto, called the "Agreement"), entered into by and between the CITY OF KINGSVILLE, TEXAS (the "City"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A., Dallas, Texas, a national banking association, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent").

WITNESSETH:

WHEREAS, the City has heretofore issued and there presently remain outstanding the obligations (collectively the "Refunded Obligations") of the City listed and described in the Verification Report of The Arbitrage Group, Inc. (the "Report") relating to the Refunded Obligations, as Exhibit "A," attached hereto and made a part hereof;

WHEREAS, the Refunded Obligations are scheduled to mature or have been called for early redemption in such years, bear interest at such rates, and are payable at such times and in such amounts as are set forth in the Report;

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity dates or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose;

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, or with a trust company or commercial bank that does not act as a depository for the City, and such deposit, if made before the payment dates of the Refunded Obligations and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207 (specifically, Section 1207.062, Texas Government Code) further authorizes the City to enter into an escrow agreement with the paying agent for any of the Refunded Obligations, trust company, or commercial bank with respect to the safekeeping, investment, administration, and disposition of any such deposit, upon such terms and conditions as the City and such paying agent may agree, provided that such deposits may be invested only in direct obligations of the United States of America, including obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due;

WHEREAS, The Bank of New York Mellon Trust Company, N. A. is the paying agent for the Refunded Obligations (the "Paying Agent");

WHEREAS, the Escrow Agent is a trust company or commercial bank and does not act as depository for the City, and this Agreement constitutes an escrow agreement of the kind authorized and required by Chapter 1207;

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment, if any, for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement;

WHEREAS, the issuance, sale, and delivery of the "City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021" (the "Bonds"), have been duly authorized for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity or redemption dates and the interest thereon to such maturity or redemption dates;

WHEREAS, the City desires that, concurrently with the delivery of the Bonds to the initial purchaser thereof, a portion of the proceeds of the Bonds shall be applied to purchase certain "Escrowed Securities" (as herein defined) for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund;

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts as will provide moneys which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay the interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or redemption dates;

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities the City desires to establish the Escrow Fund at the designated office of the Escrow Agent; and

WHEREAS, the Escrow Agent hereby acknowledges its acceptance of the terms and provisions hereof.

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, the sufficiency of which hereby is acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the City and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Beginning Cash Balance" means the funds described in the Report attached to this Agreement.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings, and court decisions thereunder.

"Escrow Fund" means the fund created in Section 3.01 of this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means direct, noncallable obligations of the United States of America, including noncallable obligations of which the full and timely payment of the principal and interest are unconditionally guaranteed by the United States of America, that mature and/or bear interest payable at

such times and in such amounts sufficient without reinvestment to provide for the scheduled payment of the principal of and interest on the Refunded Obligations. Investments in mutual funds and unit investment trusts are prohibited.

Section 1.02. Other Definitions. The terms “Agreement,” “City,” “Escrow Agent,” “Refunded Obligations,” “Refunded Obligations Paying Agent”, “Report,” and “Bonds,” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II. DEPOSIT OF FUNDS AND ESCROWED SECURITIES IN THE ESCROW FUND

Concurrently with the sale and delivery of the Refunding Obligations, the City shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the City in writing.

ARTICLE III. CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent hereby creates on its books a special trust and irrevocable escrow fund to be known as “City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021 Escrow Fund” (the “Escrow Fund”) for the purpose of paying the principal of and interest on the Refunded Obligations, as described in the Report, in order to make firm banking arrangements therefor. The Escrow Agent hereby agrees that upon receipt thereof it will deposit to the credit of the Escrow Fund the Beginning Cash Balance and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (i) shall be the property of the Escrow Fund, (ii) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (iii) to the extent needed to pay the principal and interest requirements on the Refunded Obligations, are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the City, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer to the Refunded Obligations Paying Agent, from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity date or dates as of which such Refunded Obligations have been called for earlier redemption, and interest thereon when due, in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The City represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Refunded Obligations Paying Agent, at the times and in the amounts required to pay the interest on the

Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as such principal comes due, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Refunded Obligations Paying Agent to make the payments set forth in Section 3.02 hereof, the City shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional moneys in the amounts required to make such payments. Notice of any such insufficiency shall be given promptly as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the City's failure to make additional deposits thereto.

Section 3.04. Trust Funds. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations, and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to a preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right or title with respect thereto except as a trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the City or, except to the extent expressly herein provided, by a place of payment for the Refunded Obligations.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct noncallable obligations of, or noncallable obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV. LIMITATION ON INVESTMENTS

Section 4.01. In General. Except as provided in Section 4.02, 4.02, 4.03, and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions for the Escrowed Securities, or to sell, transfer, or otherwise dispose of such Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Obligations – State and Local Government Series with an interest rate equal to zero percent (0%) to the extent such Obligations are available from the Department of the Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities that are United States Treasury Certificates of Indebtedness, Notes or Bonds – State and Local Government Series. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

Section 4.03. Substitutions and Reinvestments. At the discretion of the City, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities, or redeem the Escrowed Securities and reinvest the proceeds thereof or hold

such proceeds as cash, together with other moneys or securities held in the Escrow Fund provided that the City delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that, after such substitution or reinvestment, the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available moneys, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be "arbitrage bonds" within the meaning of section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the City.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the City with the Escrow Agent, but not thereafter, the City, at its option, may substitute cash or non-interest bearing direct noncallable and not pre-payable obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the "Substitute Obligations") for non-interest bearing Escrowed Securities, if any, but only if such Substitute Obligations

- (a) are in an amount, and/or mature in an amount, which is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,
- (b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and
- (c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the City with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the City may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Excess Balances. Except with respect to final transfers of amounts held in the Escrow Fund (which shall be controlled by Section 3.01), the Escrow Agent shall transfer excess amounts held in the Escrow Fund to or on the order of the City provided that the City delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that, after the transfer of the excess amounts, the principal amount of securities in the Escrow Fund, together with the interest thereon and other available money then held in the Escrow Fund, will be sufficient, without reinvestment, to pay on the Redemption Date the principal of and interest on the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such transfer will not make the interest on the Refunding Obligations or the Refunded Obligations relating to such Escrow Fund subject to federal income taxation, and (b) such transfer complies with the laws of the State of Texas and with all relevant documents relating to the issuance of such Refunded Obligations and the Refunding Obligations.

Section 4.06. Arbitrage. The City hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an “arbitrage bond” within the meaning of the Code.

ARTICLE V. APPLICATION OF CASH BALANCES

Except as provided in Sections 3.02, 4.02, 4.03, and 4.04 hereof, no transfers or re-investments shall be made of cash balances in the Escrow Fund.

ARTICLE VI. RECORDS, REPORTS AND NOTICES

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations, and application of the moneys and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the City and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent at least annually shall prepare and send to the City a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the respective Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII. CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Refunded Obligations Paying Agent shall have any liability whatsoever for the insufficiency of funds

from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the City promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the Bonds shall be taken as the statements of the City and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Bonds or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment or a paying agent/registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the City thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the City with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the City or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the City at any time.

Section 7.03. Compensation.

(a) Concurrently with the sale and delivery of the Bonds, the City shall pay to the Escrow Agent the sum of [_____], the sufficiency of which is hereby acknowledged by the Escrow Agent to pay its fee for performing the services of Escrow Agent hereunder and for all expenses incurred or to be incurred by it as Escrow Agent in the administration of this Agreement. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the City hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the City for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) The City covenants to timely pay for all future paying agency services of the Refunded Obligations Paying Agent in accordance with the paying agent fee schedule now or hereafter in effect through the final payment of the Refunded Obligations. In the event the City fails to pay the paying agent fee relating to the Refunded Obligations when due, such paying agent's sole remedy, as paying agent for such Refunded Obligations, for nonpayment shall be in accordance with the terms of the paying agent agreement relating to the Refunded Obligations, and no funds held in the Escrow Fund shall be available to pay such paying agent fees.

(c) To the extent permitted by law, the City agrees to indemnify the Escrow Agent and its officers, directors, agents, and employees for, and hold it and them harmless against, any loss, liability, claim, cost, suit, judgment, or expense (including, without limitation, legal fees and expenses) 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. This Section 7.03(c) shall survive the termination of this Agreement and the earlier removal or resignation of the Escrow Agent.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as Escrow Agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the City, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the City within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the City, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Bond may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be: (i) a corporation organized and doing business under the laws of the United States or the State of Texas; (ii) authorized under such laws to exercise corporate trust powers; (iii) have its principal office and place of business in the State of Texas; (iv) have a combined capital and surplus of at least \$5,000,000; (v) subject to the supervision or examination by Federal or State authority; and (vi) qualified to serve as Escrow Agent under the provisions of Chapter 1207.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the City and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers, and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the City shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than 60 days' written notice to the City and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least

three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the City as herein provided and such successor Escrow Agent shall be a paying agent for certain of the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its paying agent's fee hereunder.

Section 7.05. Paying Agent for Refunded Obligations. The Paying Agent has heretofore contracted with the City to act as paying agent relative to the Refunded Obligations. The Paying Agent has received notice of redemption for the Refunded Obligations and will provide timely notice of redemption to the holders of such Refunded Obligations, in accordance with their respective authorizing order. The Paying Agent will continue to fully perform and carry out all of the normal and customary duties as paying agent for the Refunded Obligations, for so long as the same remain unpaid, including, but not limited to, making payments of interest as the same shall become due and principal, at maturity or upon prior redemption, to the owners and holders of the Refunded Obligations, in accordance with the respective orders of the City authorizing the respective issuances of the Refunded Obligations, and to apply all funds transferred to it pursuant to Section 3.02 hereof solely for the purpose of paying the principal of and interest on the Refunded Obligations in the manner provided herein; provided, however, that the City agrees to continue to pay the reasonable and customary fees of the Paying Agent under the respective Paying Agent/Registrar Agreement for the Refunded Obligations; provided further, that in the event that the Paying Agent, acting in its capacity as paying agent relative to the Refunded Obligations, is requested to perform any extraordinary services in such respect and, as a result thereof, any other fees, expenses, or charges of any kind or character become due and payable by the City to the Paying Agent, as paying agent relative to the Refunded Obligations, the City agrees to pay to the Paying Agent reasonable fees for such extraordinary services performed and to reimburse the Bank for expenses incurred in connection with such extraordinary services.

ARTICLE VIII. MISCELLANEOUS

Section 8.01. Acknowledgment of Receipt of Notice of Redemption. The Escrow Agent, by its execution of this Escrow Agreement, hereby acknowledges receipt of the Order authorizing the issuance of the Bonds, the receipt of such Order constituting written notice of redemption of such Refunded Obligations, as described in the Report. The Escrow Agent hereby agrees to provide or cause to be provided to the registered owners of the Refunded Obligations notice of deposit and notice of redemption as required by the order authorizing the issuance thereof.

Section 8.02. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder, shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:

The Bank of New York Mellon Trust Company, N. A.
2001 Bryan Street 10th Floor
Dallas, Texas 77201
Attention: _____

To the City:

City of Kingsville, Texas
400 West King Avenue
Kingsville, Texas 78363
Attention: Finance Director

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery.

Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten days prior notice thereof.

Section 8.03. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the City, the owners of the Refunded Obligations, or to any other person or persons in connection with this Agreement.

Section 8.04. Binding Agreement. This Agreement shall be binding upon the City and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the City, the Escrow Agent, and their respective successors and legal representatives.

Section 8.05. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.06. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.07. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.08. Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums as stated in subsection (a) of Section 6.03 for Escrow Agent, paying agency fees, expenses, and services.

Section 8.09. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.10. Certificate of Interested Parties Form 1295. The Escrow Agent represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and, accordingly, the Escrow Agent is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

Section 8.11. Anti-Boycott Verification. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the

term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Escrow Agent understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

Section 8.12. Iran, Sudan and Foreign Terrorist Organizations. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Escrow Agent nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Escrow Agent understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

Section 8.13. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all counterparts shall together constitute one and the same instrument.

[Execution Page Follows]

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

CITY OF KINGSVILLE, TEXAS

Mayor

ATTEST:

City Secretary

IN WITNESS WHEREOF, this Escrow Agreement has been executed in multiple counterparts, each one of which shall constitute one and the same original Agreement, as of the date and year appearing on the first page of this Agreement.

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

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Name: _____

Title: _____

EXHIBIT A

[Verification Report can be found at Tab No. __]

EXHIBIT D

Notices of Redemption

To the Owners of
THE FOLLOWING NAMED SERIES OF
CITY OF KINGVILLE, TEXAS
CERTIFICATES OF OBLIGATION, SERIES 2013
Dated January 1, 2013

The City of Kingsville, Texas (the "City"), acting pursuant to the provisions of an ordinance of the City Commission of the City, adopted on _____, 2021, which provided for issuance of the City of Kingsville, Texas Limited Tax Refunding Bonds, Series 2021 (the "Bonds"), has refunded portions of the following outstanding maturities of the above-captioned obligations (the "Refunded Obligations") by making an irrevocable deposit with The Bank of New York Mellon Trust Company, N. A., the Escrow Agent with respect to the Refunded Obligations, in an amount sufficient to provide for the payment of the principal of and interest on the Refunded Obligations to August 1, 2021 (the "Date of Redemption"). The City has effectuated the redemption by irrevocably calling the Refunded Obligations on the Date of Redemption at a price of par, plus accrued interest. As a result, the Refunded Obligations are now secured under an Escrow Agreement, dated as of March 15, 2021, between the City and The Bank of New York Mellon Trust Company, N. A.

