

CITY COUNCIL AGENDA

A Special Meeting of the City Council of the City of Pearsall, Texas will be held on Monday, April 6, 2020, at 6:00 PM at the Pearsall City Hall, 215 S. Ash Street, Pearsall,

Please click the link below to join the webinar:

<https://zoom.us/j/898454986>

Or iPhone one-tap :

US: +13462487799,,898454986# or +16699009128,,898454986#

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 669 900 9128 or +1 312 626 6799 or +1 646 558 8656 or +1 253 215 8782 or +1 301 715 8592

Webinar ID: 898 454 986

International numbers available: <https://zoom.us/u/abgk1kBIYY>

COUNCIL MEMBERS

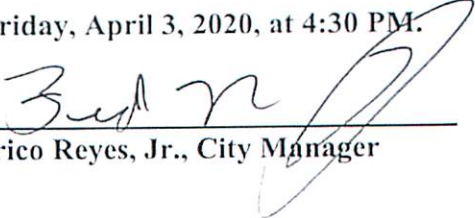
Mary Moore, Mayor
Julian Hernandez, Mayor Pro Tem
Richard Gandara, Council Member
Sonia Hernandez, Council Member
Brenda Treviño, Council Member
Abel Nieto, Council Member
Roland Segovia, Council Member
Davina Rodriguez, Council Member

1. Call To Order
2. Roll Call and Announcement of a Quorum
3. Invocation and Pledge of Allegiance
4. Presentation
 - A. Discuss budget to actual revenue and expenditure projection.
5. New Business
 - A. Discuss and Consider City streets to be paved and/or directing the City Manager to advertise for bids. - **Action Item**
 - B. Discuss and Consider freezing or suspending the collection of Hotel Occupancy Taxes and/or directing the City Manager to draft an ordinance to that effect. - **Action Item**

- C. Discuss and Consider rescinding or eliminating the monthly utility bill \$6.50 surcharge and/or directing the City Manager to draft an ordinance to that effect. - **Action Item**
 - D. Discuss and Consider naming the new City Hall Annex Building and/or directing the City Manager to draft a resolution to that effect. - **Action Item**
 - E. Discuss and Consider an extension of Declaration of Public Health Emergency #3, issued by Mayor Mary Moore on March 31, 2020. - **Action Item**
 - F. Discuss and Consider Resolution No. 2020-04-01 Appointing a qualified individual to serve the unexpired term of Place One (1) for the City of Pearall City Council in accordance with Section 3.09 of Pearsall Home Rule Charter. - **Action Item**
6. Executive Session - In Accordance with Texas Government Code Chapter 551, Subchapter D:551.071; 551.074
- The City Council of the City of Pearsall may at any time during the meeting close the meeting and hold an executive session pursuant to the Texas Open Meetings Act codified as Chapter 551, Texas Government Code which permits closed meetings pursuant to Section 551.071 for purpose of consulting with its attorneys; Section 551.072, deliberating about real property; Section 551.073, deliberating about gifts, and donations; Section 551.074, deliberating about personnel matters; Section 551.076, deliberating about security devices; Section 551.084, regarding exclusion of witness from witness in connection with an investigation; Section 551.086 deliberating, voting, and taking action as a power utility on a competitive matter; Section 551.087 deliberating about economic development negotiations; and Section 551.088, deliberating about test items to discuss and/or deliberate any of the posted matters to be considered during the open meeting. If it does go into Executive Session, the City Council may deliberate in executive session, then reconvene in open session, vote on the matter in open session, and announce it for the City Council minutes.
- A. Discussion regarding the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the Municipal Court Judge.
 - B. Discuss renegotiating the contract for solid waste and collection and disposal service with Republic Services.
7. Open Session
- A. Discuss and consider the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of the Municipal Court Judge. - **Action Item**
 - B. Discuss and Consider renegotiating the contract for solid waste and collection and disposal service with Republic Services and directing the City Manager to move forward as discussed. - **Action Item**
8. City Council Inquiries For Staff And/Or Items For Future Agendas – NO DISCUSSION OR ACTION ON ANY OF THESE ITEMS AT THIS TIME
9. General Announcements
10. Adjournment

Posted for Public Inspection on this Friday, April 3, 2020, at 4:30 PM.

By:


 Federico Reyes, Jr., City Manager

I certify that the above notice of meeting was posted on the bulletin board of the Pearsall City Hall, 215 S. Ash Street, Pearsall, Texas, on Friday, April 3, 2020, at 4:30 PM..

By: 
Krystal Garcia, City Clerk

This meeting location is wheelchair-accessible. Parking for mobility-impaired persons is available. Any request for sign interpretive services must be made forty-eight hours in advance of the meeting. To make arrangements, call the City Clerk at (830) 334-3676.

City of Pearsal
Revenue Expenditure
Projection
March 2020

FUND	OBJECT	DESCRIPTION	BUDGET	%	March 2020 YTD Actual	BUDGET BALANCE	%	Projected Actual September 2020	Projected Over/Under
<u>Revenues</u>									
<u>Taxes</u>									
01	4001	AD VALOREM TAXES-CURRENT	\$ 1,589,538	31%	\$ 1,462,546	\$ 126,992	92%	\$ 1,541,852	\$ 47,686
01	4002	DELINQUENT TAXES	50,000	1%	38,547	11,453	77%	49,000	1,000
01	4003	PENALTY, INTEREST & COSTS	35,000	1%	14,571	20,429	42%	34,300	700
01	4004	FCAD PRO-RATE OVER/SHT	5,000	0.10%	-	5,000	0%	5,000	-
01	4005	PILOT AGREEMENT STEC	486,116	10%	-	486,116	0%	486,116	-
01	4010	CITY SALES TAX	2,350,000	46%	775,941	1,574,059	33%	1,838,980	511,020
01	4011	MIXED BEVERAGE TAX	7,000	0.14%	2,463	4,537	35%	4,900	2,100
Total Taxes			\$ 4,522,654		\$ 2,294,068	\$ 2,228,586	51%	\$ 3,960,148	\$ 562,506
<u>Franchise Fees</u>									
01	4101	TIME WARNER CABLE FRANCHISE	\$ 30,000		\$ 45,719	\$ (15,719)	152%	79,903	(49,903)
01	4102	AEP (CPL) FRANCHISE FEE	160,000		87,890	72,110	55%	87,890	72,110
01	4103	SBC FRANCHISE	15,000		14,644	356	98%	36,735	(21,735)
01	4104	MEDINA ELECTRIC FRANCHISE	65,000		30,675	34,325	47%	58,233	6,767
01	4106	ACI FRANCHISE	5,000		2,802	2,198	56%	10,208	(5,208)
Total Franchise Fees			275,000		181,730	93,270	66%	272,969	2,031
Licenses & Permits			\$ 32,500		\$ 9,565	\$ 22,935	29%	19,130	13,370
Fines and Forfeitures			\$ 187,000		\$ 47,998	\$ 139,002	26%	95,997	91,003
Rentals			\$ 7,000		\$ -	\$ 7,000	0%	-	7,000
Interest Income			\$ 6,000		\$ 3,255	\$ 2,745	54%	6,510	(510)
Miscellaneous			\$ 48,250.0		\$ 27,329.9	\$ 20,920.1	57%	43,425	4,825
Total other Revenues			\$ 280,750.0		\$ 88,148.3	\$ 192,601.7		\$ 165,061.9	\$ 115,688.1
Total Insurance Proceeds - ANNEX			\$ 1,102,000		\$ 1,011,202	\$ 90,798	92%	1,102,000	-
Total Revenues			\$ 6,180,404		\$ 3,575,149	\$ 2,605,255	58%	5,500,179	680,225