The refunded Bonds are set forth below:

MATURITY DATES <u>(AUGUST 1)</u>	PRESENT CUSIP <u>NUMBERS</u>	PRINCIPAL <u>AMOUNT REDEEMED (\$)</u>
2022	496782MQ3	390,000
2023	496782MR1	405,000
2024	496782MS9	425,000
2025	496782MT7	440,000
2026	496782MU4	455,000
2027	496782MV2	475,000
2028	496782MW0	490,000
2029	496782MX8	515,000
2030	496782MY6	460,000
2031	496782MZ3	475,000
2032	496782NA4	495,000
2033	496782NB5	525,000

In compliance with current federal tax law and broker reporting requirements, the Paying Agent is required to withhold 31% of the principal amount of your proceeds unless it is provided with your Social Security Number or federal employer identification number properly certified.

Any questions regarding this notice may be addressed to 1-800-275-2048.

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

EXHIBIT E

Description of Annual Financial Information

The following information is referred to in Section 25 of this Ordinance.

Annual Financial Statements and Operating Data. The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified below:

(a) the audited financial statements of the City 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 relating to the Bonds under Tables numbered 1 through 6, 8 through 15, and in Appendix "B".

Accounting Principles. The accounting principles, with respect to the City, 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 F

**REQUIREMENTS OF THE INSURER
WITH RESPECT TO THE MUNICIPAL BOND INSURANCE POLICY**

[None]

AGENDA ITEM #4

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF KINGSVILLE,
TEXAS TAX NOTES, SERIES 2021"; ENTERING INTO A PURCHASE AND
INVESTMENT LETTER AND A PAYING AGENT/REGISTRAR AGREEMENT;
AND APPROVING OTHER MATTERS RELATING THERETO

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ORDINANCE AUTHORIZING THE ISSUANCE OF “CITY OF KINGSVILLE, TEXAS TAX NOTES, SERIES 2021,” ENTERING INTO A PURCHASE AND INVESTMENT LETTER AND A PAYING AGENT/REGISTRAR AGREEMENT; AND APPROVING OTHER MATTERS RELATING THERETO

WHEREAS, Chapter 1431, Texas Government Code, as amended (the “Act”), authorizes cities to issue anticipation notes the proceeds of which may be used to (1) pay a contractual obligation incurred or to be incurred for the construction of any public work; (2) pay a contractual obligation incurred or to be incurred for the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for an issuer’s authorized needs; (3) pay a contractual obligation incurred or to be incurred for professional services, including services provided by tax appraisal engineers, engineers, architects, attorneys, mapmakers, auditors, financial advisors, and fiscal agents; (4) pay operating expenses or current expenses; or (5) fund the issuer’s cumulative cash flow deficit; and

WHEREAS, the City Commission of the City of Kingsville, Texas (the “Issuer” or the “City”) desires to undertake the projects described in this Ordinance; and

WHEREAS, the City Commission hereby finds and determines that the issuance of the tax notes, under the specified terms herein, is in the best interests of the City and its citizens.

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

Section 1. Authorization of the Notes. There is hereby authorized to be issued and delivered pursuant to the Act, a series of notes of the City, to be known as “CITY OF KINGSVILLE, TEXAS TAX NOTES, SERIES 2021” (the “Notes”), in the principal amount of \$1,310,000, payable from ad valorem taxes, within the limits prescribed by law, as described in and for the purposes described in the Form of Definitive Notes contained in Section 3 hereof.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Notes. The Notes shall be dated as of March 1, 2021, in denominations of \$5,000 or any integral multiple of \$5,000 in excess thereof, shall be numbered I-1 for the Initial Note, and shall be issued as one term note numbered R-1 for the definitive Note, and shall mature on August 1, 2027 with mandatory redemption payments payable on August 1 of each year as follows:

Mandatory Redemption Schedule

<u>Payment Date</u>	<u>Principal Installments (\$)</u>	<u>Interest Rate (%)</u>
2021	195,000	1.350
2022	180,000	1.350
2023	180,000	1.350
2024	185,000	1.350
2025	185,000	1.350
2026	190,000	1.350
2027*	195,000	1.350

*Represents a Term Note.

The Notes shall bear interest from the date of initial delivery of the Notes at the interest rates provided above, calculated on the basis of a 360-day year of twelve 30-day months, and interest shall be payable on August 1, 2021, and on each February 1 and August 1 thereafter through the maturity date.

Section 3. General Characteristics and Form of the Notes. The Notes shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be executed and sealed, all as provided and in the manner indicated in the form set forth below. The Form of Definitive Notes, the Form of Initial Note, the Form of the Registration Certificate of the Comptroller of Public Accounts, the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Ordinance, and the definitions contained within each such form shall apply solely to such form.

FORM OF DEFINITIVE NOTES

United States of America
State of Texas

NUMBER
R-1
REGISTERED

DENOMINATION
\$1,310,000
REGISTERED

CITY OF KINGSVILLE, TEXAS
TAX NOTE, SERIES 2021

<u>Dated</u> <u>Date</u>	<u>Delivery</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Interest</u> <u>Rate (%)</u>
March 1, 2021	March 26, 2021	August 1, 2027	1.350

REGISTERED OWNER: BRANCH BANKING AND TRUST COMPANY

PRINCIPAL AMOUNT: ONE MILLION THREE HUNDRED TEN THOUSAND
AND NO/100 DOLLARS (\$1,310,000.00)

CITY OF KINGSVILLE, TEXAS (the "City"), a body corporate and a political subdivision of the State of Texas, for value received, promises to pay to the Registered Owner, specified above, or registered assigns (the "Owner"), on the Maturity Date, specified above, upon presentation and surrender of this Note at the designated payment office of BRANCH BANKING AND TRUST COMPANY, Charlotte, North Carolina, 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 Note is payable by check payable on August 1, 2021, and each February 1 and August 1 thereafter, mailed to the Owner of record as shown on the books of registration (the "Register") kept by the Paying Agent/Registrar, as of the date which is the last 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 Owner and the Paying Agent/Registrar. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

THIS BOND is one of a series of Notes (the "Notes") dated as of the Dated Date, specified above, of like designation, date, and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to an ordinance adopted by the City Commission of the City on February 22, 2021 (the "Ordinance"), in the original aggregate principal amount of \$1,310,000 for the purpose of defeasing or refunding certain outstanding obligations of the City.

THE NOTES 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 Notes are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on the Note as it becomes due, to provide a sinking fund for the payment of the principal of the Notes when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner. By acceptance of this Note, the 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 of the City.

THE NOTES ARE NOT SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY.

THE TERM NOTE MATURING ON AUGUST 1, 2027 (the "Term Note") shall be subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption, on August 1 in each of the years and in the amounts set forth below:

<u>Year</u>	<u>Principal Amount (\$)</u>
2021	195,000
2022	180,000
2023	180,000
2024	185,000
2025	185,000
2026	190,000
2027*	195,000

*Final Maturity.

THE PRINCIPAL AMOUNT OF THE TERM NOTE required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Note of like stated maturity which, at least 50 days prior to the mandatory redemption date, (i) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar at the request of the City, or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Upon surrender of any Note for redemption, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Note of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Note so surrendered.

THIS NOTE IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the principal corporate office of the Paying Agent/Registrar. If this Note is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If this Note 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 Paying Agent/Registrar is not required to accept any Note for transfer or exchange during the 45 days prior to the date fixed for the redemption of such Note; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Note called for redemption in part. The Owner of this Note 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 Note 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 Notes is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owners.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Notes 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 Notes 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 that issuance of the Notes does not exceed any constitutional or statutory limitation.

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

CITY OF KINGSVILLE, TEXAS

City Secretary

Mayor

(CITY SEAL)

* * *

FORM OF INITIAL BOND

The Initial Note shall be in the form set forth above for the Form of Definitive Notes, except the following shall replace the heading and the first paragraph:

United States of America
State of Texas

NO. I-1

\$1,310,000

CITY OF KINGSVILLE, TEXAS
TAX NOTES, SERIES 2021

Dated Date: March 1, 2021

Delivery Date: March 26, 2021

Maturity Date: August 1, 2027

Registered Owner: BRANCH BANKING AND TRUST COMPANY

Principal Amount: ONE MILLION THREE HUNDRED TEN THOUSAND AND NO/100
DOLLARS (\$1,310,000)

CITY OF KINGSVILLE, TEXAS (the "City"), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable in each of the years and bearing interest at per annum rates in accordance with the following schedule:

<u>MATURITY</u>	<u>PRINCIPAL INSTALLMENTS (\$)</u>	<u>INTEREST RATES (%)</u>
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(Information to be inserted from Section 2.)

INTEREST on the unpaid Principal Amount hereof from the Delivery Date of this Note, 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, 2021 and each February 1 and August 1 thereafter.

THE PRINCIPAL OF AND INTEREST ON this Note are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Note shall be paid to the Owner hereof upon presentation and surrender of this Note at final maturity, at the designated payment office of BRANCH BANKING AND TRUST COMPANY, Charlotte, North Carolina, which is the "Paying Agent/Registrar" for this Note. The payment of principal installments and interest on this Note shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Register at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the Owner hereof at its address as it appears on the Register, as hereinafter described. The record date ("Record Date") for payments hereon means the last calendar day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the

payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Note 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 Note, when due, in the manner set forth in the Ordinance defined below.

* * *

FORM OF AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

This Note is one of the Notes described in and delivered pursuant to the within-mentioned Ordinance, and this Note has been issued in conversion of and exchange for, or replacement of, a Note, Notes, or a portion of a Note or Notes 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.

BRANCH BANKING AND TRUST COMPANY
Charlotte, North Carolina
Paying Agent/Registrar

Registration Date: _____

By _____
Authorized Signature

* * *

FORM OF REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS*

***Attach to Initial Note in lieu of Authentication Certificate**

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 Note 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 Note 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

* * *

FORM OF ASSIGNMENT

ASSIGNMENT

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

/_____/ (Please insert
Social Security or Taxpayer (Please print or typewrite name and address, including zip code, of Transferee)
Identification Number of Transferee)

the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to register the transfer of the within Note 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 Owner as it appears upon the
front of this Note 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 Note, 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 4. Definitions. In addition to other terms defined herein, the following terms, as used in
this Ordinance, shall have the meanings set forth below, unless the context thereof specifically indicates
otherwise:

“Bond Counsel” means Winstead PC, or such other firm of nationally recognized bond counsel
appointed by the City.

“Notes” means the Notes authorized by this Ordinance.

“Governmental Obligations” means (i) Direct noncallable obligations of the United States,
including obligations that are unconditionally guaranteed by, the United States of America;
(ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that
are unconditionally guaranteed or insured by the agency 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; (iii) noncallable obligations of a state or an agency or a county, municipality, or

other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iv) any other obligations authorized to defease the Notes under Chapter 1207 of the Texas Government Code.

"Initial Purchaser" means, the initial purchaser identified in Section 3.

"Interest and Sinking Fund" means that certain fund created pursuant to Section 10 of this Ordinance.

"Ordinance" means this "Ordinance Authorizing the Issuance of "City of Kingsville, Texas Tax Notes, Series 2021, And Making Provisions For the Security Thereof; Entering Into A Purchase and Investment Letter And A Paying Agent/Registrar Agreement And Approving Other Matters Relating Thereto."

"Owner" means the owner of the Notes as shown on the Register.

"Purchase and Investment Letter" means the Purchase and Investment Letter between the City and the Initial Purchaser.

"Register" means the books or records of the register or transfer of the Books kept by the Paying Agent/Registrar.

Section 5. Paying Agent/Registrar. (a) The City shall keep or cause to be kept at the designated payment office of the Paying Agent/Registrar, or such other bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform duties of and services of Paying Agent/Registrar, named in accordance with the provisions of paragraph (c) of this section, the Register, and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owner and record in the Registration Books the address of such Owner of each Note to which payments with respect to the Notes shall be mailed, as herein provided. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Notes, and to act as its agent to exchange or replace Notes, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Notes, and of all exchanges and replacements of such Notes, as provided in this Ordinance. The Mayor is authorized to enter into the Paying Agent/Registrar Agreement, substantially in the form attached as Exhibit A, on behalf of the City.