* Projected under collection

Expenditures

	DESCRIPTION	BUDGET	%	March 2020 YTD	BUDGET BALANCE	%	Projected Actual September 2020	Projected Over/Under
Total Personnel		\$ 3,471,321	56%	1,484,757	1,986,564	43%	3,269,514	201,807
Total Supplies		260,075	4%	113,392	146,683	44%	266,784	(6,709)
Total Services		788,567	13%	492,273	296,294	62%	984,546	(195,979)
Total Maintenance		428,217	7%	66,569	361,648	16%	133,138	295,079
Total Other Capital		130,224	2%	67,458	62,767	52%	134,915	(4,691)
Total Annex Building		1,102,000	18%	969,159	132,841	88%	1,102,000	-
Total Expenses		\$ 6,180,404		3,193,608	2,986,797	52%	5,890,897	289,507

** Projected savings

(390,718) ***Projected deficit

City of Pearsal
Revenue Expenditure
Projection -Utility Fund
March 2020

FUND	OBJECT	DESCRIPTION	BUDGET	%	March 2020 YTD Actual	BUDGET BALANCE	%	Projected Actual September 2020	Projected Over/Under
Revenue									
		Water Sales	\$ 2,002,000	41%	\$ 1,012,215	\$ 989,785	51%	\$ 1,923,205	\$ 78,795
		Sewer Sales	682,400	14%	350,576	331,824	51%	619,028	63,372
		Natural Gas Sales	657,300	14%	303,510	353,790	46%	576,669	80,631
		Gargbage Sales	1,518,000	31%	854,163	663,837	56%	1,622,907	(104,907)
		Total Revenue	\$ 4,859,700		\$ 2,520,464	\$ 2,339,236	52%	\$ 4,741,809	\$ 117,891 *Projected Revenue Shortfall
Expenditures									
		Personnel	\$ 1,273,720	26%	\$ 546,180	\$ 727,540	43%	\$ 1,101,463	\$ 172,257
		Supplies	195,910	4%	72,961	122,949	37%	160,513	35,397
		Services	2,323,470	48%	1,338,782	984,688	58%	2,725,034	(401,564)
		Maintenance	414,300	9%	244,694	169,606	59%	513,857	(99,557)
		Capital	32,000	0.7%	59,172	(27,172)	185%	59,172	(27,172)
		Debt Service	483,235	10%	363,085	120,150	75%	483,235	-
		Transfers	13,365	0.28%	-	13,365	0%	13,365	-
		Capital Projects	123,688	3%	47,783	75,905	39%	123,688	-
		Total Expenditures	\$ 4,859,688		\$ 2,672,656	\$ 2,187,032	55%	\$ 5,180,327	**Projected over budget
									438,530 ***Projected Deficit

RE: List of proposed streets

From: krystal.garcia@cityofpearsall.org <krystal.garcia@cityofpearsall.org>

Sent: Fri, Apr 3, 2020 at 12:03 pm

To: Krystal Garcia

From: "Robert Viera" <rviera@lnvinc.com>

Sent: Wednesday, February 26, 2020 5:50pm

To: "Fred Reyes" <freyes@cityofpearsall.org>

Cc: "krystal.garcia@cityofpearsall.org" <krystal.garcia@cityofpearsall.org>

Subject: RE: List of proposed streets

Fred,

See attached estimate. The list below is shown in red. The other streets are from a wish list per area.

Keep in mind this estimate does not include the cost of replacing utilities. It is always a good practice to address underground utilities prior to street maintenance/rehabilitation.

Please advise as far as which streets the City would want to address with the \$300,000.

This would assist me in preparing the Task Order.

Respectfully,

Robert M Viera, PE, RPLS

Senior Vice President

LNv

engineers | architects | surveyors

801 Navigation Blvd, Suite 300
Corpus Christi, Texas 78408
P 361-883-1984 F 361-883-1986
www.LNVINC.com

OPINION OF PROBABLE CONSTRUCTION COST

Project: 2020 Street Maintenance Projects
Client: City of Pearsall

Date: 01/09/2020
Prepared By: Hector Castaneda, Jr.

Item	Description	Quantity	Unit	Unit Price	Total Price
<u>City Street Maintenance - Pearsall Southeast</u>					
1	S. Pecan Street One Course Surface Treatment (Haynes to Tilden)	19,600	SY	\$5.00	\$98,000.00
2	E. Haynes Street Two Course Surface Treatment (Oak to Pecan)	4,000	SY	\$8.00	\$32,000.00
3	E. Haynes Street Cement Stabilize Exist Base (Oak to Pecan)	4,000	SY	\$8.00	\$32,000.00
4	E. Carter Street Two Course Surface Treatment (Oak to Pecan)	7,000	SY	\$8.00	\$56,000.00
5	E. Carter Street Cement Stabilize Exist Base (Oak to Pecan)	7,000	SY	\$8.00	\$56,000.00
6	E. Gross Street One Course Surface Treatment (Oak to Pecan)	7,000	SY	\$5.00	\$35,000.00
7	S. Walnut Street Two Course Surface Treatment (Gross to Carter)	4,333	SY	\$8.00	\$34,666.67
8	S. Walnut Street Cement Stabilize Exist Base (Gross to Carter)	4,333	SY	\$8.00	\$34,666.67
9	S. Ash Street Two Course Surface Treatment (Gross to Carter)	4,333	SY	\$8.00	\$34,666.67
10	S. Ash Street Cement Stabilize Exist Base (Gross to Carter)	4,333	SY	\$8.00	\$34,666.67
City Street Maintenance - Pearsall Southeast Subtotal					\$447,666.67
<u>City Street Maintenance - Pearsall Northeast</u>					
11	Margo Drive Two Course Surface Treatment (Berry Ranch to S. Oak)	12,444	SY	\$8.00	\$99,555.56
12	Margo Drive Cement Stabilize Exist Base (Berry Ranch to Oak)	12,444	SY	\$8.00	\$99,555.56
13	William Drive Two Course Surface Treatment (Chestnut to Pecan)	5,600	SY	\$8.00	\$44,800.00
14	William Drive Cement Stabilize Exist Base (Chestnut to Oak)	5,600	SY	\$8.00	\$44,800.00
15	N. Chestnut Street Two Course Surface Treatment (Margo to Williams)	2,333	SY	\$8.00	\$18,666.67
16	N. Chestnut Street Cement Stabilize Exist Base (Margo to Williams)	2,333	SY	\$8.00	\$18,666.67
17	N. Pecan Street Two Course Surface Treatment (Margo to Williams)	2,333	SY	\$8.00	\$18,666.67
18	N. Pecan Street Cement Stabilize Exist Base (Margo to Williams)	2,333	SY	\$8.00	\$18,666.67
19	N. Pine Street Two Course Surface Treatment (Hackberry to Alabama)	3,556	SY	\$8.00	\$28,444.44
20	N. Pine Street Cement Stabilize Exist Base (Hackberry to Alabama)	3,556	SY	\$8.00	\$28,444.44
City Street Maintenance - Pearsall Northeast Subtotal					\$420,266.67
<u>City Street Maintenance - Pearsall Southwest</u>					
21	S. Bernal Street Two Course Surface Treatment (Frio to Comal)	5,000	SY	\$8.00	\$40,000.00
22	S. Bernal Street Cement Stabilize Exist Base (Frio to Comal)	5,000	SY	\$8.00	\$40,000.00
23	S. Poplar Street Two Course Surface Treatment (Frio to Comal)	3,000	SY	\$8.00	\$24,000.00
24	S. Poplar Street Cement Stabilize Exist Base (Frio to Comal)	3,000	SY	\$8.00	\$24,000.00
25	S. Willow Street Two Course Surface Treatment (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
26	S. Willow Street Cement Stabilize Exist Base (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
27	S. Apple Street Two Course Surface Treatment (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
28	S. Apple Street Cement Stabilize Exist Base (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
29	S. Mulberry Street Two Course Surface Treatment (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
30	S. Mulberry Street Cement Stabilize Exist Base (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
31	S. Peach Street Two Course Surface Treatment (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
32	S. Peach Street Cement Stabilize Exist Base (Frio to Comal)	4,667	SY	\$8.00	\$37,333.33
33	S. Elm Street Two Course Surface Treatment (Frio to Comal)	6,222	SY	\$8.00	\$49,777.78
34	S. Elm Street Cement Stabilize Exist Base (Frio to Comal)	6,222	SY	\$8.00	\$49,777.78
35	W. Frio Street Two Course Surface Treatment (Elm to 1581)	12,000	SY	\$8.00	\$96,000.00
36	W. Frio Street Cement Stabilize Exist Base (Elm to 1582)	12,000	SY	\$8.00	\$96,000.00
37	W. Medina Street Two Course Surface Treatment (Elm to 1581)	10,667	SY	\$8.00	\$85,333.33
38	W. Medina Street Cement Stabilize Exist Base (Elm to 1581)	10,667	SY	\$8.00	\$85,333.33
39	W. San Antonio Street Two Course Surface Treatment (Elm to 1581)	7,333	SY	\$8.00	\$58,666.67
40	W. San Antonio Street Cement Stabilize Exist Base (Elm to 1581)	7,333	SY	\$8.00	\$58,666.67
City Street Maintenance - Pearsall Southwest Subtotal					\$1,006,222.22

City Street Maintenance - Pearsall Northwest

41	N. Lopez Street Two Course Surface Treatment (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
42	N. Lopez Street Cement Stabilize Exist Base (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
43	N. Oregon Street Two Course Surface Treatment (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
44	N. Oregon Street Cement Stabilize Exist Base (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
45	N. Trevino Street Two Course Surface Treatment (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
46	N. Trevino Street Cement Stabilize Exist Base (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
47	N. Taffolla Street Two Course Surface Treatment (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
48	N. Taffolla Street Cement Stabilize Exist Base (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
49	N. Garcia Street Two Course Surface Treatment (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
50	N. Garcia Street Cement Stabilize Exist Base (Colorado to Davila)	4,000	SY	\$8.00	\$32,000.00
51	W. Colorado Street Two Course Surface Treatment (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
52	W. Colorado Street Cement Stabilize Exist Base (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
53	W. Brazos Street Two Course Surface Treatment (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
54	W. Brazos Street Cement Stabilize Exist Base (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
55	W. Davila Street Two Course Surface Treatment (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
56	W. Davila Street Cement Stabilize Exist Base (Lopez to Willow)	10,667	SY	\$8.00	\$85,333.33
57	W. Gonzales Street Two Course Surface Treatment (Garcia to Willow)	5,333	SY	\$8.00	\$42,666.67
58	W. Gonzales Street Cement Stabilize Exist Base (Garcia to Willow)	5,333	SY	\$8.00	\$42,666.67
59	W. Sanchez Street Two Course Surface Treatment (Garcia to Willow)	5,333	SY	\$8.00	\$42,666.67
60	W. Sanchez Street Cement Stabilize Exist Base (Garcia to Willow)	5,333	SY	\$8.00	\$42,666.67
61	W. Pena Street One Course Surface Treatment (Garcia to Willow)	5,333	SY	\$5.00	\$26,666.67
62	N. Garcia Street Two Course Surface Treatment (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
63	N. Garcia Street Cement Stabilize Exist Base (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
63	N. Moreno Street Two Course Surface Treatment (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
64	N. Moreno Street Cement Stabilize Exist Base (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
65	N. Vinton Street One Course Surface Treatment (Davila to Pena)	4,333	SY	\$5.00	\$21,666.67
66	N. Govea Street Two Course Surface Treatment (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
67	N. Govea Street Cement Stabilize Exist Base (Davila to Pena)	4,333	SY	\$8.00	\$34,666.67
68	N. Villareal Street Two Course Surface Treatment (Gonzales to Pena)	3,333	SY	\$8.00	\$26,666.67
69	N. Villareal Street Cement Stabilize Exist Base (Gonzales to Pena)	3,333	SY	\$8.00	\$26,666.67
71	N. Llamas Street Two Course Surface Treatment (Gonzales to Pena)	3,333	SY	\$8.00	\$26,666.67
72	N. Llamas Street Cement Stabilize Exist Base (Gonzales to Pena)	3,333	SY	\$8.00	\$26,666.67

City Street Maintenance - Pearsall Northwest Subtotal**\$1,365,666.67****City Street Maintenance Total****\$3,239,822.22**

73	Engineering & Bidding	\$250,000.00
74	Construction Inspection	\$25,000.00

TOTAL PRINCIPAL PROJECT**\$3,514,822.22**

THIS DOCUMENT IS RELEASED FOR INFORMATIONAL PURPOSES UNDER THE AUTHORITY OF ROBERT M. VIERA, P.E. #85616,
LNV, TBPE FIRM NO. F-366 ON 01-09-2020 IT IS NOT TO BE USED FOR CONSTRUCTION, BIDDING OR PERMIT PURPOSES.

E carter & S oak
High Seasonal Commercial Traffic



E Carter & S Walnut
High Seasonal Commercial Traffic



Halfway down S Walnut
High Volume of runoff water



S Walnut & E Gross
High Volume of Run off water



E Gross & S Ash
High Volume of Runoff water



Halfway down S Ash
High Volume of Runoff Water



W Medina & S Elm



W Medina

W Medina & 1581



W San Antonio & S Willow

N Willow & W Davila



W Davila & N Vinton



W Davila & N Garcia

W Pena & N Moreno

W Pena & N Villarreal



MuniServices, LLC
Consultant Services Agreement

This Consultant Services Agreement (the "Agreement") is made as of the 20 day of June, 2018 ("Effective Date") by and between MuniServices, LLC, a Delaware limited liability company ("CONSULTANT") and The City of Pearsall, a municipal corporation of the State of Texas ("CITY"). In consideration of the mutual promises herein contained and other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, the parties agree as follows:

A. Services

1. CONSULTANT will provide CITY with the services described in EXHIBIT A which is attached hereto and incorporated by reference. CONSULTANT shall provide said services at the time, place, and in the manner specified in EXHIBIT A.
2. CONSULTANT shall furnish at its own expense all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.

B. Compensation

1. Upon execution of this Agreement, CITY will pay CONSULTANT as outlined in EXHIBIT B, incorporated and included herein.