(c) The City covenants with the Owners that at all times while the Notes are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar, to act as and perform the services of Paying Agent/Registrar for the Notes under this Ordinance, and that the Paying Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified national or state banking

institution to act as Paying Agent/Registrar under this Ordinance, which banking institution shall be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, and whose qualifications are substantially similar to the previous Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar shall promptly transfer and deliver the Register (or a copy thereof), along with all other pertinent books and records relating to the Notes, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Owner of the Notes, 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 6. Registration, Transfer, and Exchange. (a) Registration of each Note may be transferred on the Register only upon presentation and surrender of such Note to the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of the Note, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees to have the Note or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Note or any portion thereof, a new substitute Note or Notes shall be issued in exchange therefor in the manner herein provided.

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

(c) Each Note may be exchanged for fully registered notes in the manner set forth herein. Each Note issued and delivered pursuant to this Ordinance, to the extent of the unpaid or unredeemed principal balance or principal amount thereof, may, upon surrender of such Note at the principal corporate trust office of the Paying Agent/Registrar, together with a written request therefor duly executed by the Owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the Owner or such assignee or assignees, as appropriate, be exchanged for fully registered Notes, without interest coupons, in the form prescribed in the Form of Definitive Notes set forth in this Ordinance, in the denomination of \$5,000, or any integral multiple of \$5,000 (subject to the requirement hereinafter stated that each substitute Note shall have a single stated maturity date), as requested in writing by such Owner or such assignee or assignees, in an aggregate principal amount equal to the unpaid or unredeemed principal amount of any bond or bonds so surrendered, and payable to the appropriate Owner, assignee, or assignees, as the case may be. If a portion of any Note shall be redeemed prior to its scheduled maturity as provided herein, a substitute bond or bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation.

(d) If any Note or portion thereof is assigned and transferred, each Note issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Note for which it is being exchanged. Each substitute note shall bear a letter and/or number to distinguish it from each other Note. The Paying Agent/Registrar shall exchange or replace Notes as provided herein, and each fully registered note delivered in exchange for or replacement of any Note or portion thereof as permitted or required by any provision of this Ordinance shall constitute one of the Notes for all purposes

of this Ordinance, and may again be exchanged or replaced. It is specifically provided, however, that any Note delivered in exchange for or replacement of another Note prior to the first scheduled interest payment date on the Notes (as stated on the face thereof) shall be dated the same date as such Note, but each substitute Note so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date preceding the date on which such substitute note is delivered, unless such Note is delivered on an interest payment date, in which case it shall be dated as of such date of delivery; provided, however, that if at the time of delivery of any substitute Note the interest on the Note for which it is being exchanged has not been paid, then such Note shall be dated as of the date to which such interest has been paid in full. On each substitute Note issued in exchange for or replacement of any Note or Notes issued under this Ordinance there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Note, date such by dating the Authentication Certificate in the manner set forth above, and manually sign such Certificate, and no such Note shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Notes surrendered for exchange or replacement.

(e) No additional ordinances or resolutions need be passed or adopted by the City Commission of the City or any other body or person so as to accomplish the foregoing exchange or replacement of any Note or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Notes in the manner prescribed herein, and said Notes shall be printed or typed in accordance with Chapter 1201, Texas Government Code, as amended, the duty of such exchange or replacement of notes as aforesaid is hereby imposed upon the Paying Agent/Registrar, and upon the execution of the aforementioned Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Note shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Notes which originally were delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(f) The Paying Agent/Registrar is not required to accept any Note for transfer or exchange during the 45 days prior to the date fixed for the redemption of such Note; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Note called for redemption in part.

(g) All Notes issued in exchange or replacement of any other Note or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Notes to be payable only to the Owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Notes, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Notes shall be payable, all as provided, and in the manner required or indicated, in the Form of Notes set forth in Section 3 of this Ordinance.

(h) The City shall pay all of the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers, conversions, and exchanges of the Notes in accordance with an agreement between the City and the Paying Agent/Registrar, but the Owner of any Note requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. In addition, the City hereby covenants with the Owners that it will pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Notes, when due.

Section 7. Lost, Stolen, Destroyed, Damaged, or Mutilated Notes; Destruction of Paid Notes. (a) Replacement Notes. In the event any outstanding Note 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 Note of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Note, or in lieu of and substitution

for such Note, 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 Notes shall be made to the City. In every case the applicant for a substitute Note shall furnish to the City such deposit for fees and costs as may be required by the City to find, save, and keep it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Note, 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 Note. In every case of damage or mutilation of a Note, the applicant shall surrender the Note so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Notes. Notwithstanding the foregoing provisions of this Section, in the event any such Note shall have matured, and no default has occurred which is then continuing in payment of the principal of or interest on the Notes, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Note) instead of issuing a substitute Note, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expenses of Issuance. Upon the issuance of any substitute Note, the City may charge the Owner of such Note with all fees and costs incurred in connection therewith. Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note 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 Note 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 Notes duly issued under this Ordinance.

(e) Authority to Issue Substitute Notes. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Note without necessity of further action by the City or any other body or person, and the issuance of such substitute Notes is hereby authorized, notwithstanding any other provisions of this Ordinance.

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

Section 8. Book-Entry-Only System. Initially the Purchaser will take physical delivery of the Notes. If the City decides to use a book-entry system, the Notes 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 Notes shall be issued in the form of a separate single definitive Note for each maturity. Upon issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the outstanding Notes 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 "Representations Letter").

With respect to the Notes 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 Notes 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 Notes (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 Notes, or (ii) the delivery to any Depository Participant or any Indirect Participant or any

other Person, other than an Owner of a Note, of any amount with respect to principal of or interest on the Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Note evidencing the obligation of the City to make payments of principal of and interest on the Notes 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 Representations Letter, (b) the Representations 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 Notes that they be able to obtain certificated Notes, 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 Notes, and the Notes 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 Notes 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 Notes may be registered in whatever names the Owners of Notes transferring or exchanging the Notes shall designate, in accordance with the provisions hereof.

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

Section 9. Tax Levy. During each year while any of the Notes or interest thereon are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Notes 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 outstanding principal amount of the Notes as a sinking fund each year); and the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City for each year while any of the Notes 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 Notes, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limit prescribed by law.

Section 10. City Funds. (a) A special fund entitled "City of Kingsville, Texas Tax Notes, Series 2021 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 City, and shall be used only for paying the interest on and principal of the Notes and other obligations payable from ad valorem taxes.

(b) A special fund entitled "City of Kingsville, Texas Tax Notes, Series 2021 Construction Fund" (the "Construction Fund") is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Construction Fund is the fund into which the proceeds of the Notes shall be deposited. Money in the Construction Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Notes are issued. Any money remaining in the Construction Fund after the purposes for which the Notes were issued have been accomplished shall be deposited in the Interest and Sinking Fund, and the Construction Fund shall then be closed.

Section 11. Investments and Security. (a) Investment of Funds. Except as otherwise provided herein, the City may place money in the Interest and Sinking 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 Notes will be used as soon as practicable for the purposes for which the Notes are issued. Obligations purchased as an investment of money in a fund shall be deemed to be a part of such fund.

(a) 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 Notes which are required to be rebated to the United States of America in order to prevent the Notes from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(b) 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 12. Remittances to Paying Agent/Registrar. It shall be the duty of the Finance Director of the City without any further direction by the City to make remittances to the Paying Agent/Registrar of the amounts necessary on each occasion to pay the installment of interest or the installment of principal and interest due on the next succeeding interest payment date. Said remittances shall be made not less than five days prior to such scheduled date of interest or interest and principal payments.

Section 13. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that in the event the City (a) defaults in the payment of principal or interest on any of the Notes when due, or (b) fails to make the payments required to be made to any fund created hereunder in the amounts and at the times required, or (c) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Owner(s) of any of the Notes 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 to exercise any right or power accruing upon any default shall impair any such power or right or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of any other available remedies and the specification of such shall not be deemed to be exclusive.

Section 14. Covenants of the City. (a) General Covenants. The City covenants and represents that:

(i) The City 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 the Notes; all action on its part for the creation and issuance of the Notes has been duly and effectively taken; and the Notes in the hands of the Owners are and will be valid and enforceable obligations of the City in accordance with their terms; and

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

(b) Specific Covenants. The City covenants and represents that, while the Notes 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 Notes and to provide the necessary sinking fund, all as described in this Ordinance; and

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

(c) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Notes 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 Notes 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 Notes or the projects refinanced 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 refinanced therewith are so used, that amounts, whether or not received by the City with respect to such private business use, do not under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Notes, 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 Notes or the projects refinanced 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 Notes 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 Notes 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 Notes, 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 Notes.

(vii) To otherwise restrict the use of the proceeds of the Notes or amounts tested as proceeds of the Notes, as may be necessary, so that the Notes 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 Notes) 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 Notes have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code;

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection and sections 141 and 148 of the Code, including without limitation, all information relating to the Notes, investment of Note proceeds, and use of the Note-financed facility, and to retain

such records for at least six years following the final payment of principal and interest on the Notes; and

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

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 Notes, 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 Notes 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 Notes, 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 Notes under section 103 of the Code.

Proper officers of the City charged with the responsibility of issuing the Notes 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 Notes.

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

Section 15. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Notes 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 Notes 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 Owners 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 16. Further Covenants. The City further covenants and agrees by and through this Ordinance that it has the lawful power to pledge the ad valorem taxes supporting this issue of Notes and has lawfully exercised said power under the Constitution and laws of the State of Texas, and that the Notes issued hereunder shall be ratably secured in such manner that one Note shall have no preference over any other Note of said issue.

Section 17. Sale of Notes; Use of Proceeds. The sale of the Notes at a price of the par amount thereof is hereby approved, and delivery of the Note to Branch Banking and Trust Company (the "Purchaser"), shall be made upon payment therefor in accordance with the terms of sale and the terms and conditions of the Purchase and Investment Letter presented to and approved by the Board, in substantially the form attached hereto as Exhibit "B," which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor and other appropriate officials of the City are hereby authorized and directed to execute such Purchase and Investment Letter on behalf of the City, and the Mayor and all other officials, agents, and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Notes. The proceeds from the sale of the Notes shall be applied as follows: (i) \$1,281,515.00 of the proceeds shall be deposited into the Construction Fund and (ii) the balance of the proceeds shall be used to pay the cost of issuing the Notes.

Section 18. Custody, Approval, and Registration of Notes. (a) Initially, the Initial Note numbered I-1 and being in the principal amount of the Notes 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 Note shall be effective and valid without the Authentication Certificate being signed by the Paying Agent/Registrar. At any time thereafter, the Initial Purchaser may deliver the Initial Note to the Paying Agent/Registrar for exchange, accompanied by instructions from the Initial Purchasers or designee designating the persons, maturities, and principal amounts to and in which the Note is 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 Notes as provided in such instructions.

(b) The Mayor of the City is hereby authorized to have control of the Initial Note and all necessary records and proceedings pertaining to the Initial Note pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Note, said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate on the Initial Note, and the seal of said Comptroller shall be impressed, or placed in facsimile, on the Initial Note. The legal opinion of Note Counsel and assigned CUSIP numbers, if any, may, at the option of the City, be printed on or attached to the Initial Note or any Notes issued and delivered in conversion of and exchange or replacement of any Note, but neither shall have any legal effect, and shall be solely for the convenience and information of the Owners.

Section 19. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Note, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a "Defeased Note") when payment of the principal of such Note, 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 Note. To cause a Note scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Note to become a Defeased Note, 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 Notes, the City shall cause to be delivered either: (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of an escrow established to pay the Defeased Notes in full on the maturity or redemption date thereof (the "Verification"), or (ii) a certificate from a qualified financial professional, certifying that the amount deposited with a Depository is sufficient to pay the Defeased Notes 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 Note Counsel to the effect that the Defeased Notes are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Notes. 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 Notes 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 Note shall be deemed to be a Defeased Note hereunder, and all herein required criteria have been met, such Note 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, that the City has reserved the option to be exercised at the time of the defeasance of the Notes, to call for redemption, at an earlier date, those Notes 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 Notes for redemption; (ii) gives notice of the reservation of that right to the 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 Notes 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 Notes shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Notes 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 20. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Note 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) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) 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 Notes 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 of the Notes 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 Notes, 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 the Notes, (ii) give any preference of any Note over any other Note, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Notes required for consent to any such amendment, change, modification, or rescission. When the City shall desire 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 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 21. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Notes 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 Notes are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Notes, 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 2021 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 Notes as “qualified tax-exempt obligations.”

Section 22. Further Procedures. The Mayor, the City Attorney, the City Secretary, the Finance Director, the City’s Financial Advisor, and all other officers, employees, attorneys, and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Notes, and the Purchase and Investment Letter. Prior to the initial delivery of the Notes, the Mayor and Note Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Notes by the Texas Attorney General’s office.

Section 23. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Notes and that such is to be calculated as provided in said Section 1202.004. Note 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 Note Counsel such amount as soon as possible and whether or not the Notes 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 Notes.

Section 24. Miscellaneous Provisions. (a) Incorporation of Preamble. The preamble to this Ordinance is incorporated by reference in 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 ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(d) 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.

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

(f) 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, as amended.

APPROVED this February 22, 2021.

/s/ Mary Valenzuela

/s/ Sam R. Fugate

City Secretary

Mayor

EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of March 1, 2021 (this "Agreement"), by and between the CITY OF KINGSVILLE, TEXAS (the "City") and BRANCH BANKING AND TRUST COMPANY, Charlotte, North Carolina, a banking association duly organized and existing under the laws of North Carolina and authorized to transact business in the State of Texas (the "Bank").

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of its "**City of Kingsville, Texas Tax Notes, Series 2021**" (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 purchaser(s) thereof as provided in the "Ordinance" (hereinafter defined);

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

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

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

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

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

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

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

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

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

ARTICLE II. DEFINITIONS

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

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

“Financial Advisor” means Estrada Hinojosa & Company, Inc., San Antonio, Texas.

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

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

“Owner” means the Person in whose name a Security is registered in the Security Register.

“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 Ordinance).

“Record Date” means the date for determining the person to whom the interest on a Security is payable on any interest payment date of a Security.

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

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

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

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

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

The terms “Paying Agent/Registrar”, “Paying Agent”, and “Registrar” refer to the Bank in the performance of its duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

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

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the interest on each Security when due, by computing the amount of interest to be paid each Owner and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Owners 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 Owner at the Owner’s risk and expense.

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

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the City the Security Register at the Bank Office for recording the names and addresses of the Owners 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 Owners and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Owner 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 Owners thereof will be completed and new Securities delivered to the Owner or the assignee of the Owner 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 Owner, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Certificates. The City shall provide an adequate inventory of printed Security certificates to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Security certificates will be kept in safekeeping pending their use, and reasonable care will be exercised

by the Bank in maintaining such certificates in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

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

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

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

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

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

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The City hereby instructs the Bank, subject to the applicable provisions of the Ordinance, 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 Owner thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Owner of the Security mutilated, or destroyed, lost, or stolen.

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

ARTICLE V. THE BANK

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

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

Section 5.02. Reliance on Documents, Etc. 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 Owner or an agent of the Owner. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by the City.

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

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

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

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

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

Section 5.05. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Owners 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 Owners shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts, or checks drawn by the City and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

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

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

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

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

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

Section 5.09. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Internal Revenue Code of 1986, as amended, and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the City, to report to the owners of the Securities and the Internal Revenue Service (i) the amount of "reportable payments", if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Securities and (ii) the amount of interest or amount treated as interest on the Securities and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

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

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

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page of this Agreement. Any party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten days prior notice thereof.

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 parties shall bind their respective 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 and assigns hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Ordinance 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 Ordinance, the Ordinance 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 (i) will terminate on the date of final payment of the principal of and interest on the Securities to the Owners thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice has been given to the Owners of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

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

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

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

Section 6.12. Force Majeure. In no event shall the Bank be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Bank's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Bank's control whether or not of the same class or kind as specifically named above.

Section 6.13. Certificate of Interested Party. A completed and notarized Certificate of Interested Parties Form 1295 ("Form 1295") generated by the Texas Ethics Commission's (the "TEC") electronic filing application in accordance with the provisions of Section 2252.908, Texas Government Code and the rules promulgated by the TEC, was previously submitted to the City by the Paying Agent/Registrar in connection with this Agreement. The City hereby agrees to acknowledge such form with the TEC through its electronic filing application within 30 days of the effective date hereof. The Paying Agent/Registrar and the City understand and agree that, with the exception of information identifying the City and the contract identification number, neither the City nor its consultants are responsible for the information contained in any Form 1295 and neither the City nor its consultants have verified such information. The Paying Agent/Registrar and the City also agree that the transactions contemplated by this Agreement and the respective obligations of the Paying Agent/Registrar and the City hereunder, shall not be modified, released, or excused by the failure of the Paying Agent/Registrar to properly complete a Form 1295, except as set forth in the following sentence. The submission of any Form 1295 by the Paying Agent/Registrar that does not provide a sufficient basis for the City to enter into this Agreement in accordance with Section 2252.908(d), Texas Government Code, shall result in the automatic dismissal and removal of the Paying Agent/Registrar from its duties and rights hereunder and the Paying Agent/Registrar shall not be considered a party to this Agreement.

Section 6.14. No Israel Boycott. We hereby verify our company and our parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. We understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with our company and exists to make a profit.

Section 6.15. No Terrorist Organization. We represent that neither our company nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf> or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes our company and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. We understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with our company and exists to make a profit.

[The remainder of this page intentionally left blank.]

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

BRANCH BANKING AND TRUST COMPANY

By _____

Name _____

Title _____

Address: 5130 Parkway Plaza
Charlotte, North Carolina 28217

Attest:

CITY OF KINGSVILLE, TEXAS

By _____
Mary Valenzuela, City Secretary

(CITY SEAL)

By _____
Sam R. Fugate, Mayor
Address: 400 West King Avenue
Kingsville, Texas 78363

SCHEDULE A

Paying Agent/Registrar Fee Schedule

[NONE]

EXHIBIT B

[FORM OF PURCHASE AND INVESTMENT LETTER]

BRANCH BANKING AND TRUST COMPANY
5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217

_____, 2021

Re: City of Kingsville, Texas Tax Notes, Series 2021 (the "Notes")

City of Kingsville, Texas
400 West King Avenue
Kingsville, Texas 78363

Estrada Hinojosa & Company, Inc.
14414 Blanco Road, Suite 320
San Antonio, Texas 78216

Winstead PC
310 South St. Mary's Street, Suite 920
San Antonio, Texas 78205

Ladies and Gentlemen:

We have agreed to purchase and the City Commission of the City of Kingsville, Texas (the "City") has agreed to sell to us the captioned Notes at the purchase price of \$1,310,000 and no accrued interest. The Notes are scheduled to finally mature on August 1, 2027, shall bear the terms, shall be secured, and are subject to redemption as described in the City's ordinance authorizing the Notes adopted on February 22, 2021 (the "Ordinance"), all subject to receipt by you and by us of such opinions, certificates, and other documents as you or we may reasonably require to establish the validity and legality of the Notes.

Branch Banking and Trust Company, (the "Purchaser") hereby represents and warrants that:

(1) we are (a) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933 or (b) a state or national bank organized under the laws of the United States, and we have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the economic risks and merits of the purchase of the Notes;

(2) we have made our own inquiry and analysis with respect to the Notes and the security therefor, and other material factors affecting the security and payment of the Notes, and we have not relied upon any statement by you; your officers, directors, or employees; or your financial consultants or legal advisors in connection with such inquiry or analysis or in connection with the purchase of the Notes;

(3) we have either been furnished with or have had access to all necessary information that we desire in order to enable us to make an informed decision concerning the purchase of the Notes, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the purpose for which the proceeds of the Notes will be utilized, and the security therefor, so that we have been able to make an informed decision to purchase the Notes;

(4) we are purchasing the Notes for our own account as evidence of a privately placed and negotiated bank loan and not with a view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the Notes, or any part or interest thereof, except to persons who are able to and do confirm in writing to us and to you the representations contained in paragraphs (1) through (3) and this paragraph to the same extent as if such paragraphs referred to such persons;

(5) we further acknowledge that we are responsible for consulting with our advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws, we may have with respect to subsequent purchasers of the Notes if and when any such future disposition of the Notes may occur;

(6) we understand that the Notes (a) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state due to exemptions from registration provided for therein, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will not be readily marketable;

(7) we understand that the City is not required to make any continuing disclosure pursuant to Rule 15c2-12(b) (the “Rule”) of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, because the Notes are being sold pursuant to a private placement with the Purchaser (as defined in the Ordinance); provided, however, the City will provide the Purchasers with their audited annual financial statements within 270 days after each fiscal year end and any other financial information (that is normally and regularly prepared in the ordinary course of business by the City in a written format) regarding the City that the Purchasers may reasonably request from time to time while the Notes remain outstanding;

(8) we hereby verify our company and our parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Purchase and Investment Letter is a contract for goods or services, will not boycott Israel during the term of this Purchase and Investment Letter. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. We understand ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with our company and exists to make a profit;

(10) we represent that neither our company nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf> or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes our company and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. We understand “affiliate” to mean any entity that controls, is controlled by, or is under common control with our company and exists to make a profit; and

(11) we understand and agree that the foregoing representations and warranties will be relied upon by Winstead PC, Note Counsel to the City, in rendering its opinion on the exemption of the Notes from the registration requirements under existing federal and state securities laws.

(12) As a condition precedent to funding, BB&T shall require the City to provide documentation satisfactory to BB&T's counsel as follows:

1. Ordinance adopted by the governing body of the City which contains all relevant provisions governing the financing (rate, term, amortization, security, designation of the Note as qualified tax-exempt obligations, to the extent applicable, and all other conditions, warranties and covenants as are usual and customary for transactions of the same general type including the covenant to provide BB&T audited financial statements within 270 days of the City's fiscal year end in each year that the Note is outstanding);
2. Opinion of bond counsel as to the enforceability of the Note and the tax exempt status of the interest on the Note;
3. Unqualified opinion of the Attorney General of the State, relating to the legality and validity of the Note and approving the Note as required by law and evidence reflecting the registration of the Note by the Comptroller of Public Accounts of the State as required by law;
4. A certificate or certificates, dated the date of closing, of appropriate officials of the City, to the effect that (i) the City is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the City, would have a materially adverse effect on the financial condition of the City and (ii) there has not been any materially adverse change in the financial condition of the City since September 30, 2020, the latest date as of which audited financial information is available;
5. Federal Tax Note and IRS Form 8038-G; and
6. Execution of a wire transfer agreement.

[The remainder of this page intentionally left blank.]

This letter may be executed in multiple counterparts.

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By: _____

Name: _____

Title: _____

AGREED TO AND ACCEPTED this 22nd day of February, 2021.

CITY OF KINGSVILLE, TEXAS

By: _____

Name: _____

Title: _____

AGENDA ITEM #5

RESOLUTION #2021-_____

**RESOLUTION AUTHORIZING PUBLICATION OF NOTICE OF INTENTION
TO ISSUE CERTIFICATES OF OBLIGATION**

WHEREAS, the City Commission (the "City Commission") of the City of Kingsville, Texas (the "City"), finds that financing the design, planning, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of the public property, as well as the payment of fees for professional services related thereto, described in Exhibit A hereto would be beneficial to the inhabitants of the City, and such property is needed to perform essential governmental functions; and the City Commission has determined that one or more series of certificates of obligation (the "Certificates of Obligation") should be issued pursuant to the provisions of the Certificate of Obligation Act of 1971, Section 271.041 *et seq.*, Texas Local Government Code, for such purposes;

WHEREAS, prior to the issuance of the Certificates of Obligation, the City is required to publish notice of its intention to issue the Certificates of Obligation in a newspaper of general circulation in the City, the notice stating (i) the time and place the City Commission tentatively proposes to pass the ordinance authorizing the issuance of the Certificates of Obligation, (ii) the maximum amount of Certificates of Obligation proposed to be issued, (iii) the purposes for which the Certificates of Obligation are to be issued, and (iv) the manner in which the City Commission proposes to pay the Certificates of Obligation;

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

Section 1. Attached hereto and marked Exhibit A is the "Notice of Intention to Issue Certificates of Obligation" (the "Notice"), the form and substance of which are hereby adopted and approved.

Section 2. Attached hereto and marked Exhibit B is a list of outstanding debt obligations of the City which the City designates as self-supporting debt for purposes of Subchapter C of Chapter 271, Texas Local Government Code, as amended.

Section 3. The Mayor or the City Secretary shall cause the Notice to be published in a newspaper, as defined in Section 2051.044, Texas Government Code, of general circulation in the City for two consecutive weeks, the date of first publication to be at least 45 days prior to the date tentatively set for adoption of one or more ordinances authorizing the issuance of the Certificates of Obligation.

Section 4. The Mayor and the City Secretary are hereby authorized and directed to execute the Certificate to which this Resolution is attached on behalf of the City Commission and to do any or all things proper and necessary to carry out the intent thereof.

PASSED AND APPROVED by a majority vote of the City Commission on the 22nd day of February, 2021.

Sam Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

EXHIBIT A

NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION

NOTICE is hereby given that it is the intention of the City Commission (the "City Commission") of the City of Kingsville, Texas (the "City") to adopt one or more ordinances providing for the issuance of one or more interest-bearing obligations of the City presently contemplated to be designated and known as the "CITY OF KINGSVILLE, TEXAS CERTIFICATES OF OBLIGATION" (the "Certificates of Obligation") for the purpose of providing for the payment of contractual obligations to be incurred in connection with the design, planning, purchasing, acquisition, construction, equipping, expansion, repair, renovation, and/or rehabilitation of certain City-owned public property, including (i) 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; and (ii) payment of contractual obligations for professional services in connection therewith (to wit: consulting, engineering, financial advisory, and legal).