C. General Provisions

1. Term of the Agreement: The initial term of this Agreement shall be for a period of one-year (1) following the date of execution. Thereafter the parties shall have the option to renew the term for two (2) subsequent one-year terms if neither party has cancelled (the "Term"). Either party shall have the right to terminate this Agreement in the event of a material breach by the other party. Any such termination may be made only by providing sixty (60) days written notice to the other party, specifically identifying the breach or breaches on which termination is based. Following receipt of such notice, the party in breach shall have thirty (30) days to cure such breach or breaches. In the event that such cure is not made, this Agreement shall terminate in accordance with the initial sixty (60) days' notice. Notwithstanding the foregoing, either party may terminate the Agreement at any time and for any reason by providing thirty-days (30) written notice to the other party; provided however, that if CONSULTANT has not breached the Agreement and has commenced services identified in EXHIBIT A prior to the date of termination, CONSULTANT shall be entitled to payment as described in EXHIBIT B.
2. Effect of Termination: Notwithstanding non-renewal or termination of this Agreement, CITY shall be obligated to pay CONSULTANT for services performed through the effective date of termination for which CONSULTANT has not been previously paid. In addition, because the services performed by CONSULTANT prior to termination or non-renewal of this Agreement may result in the CITY's receipt of revenue after termination which are subject to CONSULTANT's fee, the CITY shall remain obligated after termination or non-renewal to provide to CONSULTANT such information as is necessary for CONSULTANT to calculate compensation due as a result of the receipt of revenue by the CITY.
3. Independent Contractor: It is understood that CONSULTANT and its subcontractors, if any, in the performance of the work and services agreed to be performed, shall act as and be an independent contractor and shall not act as an agent or employee of the CITY. CITY understands that CONSULTANT may perform similar services for others during the term of this Agreement and agrees that CONSULTANT representation of other government sector

clients is not a conflict of interest. CONSULTANT shall obtain no rights to retirement benefits or other benefits which accrue to CITY's employees, and CONSULTANT hereby expressly waives any claim it may have to any such rights.

4. **Subcontractors:** CONSULTANT shall have the right to hire subcontractors to provide the services described herein. CONSULTANT, in rendering performance under this Agreement shall be deemed an independent contractor and nothing contained herein shall constitute this arrangement to be employment, a joint venture, or a partnership. CONSULTANT shall be solely responsible for and shall hold CITY harmless from any and all claims for any employee related fees and costs including without limitation employee insurance, employment taxes, workman's compensation, withholding taxes or income taxes.
5. **Notice:** Any notice required to be given under this Agreement shall be in writing and either served personally, sent prepaid first-class mail, or by express mail courier (i.e. FedEx, UPS, etc.). Any such notice shall be addressed to the other party at the address set forth below. All notices, including notices of address changes, provided under this Agreement are deemed received on the third day after mailing if sent by regular mail, or the next day if sent overnight delivery.

If to CITY:
City of Pearsall
Attn: Charles Jackson, City Manager
215 S. Ash Street
Pearsall, TX 78061
Phone: 830.334.3676
Email: cjackson@cityofpearsall.org

If to CONSULTANT:
MuniServices, LLC
Attn: Contracts Department
7625 N. Palm Ave., Ste. 108
Fresno, CA 93711
Phone: 559.271.6852
Email: contracts@muniservices.com

6. **Representative or designees:** CONSULTANT Primary Representative/Project Manager shall be:

Ted Kamel, Client Services Manager
12301Kurland Drive, Suite 150, Houston, TX 77034
Phone: 903.597.3352 /Email: Ted.Kamel@MuniServices.com

For the convenience of the CITY, a short list of helpful contacts is attached and incorporated herein as EXHIBIT C.

7. **Indemnity:** CONSULTANT shall indemnify, defend, and hold harmless the CITY, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) to extent occurring or resulting from CONSULTANT's negligent or unlawful performance of its obligations under or breach of the terms of this Agreement, unless such claims, liabilities, or losses arise out of, or are caused at least in part by the sole negligence or willful misconduct of the CITY. "CONSULTANT's performance" includes CONSULTANT's action or inaction and the action or inaction of CONSULTANT's officers, employees, agents and subcontractors.
8. **Limitation of Liability:** In no event shall CONSULTANT, its employees, contractors, directors, affiliates and/or agents be liable for any special, incidental, or consequential damages, such as, but not limited to, delay, lost data, disruption, and loss of anticipated profits or revenue arising from or related to the services, whether liability is asserted in contract or tort, and whether or not CONSULTANT has been advised of the possibility of any such loss or damage. In addition, CONSULTANT's total liability hereunder, including reasonable attorneys' fees and costs, shall in no event exceed an amount equal to the fees described in EXHIBIT B. The foregoing sets forth the CITY's exclusive remedy for claims arising from or out of this Agreement. The provisions of this section allocate the risks

between CONSULTANT and the CITY and CONSULTANT's pricing reflects the allocation of risk and limitation of liability specified herein.

9. Insurance: CONSULTANT shall keep in full force and effect insurance coverage during the term of this Agreement, including without limitation statutory workers' compensation insurance; employer's liability and commercial general liability insurance; comprehensive automobile liability insurance; professional liability and fidelity insurance. The insurance certificate shall name the City, its agents, officers, servants and employees as additional insureds under the CGL and Automobile policies with respect to the operations and work performed by the named insured as required by written contract. The General Liability policy is Primary & Non-Contributory. Waiver of Subrogation applies under the General Liability and Workers' Compensation policies. The CGL insurance minimum coverage shall be at least \$1,000,000 per incident, claim or occurrence and \$2,000,000 aggregate. The Automobile Liability insurance minimum coverage shall be at least \$1,000,000 covering all owned, non-owned, and hired vehicles. The certificate shall provide that there will be no cancellation, termination, or non-renewal of the insurance coverage without a minimum 30-day written notice to the CITY, except in the case of cancellation for non-payment of premium which shall be at least 10-days written notice.
10. Equal Opportunity to Draft: The parties have participated and had an equal opportunity to participate in the drafting of this Agreement. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.
11. Assignment: This Agreement shall be binding upon and inure to the benefit of the parties, their successors, representatives and assigns. CONSULTANT shall not assign this Agreement, or delegate its duties or obligations under this Agreement, without the prior written consent of CITY, which consent shall not be unreasonably withheld, delayed or conditioned. Notwithstanding the foregoing, CONSULTANT may assign this Agreement, in whole or in part, without the consent of CITY to any corporation or entity into which or with which CONSULTANT has merged or consolidated; any parent, subsidiary, successor or affiliated corporation of CONSULTANT; or any corporation or entity which acquires all or substantially all of the assets of CONSULTANT. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties and their successors or assigns.
12. Ownership of Documents: Except for CONSULTANT's preexisting proprietary information and processes, any and all documents, including draft documents where completed documents are unavailable, or materials prepared or caused to be prepared by CONSULTANT pursuant to this agreement shall be the property of the CITY at the moment of their completed preparation.
13. Intellectual Property Rights: The entire right, title and interest in and to CONSULTANT's database and all copyrights, patents, trade secrets, trademarks, trade names, and all other intellectual property rights associated with any and all ideas, concepts, techniques, inventions, processes, or works of authorship including, but not limited to, all materials in written or other tangible form developed or created in the course of this Agreement (collectively, the "Work Product") shall vest exclusively in CONSULTANT or its subcontractors. The foregoing notwithstanding, in no event shall any CITY-owned data provided to CONSULTANT be deemed included within the Work Product.
14. Public Release and Statements: Neither party or its representatives or agents shall disseminate any oral or written advertisement, endorsement or other marketing material relating to each other's activities under this Agreement without the prior written approval of the other party. Neither party shall make any public release or statement concerning the subject matter of this Agreement without the express written consent and approval of the other party. No party or its agent will use the name, mark or logo of the other party in any advertisement or printed solicitation without first having prior written approval of the other party. The parties shall take reasonable efforts to ensure that its subcontractors shall not disseminate any oral or written advertisement, endorsement or other marketing materials referencing or relating to the other party without that party's prior written approval. In

addition, the parties agree that their contracts with all subcontractors will include appropriate provisions to ensure compliance with the restrictions of this Section.

15. Force Majeure: CONSULTANT shall not be in default of its obligations hereunder to the extent that its performance is delayed or prevented by causes beyond its control, including but not limited to acts of God, government, weather, fire, power or telecommunications failures, inability to obtain supplies, breakdown of equipment or interruption in vendor services or communications.
16. Entire Agreement: This Agreement constitutes the entire agreement between the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the subject matter contained herein. Said Agreement shall not be amended, altered, or changed, except by a written amendment signed by both parties.
17. Counterparts: This Agreement may be signed in separate counterparts including facsimile copies. Each counterpart (including facsimile copies) is deemed an original and all counterparts are deemed on and the same instrument and legally binding on the parties.
18. Invalidity: If 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 provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
19. Implementation: Implementation should begin as soon as possible from the signing of this Agreement (the "Effective Date") for the performance of services under the terms of this Agreement.
20. Governing Law, Venue. This Agreement shall be construed according to the law of the State of Texas. The parties irrevocably consent to the exclusive jurisdiction and venue of the state and federal courts of the State of Texas, County of Frio, for the purposes of all legal proceedings arising out of or relating to this Agreement or the actions that are contemplated hereby.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS HEREOF, the parties have caused this Agreement to be executed on the date first written above.

"CITY"

City of Pearsall
a Municipal Corporation

By: 

Name: Charles Jackson

Title: City Manager

"CONSULTANT"

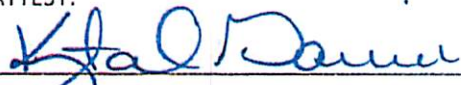
MuniServices, LLC
a Delaware limited liability company

By: 

Kennon Walthall

Senior Vice President

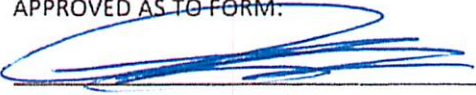
ATTEST:



Name: Krystal Garcia

Title: City Clerk

APPROVED AS TO FORM:



Name: Roberto Maldonado

Title: City Attorney

EXHIBIT A - SCOPE OF WORK

LOCAL OCCUPANCY TAX PROGRAM AUDIT AND ADMINISTRATION SERVICES

Objectives and Methods

CONSULTANT's Local Occupancy Tax Program *Audit* service is intended to assist the CITY in maximizing lodging tax revenue it is entitled to through an on-site examination of records and education of the lodging providers to ensure the appropriate collection and remittance of the lodging tax. The *Administration* service offers a turnkey approach to ensure appropriate collection, deposit, recording, delinquency follow up and reporting of the local lodging tax. This service includes all correspondence, forms and other such services to ensure appropriate and timely remittance of the tax.

Scope of Work

1. Field Audit Services

- a. Perform on-site examinations of the records of those providers requested by CITY to warrant further investigation;
- b. Provide CITY staff with a detailed list of all records required to be made available by lodging providers for the further reviews, together with a draft engagement announcement letter to be sent to each lodging provider requiring examination;
- c. In coordination with CITY staff, schedule and conduct reviews at the property locations of those providers identified and authorized for examination;
- d. Verify accuracy of filed lodging tax returns with daily and monthly activity summaries;
- e. Review a random sample of the daily and monthly summaries to determine if the daily summaries reconcile to the monthly summaries;
- f. Review bank statements to verify that deposits reconcile with the reported revenue on the lodging tax returns';
- g. Review exempted revenue for proper qualifying documentation;
- h. Review a random sample of exempted guest revenue and trace registration and/or other source documents to verify compliance with the CITY ordinance;
- i. Where possible, compare the State lodging tax filings with CITY's tax returns;
- j. For each error/omission identified and confirmed, submit substantiating documentation to designated CITY staff in order to facilitate collection of revenue due from lodging providers for prior periods;
- k. Coordinate with designated CITY official(s) as necessary to review findings and recommendations;
- l. Prepare draft Notices of Deficiency Determination, and commendation, warning and credit letters, as applicable, for CITY to advise lodging providers of examination results
- m. Provide assistance to CITY in reviewing any matters submitted in extenuation and mitigation by lodging providers in contesting a deficiency determination; and
- n. Prepare and document any changes to the review findings and provide revised tax, interest or penalty amounts due the CITY.

2. Administration Services

A. Remittance Processing

1. Taxes Processed: CONSULTANT will perform remittance processing for lodging taxes as designated by the CITY.
2. Taxpayer Notification and Remittance: CONSULTANT will send individualized tax forms to all known lodging providers ("Taxpayer(s)"). Taxpayers will remit payments as indicated in Attachment A, Distribution Confirmation, attached and incorporated herein by reference. Upon reasonable notice to CITY, CONSULTANT may change the address for payments.

Online filing and remittance using standard CONSULTANT formatting is provided for the Taxpayers convenience.

3. Deposit Process: Deposits are made to the extent that funds have been received, via Automated Clearing House of the amounts and to the designated recipients as instructed by the CITY for each type of tax collected, as shown in more detail on Attachment A
4. Posting Process: Taxpayer accounts are posted with payment information captured in the CONSULTANT revenue system. Additional information such as net sales, deductions, credit sales, measure of tax, name change and address change is captured and added to the payment data and taxpayer master file (as determined necessary by CONSULTANT). Late payments (postmarked by U.S. Postal Service after the due date) are invoiced at penalty amounts required by State code. Under-payments are invoiced for remaining tax due plus any required penalties.

5. Changes to Attachment A: The CITY shall notify CONSULTANT in writing immediately of all changes in amounts to be deposited into the accounts of designated recipients. An amended Attachment A shall be prepared and executed by the Parties as soon as reasonably possible. In addition, CONSULTANT shall provide documentation confirming each change under the preceding sentence with the first monthly report reflecting the applicable change. If the changes reflected in the monthly report do not properly reflect the intended changes of the CITY, then the CITY shall immediately notify CONSULTANT and, thereafter, CONSULTANT shall take the steps necessary to insure that designated recipients receive the amounts intended by the CITY.

B. Compliance Services

1. Taxes Reviewed: CONSULTANT will perform compliance services for lodgings taxes designated by CITY under Remittance Processing Services. CONSULTANT will provide delinquency notification and follow-up. This includes correspondence, calls, and collection procedures and the related documentation. Delinquency policies and procedures will be applied consistently and within applicable tax laws. Unless otherwise directed by the CITY, CONSULTANT will make reasonable efforts to collect taxes designated by the CITY hereunder. Where deemed reasonably appropriate accounts may be turned over to audit or third party collection. If the CITY elects to have its attorney pursue collection of certain uncollected accounts, CONSULTANT will assist the CITY attorney as reasonably requested at its normal hourly rate as reflected herein.
2. Conduct of Compliance Services: To assure that all taxpayers are treated fairly and consistently and all compliance services are performed in a similar manner, CONSULTANT representatives who perform compliance services will use a similar compliance plan for each compliance service conducted. All funds due from compliance services will be remitted to CITY in the same manner as provided for pursuant to *Section B*, above.