The City Commission tentatively proposes to authorize the issuance of the Certificates of Obligation (one or more series) at its regular meeting place at 400 West King Avenue, Kingsville, Texas, at a meeting of the City Commission to be commenced at 5:00 p.m. on _____, 2021, in a maximum total amount expected not to exceed \$3,800,000. In the event the City Commission will be unable to meet at this location on _____, 2021, the City will post information on its website for attending the meeting by telephone, teleconference, or other electronic means. The City Commission proposes to provide for payment of the Certificates of Obligation from a pledge of an annual ad valorem tax, as well as an additional pledge of surplus revenues of the City's waterworks and sewer system. The City Commission reasonably expects to provide for payment of debt service on the Certificates of Obligation from surplus revenues of the City's waterworks and sewer system, but in the event such self-supporting source of revenues is inadequate for such purpose, the City will be obligated to levy an annual ad valorem tax to pay debt service due on the Certificates of Obligation.

In accordance with the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended ("Chapter 271"), the following information has been provided by the City (excludes \$11,192,010 principal amount of outstanding debt obligations the City has designated as self-supporting and which the City reasonably expects to pay from revenue sources other than ad valorem taxes; provided, however, that in the event such self-supporting revenues sources are insufficient to pay debt service, the City is obligated to levy ad valorem taxes to pay such debt obligations): The current principal of all outstanding debt obligations of the City is \$19,875,000, the combined principal and interest required to pay all currently outstanding debt obligations of the City on time and in full is \$22,904,864, the estimated combined principal and interest required to pay the Certificates of Obligation on time and in full is \$3,800,000, the estimated interest rate for the Certificates of Obligation is 0%, and the maximum maturity date of the Certificates of Obligation will not exceed the maximum allowed by law. Market conditions affecting interest rates vary based on a number of factors beyond the control of the City, and the City cannot and does not guarantee a particular interest rate associated with one or more series of the Certificates of Obligation. The resolution designating certain outstanding debt obligations of the City as self-supporting for purposes of Chapter 271 is available upon request sent to the City at the address noted above.

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

EXHIBIT B

SELF-SUPPORTING DEBT OBLIGATIONS OF THE CITY

Certificates of Obligation, Series 2009	\$ 46,293
Certificates of Obligation, Series 2013	3,226,700
Limited Tax Refunding Bonds, Series 2014	4,290,000
Limited Tax Refunding Bonds, Series 2020	2,319,017
Tax Notes, Series 2021	<u>1,310,000</u>
 SUBTOTAL	 \$ 11,192,010
 Certificates of Obligation to be issued in 2021	 <u>\$ 3,800,000</u>
 TOTAL	 \$ 14,992,010

AGENDA ITEM #6

AGENDA ITEM #7

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: February 22, 2021

SUBJECT: Consider Awarding RFP# 21-04 for 2021 Water Well #14 Ground Storage Tank (GST) Replacement and authorizing execution of the contract.

Summary:

On January 14 & 21, 2021, the City advertised RFP#21-04 for 2021 Water Well #14 Ground Storage Tank (GST) Replacement in the local newspaper. On February 2, 2021, the City received 4 bids which were publicly opened for the 2021 Water Well #14 GST Replacement. Bidder 1 was Donald Hubert Construction from Kingsville, Texas. Bidder 2 was J & K Utility Services LLC from Creedmoor, Texas. Bidder 3 was RGV Industrial Machine LLC, from Elsa, Texas. Bidder 4 was the Bronco LLC, from Driscoll, Texas.

The total bids (base and alternate no. 1 and 2) ranged from \$144,190.00 to \$259,500.00. The lowest project bid was \$19,190 over our budgeted amount \$125,000.00 so to cover the overage I requested a budget amendment, which was introduced on February 8, 2021 and approved on February 22, 2021.

References were verified for the bidder who was the low bidder and who provides the best value to the City, Donald Hubert Construction Co. Inc. We recommend awarding the project to Donald Hubert Construction Co. Inc. in the amount of \$144,190.00 for the base bid and alternates no. 1 and 2.

Background:

The purpose of the project is to replace an existing Ground Storage Tank at water well #14 which is located at 1113 W. Kenedy Avenue. It was recently taken out of service because of several leaks. It provides 84,000 gallons of treated water to the residents.



**City of Kingsville
Engineering Dept.**

Base bid is to remove and install a new galvanized bolted tank. Alternate No. 1 is to remove the GST at well 20 as it will not be replaced since the well is out of service. Alternate No. 2 includes a powder coated finish in lieu of a galvanized finish.

The Engineering Department provided Professional Engineering Services. The project is scheduled to be completed in 6 months. The project has a long lead time due to materials and manufacturing. This time of completion was evident from last year's two GST replacements at wells 19 and 23.

The City's water source is 90% ground water and 10% treated water from the South Texas Water Authority. The City has 7 ground water wells in operation wells 14, 19, 21, 22, 23, 24, and 25. The total well capacity is 5,710 gallons per minute. The ground water storage capacity is 3,425,000 gallons. The elevated water storage capacity is 2,000,000.00 gallons.

Financial Impact:

The project will be funded by the City's Utility Fund Capital Project Fund (054-5-6002-72100) in the amount of \$144,190.00.

Recommendation:

Staff recommends:

- 1) award of the bid RFP#21-04 for 2021 Water Well #14 Ground Storage Tank Replacement to Hubert Construction Co. Inc. for the base bid and alternates no. 1 & 2, and
- 2) approve a resolution giving the City Manager the authority to sign the Standard Form Agreement between the City and Donald Hubert Construction Co. Inc.

Attachments:

Bid Tabulation

Resolution

Standard Form of Agreement



BID TABULATION

City of Kingsville
 Project Name: 2021 Water Well #14 Ground Storage Tank Replacement
 Bid Number: 21-04
 Date: February 2, 2021



Donald Hubert Const. Co. Inc. P.O. Box 84 Kingsville, TX 78364						J & K Utility Services LLC 5607 Williamson Road Creedmore, TX 78610		RCV Industrial Machine Shop & Pumps, LLC 209 E. Hwy. 107 (P.O. Box 39) Elgin, TX 78543		Bonco LLC PO Box 186 Driscoll, TX 78351							
ITEM	QTY	UNIT	DESCRIPTION			UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE	UNIT PRICE	TOTAL PRICE						
BASE BID: 2021 Water Well #14 Ground Storage Tank Replacement																	
B-1	1	LS	Remove/Dispose of Existing Ground Storage Tank at Water Well #14			\$15,500.00	\$15,500.00	\$16,232.00	\$16,232.00	\$12,500.00	\$12,500.00						
B-2	1	LS	Install New 84,000 Gallon Bolted GST At Water Well #14 Including all Related Appurtenances			\$118,240.00	\$118,240.00	\$109,415.00	\$109,415.00	\$121,800.00	\$121,800.00						
TOTAL BASE BID						\$133,740.00	\$133,740.00		\$125,647.00	\$134,300.00	\$127,500.00						
ALTERNATE BID NO. 1: 2021 Water Well #14 Ground Storage Tank Replacement																	
A1-1	1	LS	Remove/Dispose of Existing Ground Storage Tank at Water Well #20 and all Related Appurtenances			\$9,450.00	\$9,450.00	\$19,115.00	\$19,115.00	\$12,500.00	\$12,500.00						
TOTAL ALTERNATE BID NO. 1						\$9,450.00	\$9,450.00		\$19,115.00	\$12,500.00	\$13,000.00						
ALTERNATE BID NO. 2: 2021 Water Well #14 Ground Storage Tank Replacement																	
A2-1	1	LS	Powder Coated Finish Steel Tank (In Lieu of Galvanized Finish)			\$1,000.00	\$1,000.00	\$1,847.00	\$1,847.00	\$112,200.00	\$112,200.00						
TOTAL ALTERNATE BID NO. 2						\$1,000.00	\$1,000.00		\$1,847.00	\$112,200.00	\$119,000.00						
TOTAL BASE BID												\$133,740.00	\$125,647.00	\$134,300.00	\$127,500.00		
TOTAL BASE BID + ALTERNATIVE BID NO. 1												\$143,190.00	\$144,762.00	\$146,800.00	\$140,500.00		
TOTAL BASE BID + ALTERNATIVE BID NO. 2												*	\$134,740.00	\$127,494.00	\$246,500.00		
TOTAL BASE BID + ALTERNATIVE BID NO. 1 & 2													\$144,190.00	*	\$146,609.00	\$259,000.00	\$259,500.00

* DENOTES ERROR IN BID

BID RESULTS RANKING - LOWEST TO HIGHEST:

1	2	3	4
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RESOLUTION #2021-_____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A STANDARD FORM OF AGREEMENT BETWEEN THE CITY OF KINGSVILLE AND CONTRACTOR ON THE BASIS OF A STIPULATED PRICE FOR WATER WELL NO. 14 GROUND STORAGE TANK REPLACEMENT PROJECT (RFP #21-04); REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville went out for RFP's for Water Well #14 Ground Storage Tank Replacement Project via RFP#21-04, which was advertised on January 14, 2021 and January 21, 2021;

WHEREAS, bids were received from four contractors by the bid opening on February 2, 2021 and at a City Commission on February 22, 2021, the City Commission made an award to Donald Hubert Construction Co. Inc. (hereafter "Contractor") for the Base Bid and Alternate No. 1 & No. 2 in the amount of \$144,190.00;

WHEREAS, the City included the Contract and a list of all the inclusive contract documents with the bid packet for all bidders to have and know what they would be entering into an agreement for if they were awarded the bid;

WHEREAS, the City Commission has awarded the bid for RFP#21-04, it now hereby authorizes the City Manager to execute the agreement on the City's behalf.

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 Standard Form of Agreement Between the City of Kingsville and Contractor on the Basis of a Stipulated Price for Water Well #14 Ground Storage Tank Replacement Project (RFP#21-04) in accordance with the bid documents from the City and proposal received from the successful Contractor.

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
_____ 22nd day of February, 2021.

Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney

**STANDARD FORM OF AGREEMENT
BETWEEN CITY AND CONTRACTOR
ON THE BASIS OF A STIPULATED PRICE**

THIS AGREEMENT is dated as of the _____ day of _____ in the year _____ by and between the City of Kingsville, 400 W. King Avenue, Kingsville, Texas 78363 (hereinafter called CITY) and Donald Hubert Const. Co. Inc. (hereinafter called CONTRACTOR).

CITY and CONTRACTOR, in consideration of the mutual covenants hereinafter set forth, agree as follows:

Article 1. WORK:

CONTRACTOR shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

“City of Kingsville – BID 21-04 2021 WATER WELL #14 GROUND STORAGE TANK REPLACEMENT”

Article 2. ENGINEER:

The Project has been designed by:



City of Kingsville - Engineering Department
400 W. King Avenue
Kingsville, Texas 78363
(361) 595-8007

Who is hereinafter called ENGINEER and who is to act as CITY'S representative, assume all duties and responsibilities and have the rights and authority assigned to ENGINEER in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents.

Article 3. CONTRACT TIME

- 3.1 The Work will be completed and ready for final payment in accordance with the General Conditions within **180** calendar days from the date when the Contract Time commences to run.
- 3.2 Liquidated Damages. CITY and CONTRACTOR recognize that time is of the essence of this Agreement and that CITY will suffer financial loss if the Work is not completed within the time specified in paragraph 3.1 above, plus any extensions thereof allowed in accordance with the General Conditions.

They also recognize the delays, expense and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by CITY if the Work is not completed on time. Accordingly, instead of requiring any such proof, CITY and CONTRACTOR agree that as liquidated damages for delay (but not as a penalty) CONTRACTOR shall pay CITY two hundred & 00/100 dollars (\$200.00) for each calendar day that expires after the time specified in Article 3.1 of this Agreement for Substantial Completion until the Work is substantially complete. After Substantial Completion if CONTRACTOR shall neglect, refuse or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by CITY, CONTRACTOR shall pay CITY two hundred dollars (\$200.00) for each calendar day that expires after the time specified in Article 3.1 of this Agreement for completion and readiness for final payment.

Article 4. CONTRACT PRICE:

- 4.1 CITY shall pay CONTRACTOR for completion of Work in accordance with the Contract Documents in current funds as follows: Per Contractors Proposal dated February 2, 2021 in the total base bid + total additive alternative No. 1 and No. 2 in the amount of \$144,190.00, as attached and a part of this contract document.

Article 5. PAYMENT PROCEDURES:

CONTRACTOR shall submit Applications for Payment in accordance with the General Conditions. Applications for Payment will be processed by ENGINEER as provided in the General Conditions.

Article 6. INTEREST:

All moneys not paid when due as provided in the General Conditions shall bear interest at the maximum rate allowed by law at the place of the Project.