C. General Provisions

1. Information Provided: The CITY represents that the information provided to CONSULTANT in the performance of services hereunder shall be provided free and clear of the claims of third parties. The CITY represents that it has the right to provide this information to CONSULTANT and that said information shall not be defamatory or otherwise expose CONSULTANT to liability to third parties.
2. Compliance with laws: Each Party accepts responsibility for its compliance with federal, state, or local laws and regulations.
3. Taxpayer service: CONSULTANT will provide a taxpayer assistance number for taxpayer questions. CONSULTANT will provide standard informational brochures for placement in the CITY offices, Chamber of Commerce offices, libraries and any other facilities as requested and/or deemed necessary.

Deliverables

1. Field Audit Services

- a. Provide CITY staff with a draft Audit Announcement Letter to be sent to each lodging provider to be examined;
- b. For each error/omission identified and confirmed, submit a written report substantiating documentation to designated CITY staff in order to facilitate collection of revenue due from lodging providers for prior periods together with draft Notices of Deficiency Determination, and/or credit, warning or commendation letters as applicable;
- c. Review any extenuation or mitigation proffered to deficiency determinations and prepare draft response to CITY staff; and
- d. Provide other collections advice upon request.

2. Administration Services

- a. CONSULTANT will make available to CITY detailed online reporting, including detailed payment listing, daily/weekly/monthly reconciliation reports, etc.
- b. CONSULTANT will provide the CITY with monthly reports including, but not limited to, payment listings showing all taxes received related to net receipts reported, a general ledger distribution that corresponds to the CITY's account numbers and all fees paid to CONSULTANT. These reports will be provided by the 10th of the month following the tax month;
- c. The CITY AGREES TO EXAMINE THIS REPORT IMMEDIATELY. IF NO ERROR IS REPORTED BY THE CITY TO CONSULTANT WITHIN 60 DAYS, THE STATEMENT WILL BE DEEMED ACCURATE; All items credited will be subject to receipt of payment.

CITY Assistance

The CITY shall assist CONSULTANT by providing necessary information and assistance to include, but not be limited to, the following:

Field Audit Services

Send Audit Announcement Letter to each lodging provider to be examined with a copy to CONSULTANT.

Administration Service

Prior to the start of the work to be performed, provide CONSULTANT with

1. the most recent registration to collect the tax and
2. returns for the time period requested as needed to compile a historical database for the period of the statute of limitations;
3. Inform CONSULTANT of any circumstances concerning current existing payees;
4. Inform CONSULTANT of the development of new lodging properties no later than the Certificate of Occupancy being granted;
5. Cooperate in the transition by reviewing proposed processing and materials, offering comments and suggestions and providing timely approvals;
6. Undergo training in the use of online applications.

Distribution Confirmation

The CITY will fill in the account information requested on Attachment A and attach the same to the fully executed Agreement. Should there be any changes to the account or percentages in Attachment A, the CITY shall immediately notify CONSULTANT in writing of all changes in amounts to be deposited into the accounts of designated recipients.

**Attachment A
Distribution Confirmation**

June 1, 2018

City of Pearsall
Attn: Charles Jackson, City Manager
215 S. Ash Street
Pearsall, TX 78061

Dear Mr. Jackson:

Funds will be distributed in the following accounts pursuant to this Agreement:

Agency	Routing #	Account #	Distribution %	Tax Type
City of Pearsall General Fund	114904775	100028323	100%	Lodging

If at any time there are any discrepancies between the schedule set out above and the City's records, please notify us in writing immediately.

IT IS YOUR RESPONSIBILITY TO PROVIDE NOTICE TO US OF ANY CHANGES IN TAX RATES OR IN THE DISTRIBUTION OF FUNDS. NOTICE MUST BE IN WRITING AND SENT, VIA CERTIFIED MAIL, TO:

MuniServices, LLC
600 Beacon Parkway West, Suite 900
Birmingham AL 35209
Attn.: Kennon Walthall, Senior Vice President

Thank you for your assistance. If you have any questions, or if I may be of assistance, please let me know.

Connie Taylor, Client Relations Manager
MuniServices
Phone: 205.423.4144
Fax: 205.423.4097
E-mail: ctaylor@revds.com

I have reviewed the above distribution and verify that it is correct.

By: Josie Carrizales
Name: Josie Carrizales
Title: Finance Director

40

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 spectrophotometer.

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1972 1973

4. Fe^{2+} 和 Fe^{3+} 的配位能力: Fe^{2+} 的配位能力比 Fe^{3+} 的配位能力弱。

10.000A 10.000A

[illegible]

1. The first step in the process is to identify the problem or issue that needs to be addressed. This involves gathering information and understanding the context of the problem.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 84

Journal of Management Studies, 19(6), 701-718.

1. *Chlorophyll a* (Chl *a*)

...and the

$\gamma^{\alpha\beta} = \gamma^{\beta\alpha}$ and $\gamma^{\alpha\alpha} = 1$. The γ matrices satisfy the following anticommutation relations:

$$\{\gamma^{\alpha}, \gamma^{\beta}\} = 2\gamma^{\alpha\beta}, \quad \{\gamma^{\alpha}, \gamma^{\beta}\gamma^{\gamma}\} = 2\gamma^{\alpha\beta}\gamma^{\gamma}, \quad \{\gamma^{\alpha}, \gamma^{\beta}\gamma^{\gamma}\gamma^{\delta}\} = 2(\gamma^{\alpha\beta}\gamma^{\gamma\delta} - \gamma^{\alpha\gamma}\gamma^{\beta\delta} + \gamma^{\alpha\delta}\gamma^{\beta\gamma}).$$

... ..

1. 2. 3.

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 spectrophotometer.

1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792. 793. 794. 795. 796. 797. 798. 799. 800. 801. 802. 803. 804. 805. 806. 807. 808. 809. 810. 811. 812. 813. 814. 815. 816. 817. 818. 819. 820. 821. 822. 823. 824. 825. 826. 827. 828. 829. 830. 831. 832. 833. 834. 835. 836. 837. 838. 839. 840. 84

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Lichtenthaler and Whistler (1973).

Figure 1. The effect of the concentration of the *Agrobacterium* suspension on the transformation efficiency of *Agrobacterium* strains.

Finance Director
Tosie Corisales
Deputy Controller

EXHIBIT B – COMPENSATION
LOCAL OCCUPANCY TAX PROGRAM AUDIT AND ADMINISTRATION SERVICES

Provided that the Effective Date is on or before June 30, 2018, in exchange for CONSULTANT performing the work indicated above, the CITY will pay CONSULTANT as follows:

Audit

The Audit Services shall be provided for a fixed fee of \$2,000 for each lodging property audited with 50% due at the time of audit approval and 50% upon completion of the audit. A minimum of 2 audits must be performed at any one time.

Administration

The Administration Services shall be provided for a one-time set up fee of \$2,500, plus an annual fixed fee of \$250 per each lodging property. Fees are due at the beginning of each contract year based on the number of properties registered to report occupancy tax.

Travel and Out-of-Pocket

CITY shall reimburse CONSULTANT for reasonable travel and other out-of-pocket expenses associated with the performance of the field audits including but not limited to lodging, parking, mileage, per diem, etc., in an amount not-to-exceed \$250 per audited property without prior written approval of CITY. (Mileage and per diem shall be according to IRS regulations). Such reimbursement shall be billed incrementally.

Additional Consulting

CITY may request that CONSULTANT provide additional consulting services at any time during the term of this Agreement. If CONSULTANT and CITY agree on the scope of the additional consulting services requested, then CONSULTANT shall provide the additional consulting on a Time and Materials basis. Depending on the personnel assigned to perform the work, standard hourly rates range from \$75 per hour to \$200 per hour.

These additional consulting services will be invoiced at least monthly based on actual time and expenses incurred.

City of Pearsall
Hotel Occupancy Tax
Analysis/Projection

| | | | |
|--|-----------|----------------|------------|
| Current Hotel/Motel Cash Balance | <u>\$</u> | <u>464,113</u> | |
| Total Collections 2016-17 | | <u>178,699</u> | |
| Quarterly average | | 44,675 | |
| Total Collections 2017-18 | | <u>227,474</u> | |
| Quarterly average | | 56,869 | |
| Quarterly Collections 18-19 | | | |
| Dec-18 | \$ | 64,494 | |
| Mar-19 | | 76,529 | |
| Jun-19 | | 86,920 | |
| Sep-19 | | 92,591 | |
| Fiscal Year Collections 2018-19 | <u>\$</u> | <u>320,534</u> | |
| Quarterly Average | | 80,134 | |
| Quarterly Collections 19-20 | | | |
| Dec-20 | \$ | 95,080 | |
| Mar-20 | | 70,121 | |
| Jun-20 | | 69,536 | *Projected |
| Sep-20 | | 83,332 | *Projected |
| Fiscal Year Collections 2018-19 | <u>\$</u> | <u>318,069</u> | |
| Quarterly Average | | 79,517 | |
| Estimated 6-Month Hotel Tax freeze Loss
(Based on 4 year quarterly average) | | 130,597 | |

**ORDINANCE
No. 2016-11-01**

AN ORDINANCE OF THE CITY OF PEARSALL ESTABLISHING A MONTHLY WATER ACCOUNT AND GARBAGE ACCOUNT SURCHARGE; PROVIDING A REPEALING CLAUSE, PROVIDING A SEVERABILITY CLAUSE; PROVIDING A PENALTY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Pearsall is a home-rule municipality that provides water and garbage services;

WHEREAS, the City Council of the City of Pearsall finds it in the best interest of City of Pearsall residents to improve the City of Pearsall's water and garbage systems in order to meet all necessary and required service requirements;

WHEREAS, the City Council of the City of Pearsall desires to establish a monthly surcharge of \$6.50 for each water account and \$3.60 for each garbage account which shall be assessed and collected by the utility billing department for each water and garbage account serviced by the City of Pearsall, and which receives such water and garbage services from the city.

WHEREAS, such surcharge shall be expended by the city for repairs and/or improvements to the water and garbage systems within the City of Pearsall in order to meet all federal, state and local standards and service requirements, including debt service.

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARSALL, TEXAS:

Section 1. Surcharge Rate Amounts

The City Council of the City of Pearsall hereby adopts a monthly surcharge of \$6.50 for each water account and \$3.60 for each garbage account which shall be assessed and collected by the utility billing department for each water and garbage account serviced by the City of Pearsall, and which receives such water and garbage services from the city. Such surcharge shall be expended by the city for repairs and/or improvements to the water and garbage systems within the City of Pearsall in order to meet all federal, state and local standards and service requirements.

Section 2. Repealer Clause

This Ordinance supersedes and repeals all Ordinances or parts of Ordinances, if any, in conflict herewith; however, such present Ordinances shall remain in full force and effect until the effective date of this Ordinance.

Section 3. Severability Clause

Should any part of this Ordinance be held invalid or unenforceable in any way, it shall affect the validity of the ordinance as a whole.

Section 4. Penalty Clause

Any person or association of persons or any agent or employee thereof who shall violate any provision or term of this Ordinance shall upon conviction be punished by a fine not to exceed Two Hundred Dollars (\$200.00) for each offense, and each and every day such violation shall continue shall be deemed and constitute a separate offense, including debt service.

Section 5. Effective Date

This Ordinance shall take effect on passage and in accordance with the city charter.

PASSED AND APPROVED ON the 17th day of November, 2016.

APPROVED:



Mary Moore, Mayor

ATTEST:



Krystal J. Garcia, City Clerk

APPROVED AS TO FORM:

City Attorney

\$8,545,000
City of Pearsall, Texas
Combination Tax and Limited Pledge Revenue Certificates of Obligation,
Series 2016

INDEX OF DOCUMENTS

TAB NO.

DOCUMENT

Transaction Documents

1. Certified Ordinance Authorizing the Certificates
2. Initial Certificate
3. Paying Agent/Registrar Agreement

Sale and Offering Documents

4. Investment Letter of Purchaser

Additional Actions of the City

5. Certified Resolution of the City Council Approving and Authorizing Publication of Notice of Intention to Issue Certificates of Obligation
6. Affidavit of Publication of Notice of Intention to Issue Certificates of Obligation

Closing Certificates

7. General Certificate
8. Signature Identification and No-Litigation Certificate

Miscellaneous

9. Transmittal Letter to the Comptroller of Public Accounts
10. Receipt

BOND DEBT SERVICE

City of Pearsall, Texas
Comb. Tax & Limited Pledge Rev C/O's, Series 2016
--FINAL #'s: 05/09/16, NOON--
--CALLABLE 03/01/2024 @ PAR--
--TIB--

Dated Date 06/09/2016
Delivery Date 06/09/2016

| Period
Ending | Principal | Coupon | Interest | Debt Service |
|------------------|-----------|--------|--------------|---------------|
| 09/30/2017 | 440,000 | 2.360% | 242,404.12 | 682,404.12 |
| 09/30/2018 | 495,000 | 2.360% | 185,437.00 | 680,437.00 |
| 09/30/2019 | 505,000 | 2.360% | 173,637.00 | 678,637.00 |
| 09/30/2020 | 520,000 | 2.360% | 161,542.00 | 681,542.00 |
| 09/30/2021 | 530,000 | 2.360% | 149,152.00 | 679,152.00 |
| 09/30/2022 | 545,000 | 2.360% | 136,467.00 | 681,467.00 |
| 09/30/2023 | 555,000 | 2.360% | 123,487.00 | 678,487.00 |
| 09/30/2024 | 570,000 | 2.360% | 110,212.00 | 680,212.00 |
| 09/30/2025 | 585,000 | 2.360% | 96,583.00 | 681,583.00 |
| 09/30/2026 | 600,000 | 2.360% | 82,600.00 | 682,600.00 |
| 09/30/2027 | 610,000 | 2.360% | 68,322.00 | 678,322.00 |
| 09/30/2028 | 625,000 | 2.360% | 53,749.00 | 678,749.00 |
| 09/30/2029 | 640,000 | 2.360% | 38,822.00 | 678,822.00 |
| 09/30/2030 | 655,000 | 2.360% | 23,541.00 | 678,541.00 |
| 09/30/2031 | 670,000 | 2.360% | 7,906.00 | 677,906.00 |
| | 8,545,000 | | 1,653,861.12 | 10,198,861.12 |

BOND DEBT SERVICE

City of Pearsall, Texas
 Comb. Tax & Limited Pledge Rev C/O's, Series 2016
 --FINAL #'s: 05/09/16, NOON--
 --CALLABLE 03/01/2024 @ PAR--
 --TIB--