Article 7. CONTRACTORS REPRESENTATIONS:

In order to induce CITY to enter into this Agreement CONTRACTOR makes the following representations:

- 7.1 CONTRACTOR has familiarized itself with the nature and extent of the Contract Documents, Work, site, locality, and all local conditions and Laws and Regulations that in any manner may affect cost, progress, performance or furnishing of the Work.
- 7.2 CONTRACTOR has obtained and carefully studied (or assumes responsibility for obtaining and carefully studying) all such examinations, investigations, explorations, tests, reports and studies which pertain to the subsurface or physical conditions at or contiguous to the site or otherwise may affect the cost, progress, performance or furnishing of the Work as CONTRACTOR considers necessary for the performance of furnishing of the Work at the Contract Price, within the Contract Time and in accordance with other terms and conditions of the Contract Documents, including specifically the provisions of the General Conditions; and no additional examinations, investigation, explorations, tests reports, studies or similar information or data are or will be required by CONTRACTOR for such purposes.
- 7.3 CONTRACTOR has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing Underground Facilities at or contiguous to the site and assumes responsibility for the accurate location of said Underground Facilities. No additional examinations, investigations, explorations, tests, reports, studies or similar information or data in respect of said Underground Facilities are or will be required by CONTRACTOR in order to perform and furnish the Work at the Contract Price, within the Contract Time, and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of the General and Special Conditions.
- 7.4 CONTRACTOR has correlated the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.
- 7.5 CONTRACTOR has given ENGINEER written notice of all conflicts, errors or discrepancies that he has discovered in the Contract Documents and the written resolution thereof by ENGINEER is acceptable to CONTRACTOR.

Article 8. CONTRACT DOCUMENTS:

The Contract Documents which comprise the entire agreement between CITY and CONTRACTOR concerning the Work consists of the following:

- 8.1 A bound set of executed documents and specifications titled:

**CONTRACT DOCUMENTS
&
TECHNICAL SPECIFICATIONS
FOR
BID- 21-04
2021 WATER WELL #14 GROUND STORAGE TANK
FOR
CITY OF KINGSVILLE, TEXAS**

City Manager

Mark McLaughlin

Mayor

Sam Fugate

Commissioner(s)

Hector Hinojosa

Norma Nelda Alvarez

Edna Lopez

Ann Marie Torres

JANUARY 2021

Prepared by:



Engineering Department
400 W. King Avenue
Kingsville, Texas 78363
(361) 595-8007

together with all of the items or sections listed in the Table of Contents thereof.

- 8.2 A Notice of Award consisting of one page.
- 8.3 A Notice to Proceed with Construction consisting of one page which shall be executed at a later date.

- 8.4 A set of drawings consisting of FIVE (5) sheets titled:

Description

1. COVER SHEET
2. OVERALL SITE PLAN
3. EXISTING SITE PLAN AND DEMOLITION PLAN
4. STORAGE TANK DETAILS I
5. STORAGE TANK DETAILS II

There are no Contract Documents other than those listed above in this Article 8. The Contract Documents may only be amended, modified or supplemented as provided in the General Conditions.

Article 9. MISCELLANEOUS

- 9.1 Terms used in this Agreement which are defined in the General Conditions will have the meanings indicated in the General Conditions.
- 9.2 No assignment by a party hereto of any rights or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.
- 9.3 CITY and CONTRACTOR each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

Article 10. OTHER PROVISIONS

- 10.1 The successful bidder who is awarded this bid will be required to complete and return a Conflict of Interest Disclosure Form and a Form 1295 – Certificate of Interested Parties
- 10.2 This contract gives no rights or benefits to anyone other than the CITY and CONTRACTOR.
- 10.3 CONTRACTOR agrees to abide by all local, state, and federal nondiscrimination and fair wages, and all other laws applicable to this contract.

IN WITNESS WHEREOF, CITY and CONTRACTOR have signed this Agreement in five counterparts. Two counterparts each have been delivered to CITY and CONTRACTOR and one counterpart to ENGINEER. All portions of the Contract Documents have been signed or identified by CITY and CONTRACTOR or by ENGINEER on their behalf.

This Agreement will be effective on _____, 20____

CITY:
City of Kingsville, Texas

CONTRACTOR:

By: _____
Mark McLaughlin, City Manager

By: _____

Attest: _____

Attest: _____

Address for giving notices:

**City of Kingsville
400 W. King Avenue
Kingsville, Texas, 78363**

Address for giving notices:

**Donald Hubert Const. Co. Inc.
P.O. Box 84
Kingsville, Texas, 78363**

BID PROPOSAL

Proposal of DONALD HUBERT CONST CO INC

a * TEXAS CORPORATION (hereinafter called "BIDDER"), organized and existing under the laws of the State of Texas to City of Kingsville, Texas (hereinafter called "OWNER.")

BIDDER hereby proposes to perform all WORK for the construction of the "2021 Water Well #14 Ground Storage Tank Replacement" in accordance with the CONTRACT DOCUMENTS, within the time set forth therein, and at the prices stated below.

By submission of this BID, each BIDDER certifies, and in the case of a joint BID each party thereto certifies as to its own organization, that this BID has been arrived at independently, without consultation, communication, or agreement as to any matter relating to this BID with any other BIDDER or with any competitor.

BIDDER hereby agrees to commence WORK under this contract on or before a date to be specified in the NOTICE TO PROCEED and to fully complete the PROJECT within 180 consecutive calendar days thereafter. BIDDER further agrees to pay as liquidated damages, the sum of \$ 200.00 for each consecutive calendar day thereafter as provided in the General Conditions.

BIDDER acknowledges receipt of the following ADDENDUM:

ADDENDA #1 DATED 1-22-21

ADDENDA #2 DATED 1-27-21

*Insert "a corporation", "a partnership", or "an Individual" as applicable.

BIDDER agrees to perform all the work described in the CONTRACT DOCUMENTS for the following amount:

BID SCHEDULE

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
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BASE BID – 2021 WATER WELL #14 GROUND STORAGE TANK REPLACEMENT

B-1)	1	LS	REMOVE/DISPOSE OF EXISTING GROUND STORAGE TANK AT WATER WELL #14 per plans and specifications, complete in place.		<u>15,540.⁰⁰</u>
B-2)	1	LS	INSTALL NEW 84,000 GALLON BOLTED GROUND STORAGE TANK AT WATER WELL #14 INCLUDING TESTING, DISINFECTING, CLEAN UP AND ALL RELATED APPURTENANCES per plans and specifications, complete in place.		<u>118,240.⁰⁰</u>

TOTAL BASE BID – (ITEMS B-1 – B-2) \$ 133,740.⁰⁰

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
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ALTERNATE BID NO. 1 – 2021 WATER WELL #14 GROUND STORAGE TANK REPLACEMENT

A1-1)	1	LS	REMOVE/DISPOSE OF EXISTING GROUND STORAGE TANK AT WATER WELL #20 AND ALL RELATED APPURTENANCES per plans and specifications, complete in place.		<u>9450.⁰⁰</u>
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TOTAL ALTERNATE BID – (ITEM A1-1) \$ 9450.⁰⁰

ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
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ALTERNATE BID NO. 2 – 2021 WATER WELL #14 GROUND STORAGE TANK REPLACEMENT

A2-1)	1	LS	POWDER COATED FINISH STEEL TANK (IN LIEU OF GALV. FINISH) per plans and specifications, complete in place.	<u>ADD</u>	<u>+ 1,000.⁰⁰ To B2</u>
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TOTAL ALTERNATE BID NO. 2 – (ITEM A2-1) \$ 119,240.⁰⁰

TOTAL BASE BID + ALTERNATE BID NO. 1 \$ 143,190.⁰⁰

TOTAL BASE BID + ALTERNATE BID NO. 2 \$ 134,190

TOTAL BASE BID + ALTERNATE BID NO. 1 & 2 \$ 144,190.⁰⁰

Respectfully submitted:

Donald Ed. Vincent
Signature

PRESIDENT
Title

License number (if applicable)

PO Box 84 Kingsville TX
Address

2-2-21
Date

Date

AGENDA ITEM #8

**City of Kingsville
Purchasing Department**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Charlie Sosa, Purchasing Manager

DATE: February 10, 2021

SUBJECT: Enter into a Purchasing Cooperative with Tarrant County

Summary:

This item authorizes the City to enter into a resolution with Tarrant County Cooperative Purchasing Program.

Background:

The City's Purchasing Department will utilize the purchasing cooperative to take advantage of goods and services bid through the Tarrant County Cooperative Purchasing Program. Texas Government Code Chapter 791, allows "local governments" like the City to enter into agreements like this one to take advantage of those purchasing contracts for the benefit of their city.

Financial Impact:

None

Recommendation:

It is recommended the City enter into a resolution with Tarrant County for the Tarrant County Cooperative Purchasing Program.



RESOLUTION NO. 2021-_____

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF KINGSVILLE, TEXAS AND TARRANT COUNTY FOR THE TARRANT COUNTY COOPERATIVE PURCHASING PROGRAM; REPEALING ALL CONFLICTING RESOLUTIONS AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Kingsville ("City") has previously benefited from cooperative purchasing agreements with other governmental bodies to work for the benefit of our citizenry when able to do so; and

WHEREAS, state laws, Texas Government Code Chapter 791, allows "local governments" like the City to enter into agreements like this one to take advantage of those purchasing contracts for the benefit of their city; and

WHEREAS, the City has previously entered into cooperative purchasing agreements with other entities and found them to be useful; and

WHEREAS, the City, pursuant to the authority granted by the applicant's state purchasing requirements, desires to participate in the Tarrant County Cooperative Purchasing Program; and

WHEREAS, the Tarrant County Cooperative Purchasing Program is a cooperative purchasing program offered by Tarrant County, Texas; and

WHEREAS, participation, through membership and utilization of competitively bid and awarded vendor contracts in a cooperative purchasing program specializing in the management of high quality cooperative procurement solutions will be beneficial to the taxpayers through the anticipated savings to be realized by the City; and

WHEREAS, it is mutually deemed sound, desirable, practicable, and beneficial for the parties to this agreement to render assistance to one another whenever practical in accordance with the terms of 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 an Interlocal Agreement between the City of Kingsville and Tarrant County for the Tarrant County Cooperative Purchasing Program for all

allowable purchases when in the best interest of the City to do so 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 22nd day of February, 2021.

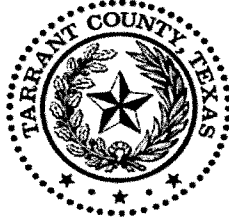
Sam R. Fugate, Mayor

ATTEST:

Mary Valenzuela, City Secretary

APPROVED AS TO FORM:

Courtney Alvarez, City Attorney



TARRANT COUNTY COOPERATIVE PURCHASING PROGRAM

ENTITY INFORMATION SHEET

If your entity is currently participating or plans to participate in Tarrant County's Cooperative Purchasing Program, please complete this Entity Information Sheet and return to Jennice Anderson, Tarrant County Cooperative Purchasing Administrator. **(Address and additional information below regarding the Interlocal Agreement Form)**. Please contact Ms. Anderson at (817) 884-1414 if you have any questions.

Name of Entity: City of Kingsville

Point of Contact: Charlie Sosa

Title: Purchasing Manger

Phone Number: 361-595-8025

Fax Number: 361-595-8035

Internet Address: cityofkingsville.com

E-Mail Address: csosa@cityofkingsville.com

Additional Contacts: _____

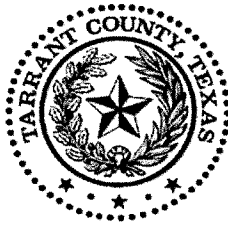
Complete Mailing Address: Charlie Sosa Purchasing Manager

400 West King Ave.

Kingsville, Texas 78363

Information as of this Date: 02-22-2021

NOTE: To complete the Interlocal Agreement, please sign and return **FOUR (4) DUPLICATE ORIGINAL AGREEMENTS, EACH CONTAINING AN ORIGINAL SIGNATURE**, to the attention of Jennice Anderson, Cooperative Purchasing Administrator, Tarrant County Purchasing Department, 100 E. Weatherford Street, Suite 303, Fort Worth, Texas 76196.



INTERLOCAL AGREEMENT

BETWEEN COUNTY OF TARRANT AND CITY OF KINGSVILLE

This Agreement is made this 22 day of February, 2021 between the County of Tarrant, Texas and CITY OF KINGSVILLE.

Pursuant to the authority granted by the "Texas Interlocal Cooperation Act," Chapter 791 Texas Government Code providing for the cooperation between local governmental bodies, the parties hereto, in consideration of the premises and mutual promises contained herein, agree as follows:

WHEREAS, the contract is made under the authority of Sections 791.001-791.029 of the Texas Government Code; and,

WHEREAS, the parties, in performing governmental functions or in paying for the performance of governmental functions hereunder shall make that performance or those payments from current revenues legally available to that party;

WHEREAS, the governing bodies of each party find that the subject of this contract is necessary for the benefit of the public and that each party has the legal authority to perform and to provide the governmental function or service which is the subject matter of this contract; furthermore, the governing bodies find that the performance of this contract is in the common interest of both parties; and that the division of cost fairly compensates the performing party for the services under this contract.

I.

CITY OF KINGSVILLE, hereby makes, constitutes and appoints Tarrant County its true and lawful purchasing agent for the purchase of various commodities using Annual Contracts (Bids). Tarrant County will maintain a listing of Annual Contracts which are available for local entities use. Tarrant County will forward a copy of requested Annual Contract to the requesting entity. CITY OF KINGSVILLE agrees that Tarrant County shall serve as the purchasing agent for selected items, and agrees that the bidding shall be conducted by Tarrant County according to its usual bidding procedures and in accordance with applicable State statutes.

II.

CITY OF KINGSVILLE
_____ agrees that all specifications for selected items shall be determined by Tarrant County.

III.

CITY OF KINGSVILLE
_____ agrees to pay the supplier for all goods, equipment and products pursuant to this Agreement. The successful bidder or bidders shall bill CITY OF KINGSVILLE
_____ directly for all items purchased, and CITY OF KINGSVILLE
_____ shall be responsible for vendor's compliance with all conditions of delivery and quality of the purchased items.

IV.

Charlie Sosa
_____ (name), Purchasing Manager
_____ (title) is hereby designated as the official representative to act for CITY OF KINGSVILLE
_____ in all matters relating to this Agreement.

V.

This Agreement shall take effect upon execution by both signatories.

VI.

This Agreement shall be in effect from the date of execution until terminated by either party to the Agreement upon written thirty (30) days' notice prior to cancellation.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized officers the day and year first above written.

TARRANT COUNTY

BY: _____

TITLE: _____

DATE: _____

(Entity) CITY OF KINGSVILLE

BY: _____

TITLE: Sam Fugate Mayor

DATE: 02/22/19

AGENDA ITEM #9

**City of Kingsville
Purchasing Department**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Charlie Sosa, Purchasing Manager

DATE: February 10, 2021, 2021

SUBJECT: Dick Kleberg Park Baseball Field Fencing Installation (RFP#21-05)

Summary:

This item authorizes the award of RFP#21-05 and for the City Manager to execute a contract with to S&J Fence Company for the installation of DKP Baseball Field Fencing Installation (RFP#21-05) for baseball fields #4 and #6, funded by Texas Parks & Wildlife Grant.

Background:

The City published a Request for Proposal #21-05 in the newspaper on January 28, 2021 and February 4, 2021. Request for Proposal were accepted until 2:00 PM on February 16, 2021 and one responsive proposal was received. The proposal received was from S&J Fence Company. Staff reviewed RFP#21-05 and made a recommendation to select S&J Fence Company which was the only bidder and best value to the City. Purchasing has called references on the recommended contractor.

Financial Impact:

The total amount of \$82,601.00 will be funded through the Texas Parks and Wildlife Grant city fund #094-4503.

Recommendation:

It is recommended the City: 1) award RFP #21-05 to S&J Fence Company, 1825 North Padre Island Drive, Corpus Christi, Texas for the DKP Baseball Field Fencing Installation (RFP#21-05) in the amount of \$82,601.00, and 2) authorize the City Manager to execute an agreement with the contractor upon City Attorney review and approval.



S & J FENCE CO.

361-885-0503
www.sjfenceco.com

1825 North Padre Island Drive
Corpus Christi, TX 78408

BID PROPOSAL - RFP 21-05 DICK KLEBERG BASEBALL FIELD FENCING INSTALLATION, FIELD #4

City of Kingsville
Attn: Charlie Sosa
400 West King
Kingsville, TX 78363
361-595-8007

ORIGINAL

February 12, 2021
Estimator: Chad Turner
Contact: 361-885-0503

Description: Install 505 l.f. of 6' tall chain link fence, to include and (1) set of 16' wide double swing gates (2-8' wide swing gate leafs for a 16' opening). Install 160 l.f. of 8' tall chain link fence at dugouts, to include privacy slats on (3) sides, and (2) 3' wide single swing gates. All gate leafs to be equipped with (2) 90-degree hinges, and padlockable fork latches. Install 100 l.f. of 16' tall, 5-rail, chain link fence at backstop, no gates or canopy included. Cost for Payment Bond is included. Addenda 1 included in this bid.

Exclusions: Coring of concrete, any posts to be set into concrete flatwork to be installed prior to pouring concrete. Removal of any existing fences, and clearing/grading of fence lines by others. Any concrete work, with the exception of fence post footings, by others. Any netting systems, safety topcap, or padding, furnished and installed by others. No privacy slats or windscreen, included, with the exception of privacy slats at dugouts. All dugout components, with the exception of fencing, by others. Client to provide field layout prior to start of new fence installation.

Materials furnished by S&J:

\$ 18,092.25

- 2 3/8" OD galvanized terminal and single swing gate posts - Sch 40
- 4" OD galvanized Sch 40 double gate and backstop terminal posts - Sch 40
- 1 5/8" OD galvanized line posts - Sch 40
- 1 5/8" OD galvanized rail - Sch 40
- 9 ga. Galvanized chain link fabric, 2" mesh, 1.2 oz. zinc/ft.
- 6 ga. Galv. chain link fabric, 2" mesh, 1.2 oz. zinc/ft. (backstop bttm row only)
- 7 gauge galvanized bottom tension wire
- (1) set of 16' wide double swing gates, 1 5/8" OD Sch 40 frame
- (2) 3' wide single swing gates, 1 5/8" OD Sch 40 frame
- 96" bottom-lock privacy slats
- All necessary concrete

Labor furnished by S&J:

\$ 20,355.00

Applicable sales tax @ 8.25% (materials only):

\$ -

TOTAL CHARGES:

\$ 38,447.25

Terms: Hardcopy PO & approved submittals to order materials & schedule; invoiced at completion (net 30).

This price includes a discount for payment by cash or check; add 2% if paying by credit/debit card.

To accept this bid, please sign below and email to cturner@sjfenceco.com or fax toll-free to 1-888-449-7636.

Signed - Owner or Agent

Date

I have read and agree to S&J Fence Co. Terms and Conditions.
Initial (www.sjfenceco.com/termsandconditions)

Initial

C Turner

Signed - S&J Fence Co.

2/12/21

Date

Employer Tax I.D. #27-0587418

S & J FENCE CO.

361-885-0503
www.sjfenceco.com

1825 North Padre Island Drive
Corpus Christi, TX 78408

BID PROPOSAL - RFP 21-05 DICK KLEBERG BASEBALL FIELD FENCING INSTALLATION, FIELD #6

City of Kingsville
Attn: Susan Ivy
400 West King
Kingsville, TX 78363
361-595-8007

ORIGINAL

February 12, 2021
Estimator: Chad Turner
Contact: 361-885-0503

Description: Install 622 l.f. of 6' tall chain link fence, to include and (1) set of 16' wide double swing gates (2-8' wide swing gate leafs for a 16' opening). Install 160 l.f. of 8' tall chain link fence at dugouts, to include privacy slats on (3) sides, and (2) 3' wide single swing gates. All gate leafs to be equipped with (2) 90-degree hinges, and padlockable fork latches. Install 100 l.f. of 16' tall, 5-rail, chain link fence at backstop, no gates or canopy included. Cost for Payment Bond is included. Addenda 1 included in this bid.

Exclusions: Coring of concrete, any posts to be set into concrete flatwork to be installed prior to pouring concrete. Removal of any existing fences, and clearing/grading of fence lines by others. Any concrete work, with the exception of fence post footings, by others. Any netting systems, safety topcap, or padding, furnished and installed by others. No privacy slats or windscreen, included, with the exception of privacy slats at dugouts. All dugout components, with the exception of fencing, by others. Client to provide field layout prior to start of new fence installation.

Materials furnished by S&J:

\$ 18,944.75

- 2 3/8" OD galvanized terminal and single swing gate posts - Sch 40
- 4" OD galvanized Sch 40 double gate and backstop terminal posts - Sch 40
- 1 5/8" OD galvanized line posts - Sch 40
- 1 5/8" OD galvanized rail - Sch 40
- 9 ga. Galvanized chain link fabric, 2" mesh, 1.2 oz. zinc/ft.
- 6 ga. Galv. chain link fabric, 2" mesh, 1.2 oz. zinc/ft. (backstop bttm row only)
- 7 gauge galvanized bottom tension wire
- (1) set of 16' wide double swing gates, 1 5/8" OD Sch 40 frame
- (2) 3' wide single swing gates, 1 5/8" OD Sch 40 frame
- 96" bottom-lock privacy slats
- All necessary concrete

Labor furnished by S&J:

\$ 21,716.25

Applicable sales tax @ 8.25% (materials only):

\$ -

TOTAL CHARGES:

\$ 40,661.00

Terms: Hardcopy PO & approved submittals to order materials & schedule; invoiced at completion (net 30).

This price includes a discount for payment by cash or check; add 2% if paying by credit/debit card.

To accept this bid, please sign below and email to cturner@sjfenceco.com or fax toll-free to 1-888-449-7636.

Signed - Owner or Agent

Date

I have read and agree to S&J Fence Co. Terms and Conditions.
Initial (www.sjfenceco.com/termsandconditions)

Signed - S&J Fence Co.

Date

Employer Tax I.D. #27-0587418

S&J FENCE CO.

361-885-0503

www.sjfenceco.com

STATEMENT OF QUALIFICATIONS

CITY OF KINGSVILLE – RFP 21-05 DICK KLEBERG PARK BASEBALL FIELD FENCE INSTALLATION

Founded in 1986, S&J Fence Co has 35 years of experience in commercial fence installation & design, serving the needs of government, education, commercial, and industrial clients in the Coastal Bend and surrounding areas.

Past clients include Nueces County, Nueces County Inland Parks, San Patricio County, Aransas County, City of Corpus Christi, City of Kingsville, City of Rockport, City of Aransas Pass, City of Ingleside, Texas Parks & Wildlife and the Texas General Land Office.

SIMILAR PROJECTS & REFERENCES:

CCISD - Cabiniss Sports Complex (completed 2020)

Fulton Construction

361-993-5200

Approximate Value - \$200k

City of Aransas Pass – Baseball Field Fencing Project (completed 2017)

City of Aransas Pass

361-758-5301

Approximate Value - \$190k

CCISD – Various Campus and Sports Field Fence Projects (2015 to Present)

Corpus Christi ISD

361-695-7200

Approximate Value – Range from \$10k to \$100k+

Nueces County Inland Parks – Hazel Bazemore Fencing (completed 2019)

Nueces County Inland Parks

361-414-6565

Approximate Value - \$50k

City of Kingsville – Dick Kleberg Dog Park

City of Kingsville

361-695-8025

Approximate Value - \$32k

PROJECT SCHEDULE:

Installation of fencing for baseball fields would commence approximately 2-3 weeks from the receipt of a PO and Notice to Proceed. Approximate duration of installation of all fencing is 20 working days. Work schedule most likely M-F.

AGENDA ITEM #10

**City of Kingsville
Engineering Dept.**

TO: Mayor and City Commissioners

CC: Mark McLaughlin, City Manager

FROM: Rutilio P. Mora Jr, P.E., City Engineer

DATE: February 22, 2021

SUBJECT: Consider approving the Proposed City Hall Monument Sign

Summary:

The City was provided a monument sign to consider for approval. The sign's foundation will be embedded into the ground approximately 5 feet deep and 10 feet long. The sign is approximately 8 feet long by 5.5 feet tall. The sign will be located on the northside of King Avenue between 2nd and 3rd Streets. it will set back away from the TxDOT R.O.W. to allow drivers an unobstructed line of site when ^{existing} exiting City Hall. The sign meets the requirements of the City Ordinance. Sign will be made of steel. The finish is undermined. A majority of the sign will be open and wind loads are not a concern.

Background:

Financial Impact:

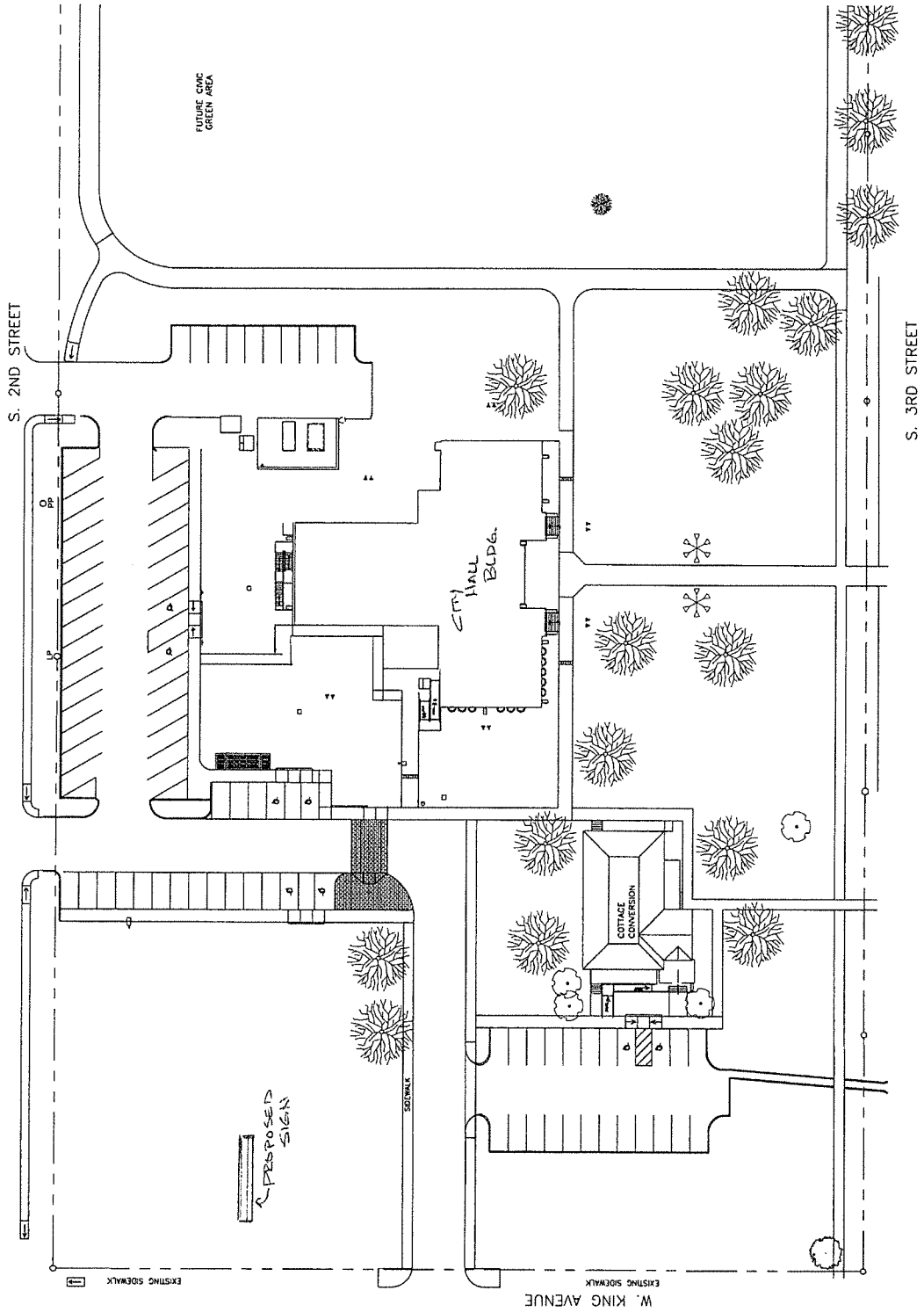
Recommendation:

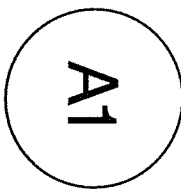
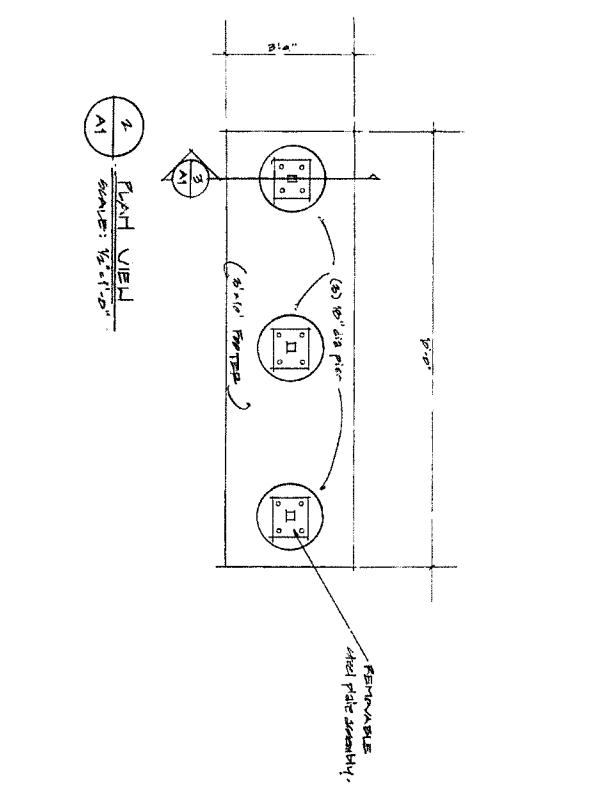
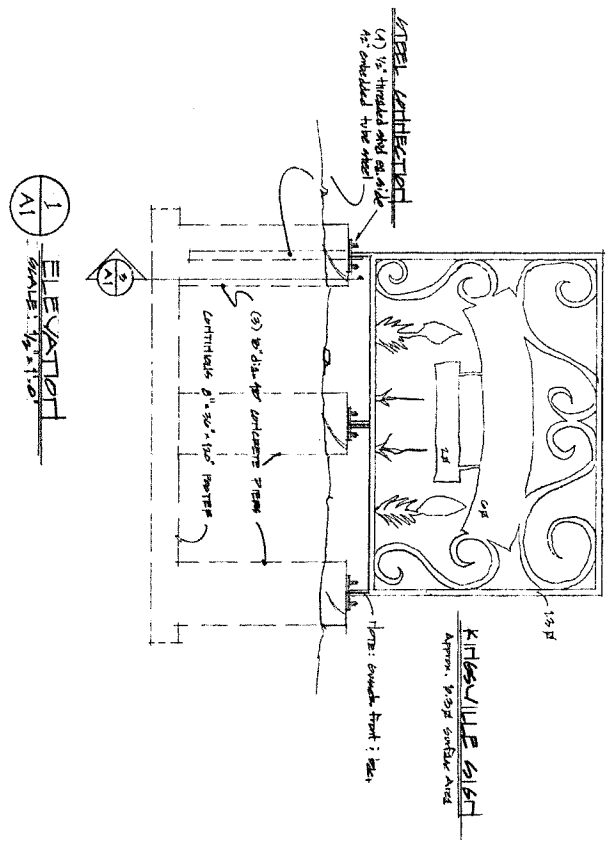
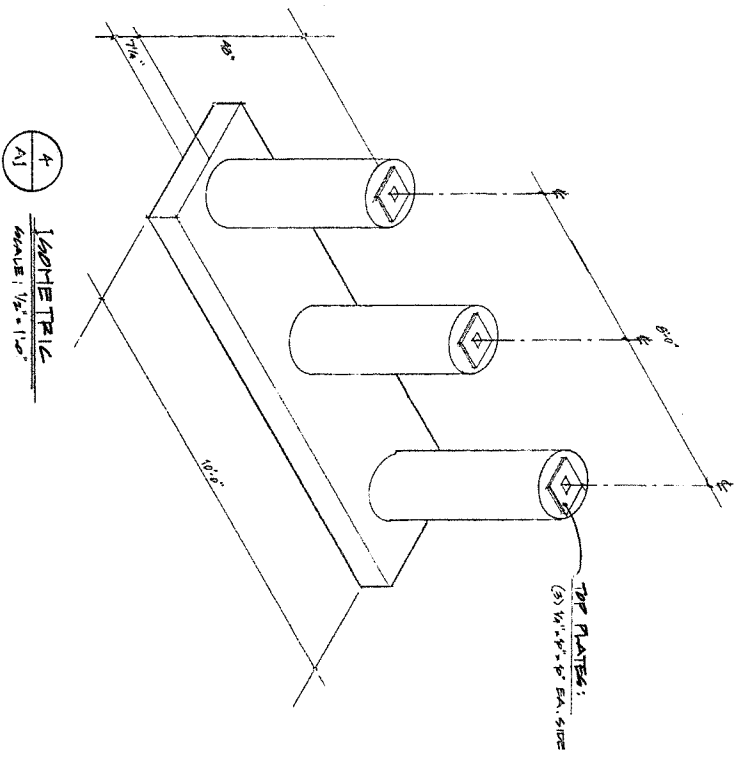
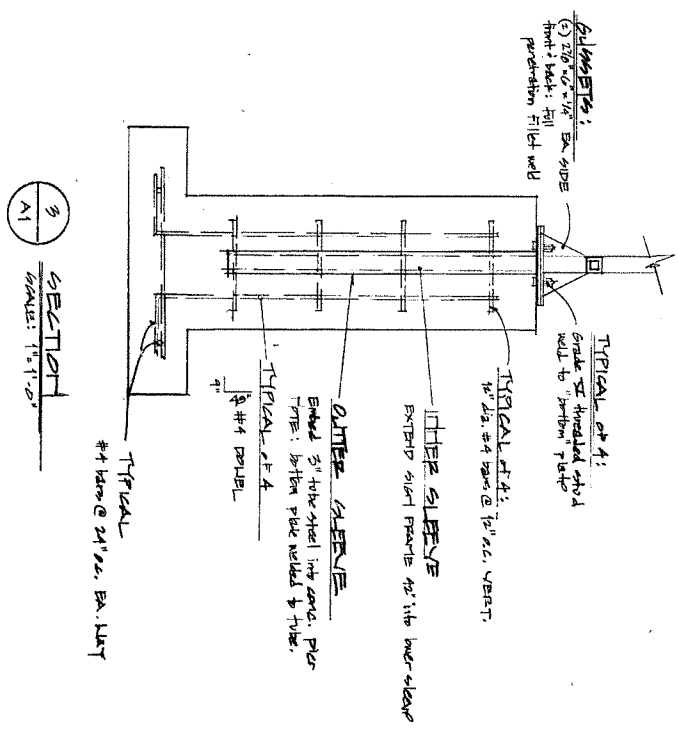
Staff recommends:

Attachments:

City Hall Sign foundation and details
City Hall Sign – Sketch
Site Plan – Proposed Sign Location



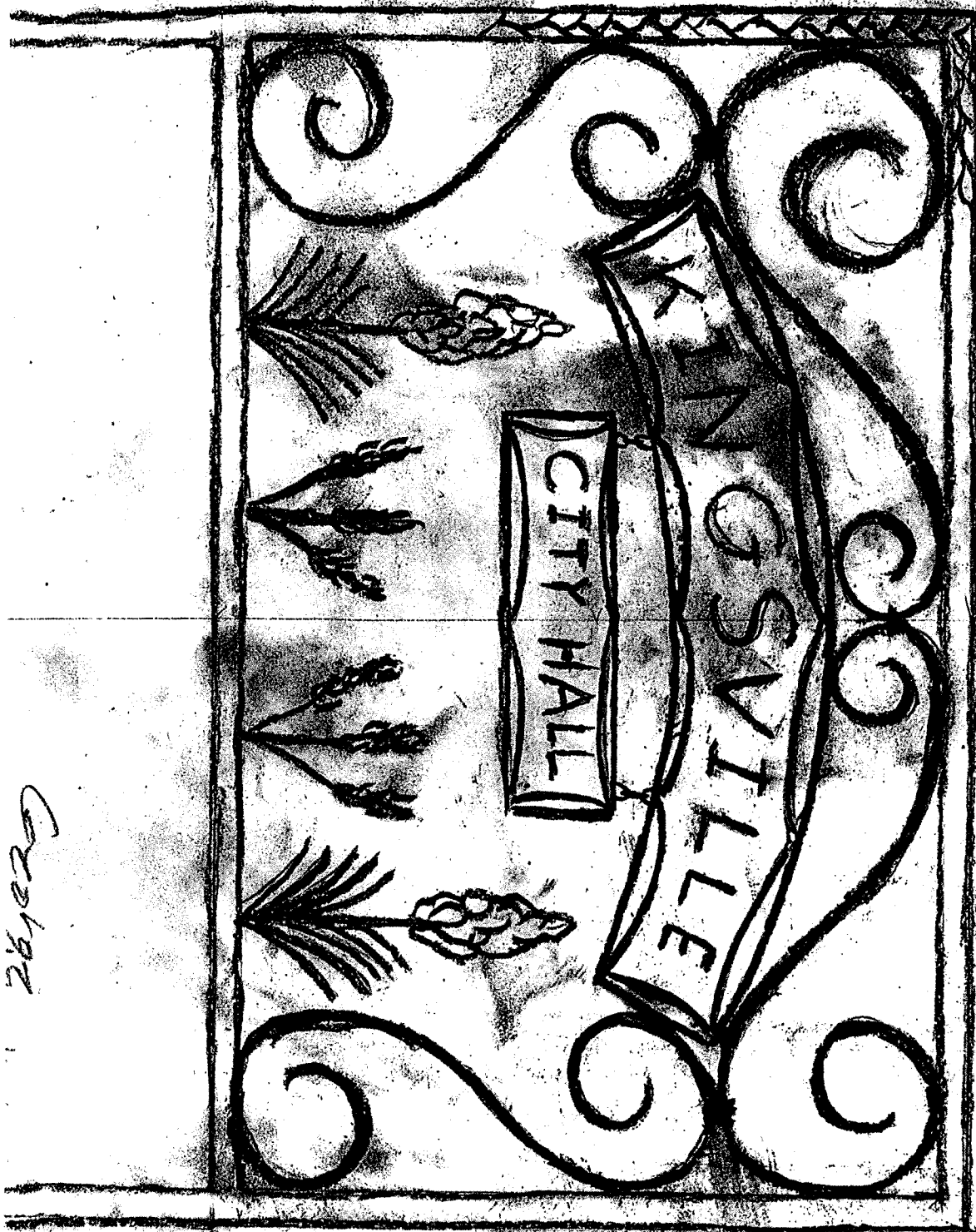




Kingsville Ranch Sign
West Kingsville Avenue
Kingsville, Texas 78364

Date: Oct. 5, 2020

Clay Wadman
Diamond Productions, Inc.
PO Box 895, Telluride, CO 81435
970-519-1012



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5 1/2

26420