Dated Date 06/09/2016
 Delivery Date 06/09/2016

| Period
Ending | Principal | Coupon | Interest | Debt Service | Annual
Debt Service |
|------------------|-----------|--------|--------------|---------------|------------------------|
| 03/01/2017 | 440,000 | 2.360% | 146,765.12 | 586,765.12 | |
| 09/01/2017 | | | 95,639.00 | 95,639.00 | |
| 09/30/2017 | | | | | 682,404.12 |
| 03/01/2018 | 495,000 | 2.360% | 95,639.00 | 590,639.00 | |
| 09/01/2018 | | | 89,798.00 | 89,798.00 | |
| 09/30/2018 | | | | | 680,437.00 |
| 03/01/2019 | 505,000 | 2.360% | 89,798.00 | 594,798.00 | |
| 09/01/2019 | | | 83,839.00 | 83,839.00 | |
| 09/30/2019 | | | | | 678,637.00 |
| 03/01/2020 | 520,000 | 2.360% | 83,839.00 | 603,839.00 | |
| 09/01/2020 | | | 77,703.00 | 77,703.00 | |
| 09/30/2020 | | | | | 681,542.00 |
| 03/01/2021 | 530,000 | 2.360% | 77,703.00 | 607,703.00 | |
| 09/01/2021 | | | 71,449.00 | 71,449.00 | |
| 09/30/2021 | | | | | 679,152.00 |
| 03/01/2022 | 545,000 | 2.360% | 71,449.00 | 616,449.00 | |
| 09/01/2022 | | | 65,018.00 | 65,018.00 | |
| 09/30/2022 | | | | | 681,467.00 |
| 03/01/2023 | 555,000 | 2.360% | 65,018.00 | 620,018.00 | |
| 09/01/2023 | | | 58,469.00 | 58,469.00 | |
| 09/30/2023 | | | | | 678,487.00 |
| 03/01/2024 | 570,000 | 2.360% | 58,469.00 | 628,469.00 | |
| 09/01/2024 | | | 51,743.00 | 51,743.00 | |
| 09/30/2024 | | | | | 680,212.00 |
| 03/01/2025 | 585,000 | 2.360% | 51,743.00 | 636,743.00 | |
| 09/01/2025 | | | 44,840.00 | 44,840.00 | |
| 09/30/2025 | | | | | 681,583.00 |
| 03/01/2026 | 600,000 | 2.360% | 44,840.00 | 644,840.00 | |
| 09/01/2026 | | | 37,760.00 | 37,760.00 | |
| 09/30/2026 | | | | | 682,600.00 |
| 03/01/2027 | 610,000 | 2.360% | 37,760.00 | 647,760.00 | |
| 09/01/2027 | | | 30,562.00 | 30,562.00 | |
| 09/30/2027 | | | | | 678,322.00 |
| 03/01/2028 | 625,000 | 2.360% | 30,562.00 | 655,562.00 | |
| 09/01/2028 | | | 23,187.00 | 23,187.00 | |
| 09/30/2028 | | | | | 678,749.00 |
| 03/01/2029 | 640,000 | 2.360% | 23,187.00 | 663,187.00 | |
| 09/01/2029 | | | 15,635.00 | 15,635.00 | |
| 09/30/2029 | | | | | 678,822.00 |
| 03/01/2030 | 655,000 | 2.360% | 15,635.00 | 670,635.00 | |
| 09/01/2030 | | | 7,906.00 | 7,906.00 | |
| 09/30/2030 | | | | | 678,541.00 |
| 03/01/2031 | 670,000 | 2.360% | 7,906.00 | 677,906.00 | |
| 09/30/2031 | | | | | 677,906.00 |
| | 8,545,000 | | 1,653,861.12 | 10,198,861.12 | 10,198,861.12 |

BOND DEBT SERVICE

City of Pearsall, Texas
Comb. Tax & Limited Pledge Rev C/O's, Series 2016
--FINAL #'s: 05/09/16, NOON--
--CALLABLE 03/01/2024 @ PAR--
--TIB--

Dated Date 06/09/2016
Delivery Date 06/09/2016

| Period
Ending | Principal | Coupon | Interest | Debt Service |
|------------------|-----------|--------|--------------|---------------|
| 09/30/2017 | 440,000 | 2.360% | 242,404.12 | 682,404.12 |
| 09/30/2018 | 495,000 | 2.360% | 185,437.00 | 680,437.00 |
| 09/30/2019 | 505,000 | 2.360% | 173,637.00 | 678,637.00 |
| 09/30/2020 | 520,000 | 2.360% | 161,542.00 | 681,542.00 |
| 09/30/2021 | 530,000 | 2.360% | 149,152.00 | 679,152.00 |
| 09/30/2022 | 545,000 | 2.360% | 136,467.00 | 681,467.00 |
| 09/30/2023 | 555,000 | 2.360% | 123,487.00 | 678,487.00 |
| 09/30/2024 | 570,000 | 2.360% | 110,212.00 | 680,212.00 |
| 09/30/2025 | 585,000 | 2.360% | 96,583.00 | 681,583.00 |
| 09/30/2026 | 600,000 | 2.360% | 82,600.00 | 682,600.00 |
| 09/30/2027 | 610,000 | 2.360% | 68,322.00 | 678,322.00 |
| 09/30/2028 | 625,000 | 2.360% | 53,749.00 | 678,749.00 |
| 09/30/2029 | 640,000 | 2.360% | 38,822.00 | 678,822.00 |
| 09/30/2030 | 655,000 | 2.360% | 23,541.00 | 678,541.00 |
| 09/30/2031 | 670,000 | 2.360% | 7,906.00 | 677,906.00 |
| | 8,545,000 | | 1,653,861.12 | 10,198,861.12 |

BOND DEBT SERVICE

City of Pearsall, Texas
 Comb. Tax & Limited Pledge Rev C/O's, Series 2016
 --FINAL #'s: 05/09/16, NOON--
 --CALLABLE 03/01/2024 @ PAR--
 --TIB--

Dated Date 06/09/2016
 Delivery Date 06/09/2016

| Period
Ending | Principal | Coupon | Interest | Debt Service | Annual
Debt Service |
|------------------|-----------|--------|--------------|---------------|------------------------|
| 03/01/2017 | 440,000 | 2.360% | 146,765.12 | 586,765.12 | |
| 09/01/2017 | | | 95,639.00 | 95,639.00 | |
| 09/30/2017 | | | | | 682,404.12 |
| 03/01/2018 | 495,000 | 2.360% | 95,639.00 | 590,639.00 | |
| 09/01/2018 | | | 89,798.00 | 89,798.00 | |
| 09/30/2018 | | | | | 680,437.00 |
| 03/01/2019 | 505,000 | 2.360% | 89,798.00 | 594,798.00 | |
| 09/01/2019 | | | 83,839.00 | 83,839.00 | |
| 09/30/2019 | | | | | 678,637.00 |
| 03/01/2020 | 520,000 | 2.360% | 83,839.00 | 603,839.00 | |
| 09/01/2020 | | | 77,703.00 | 77,703.00 | |
| 09/30/2020 | | | | | 681,542.00 |
| 03/01/2021 | 530,000 | 2.360% | 77,703.00 | 607,703.00 | |
| 09/01/2021 | | | 71,449.00 | 71,449.00 | |
| 09/30/2021 | | | | | 679,152.00 |
| 03/01/2022 | 545,000 | 2.360% | 71,449.00 | 616,449.00 | |
| 09/01/2022 | | | 65,018.00 | 65,018.00 | |
| 09/30/2022 | | | | | 681,467.00 |
| 03/01/2023 | 555,000 | 2.360% | 65,018.00 | 620,018.00 | |
| 09/01/2023 | | | 58,469.00 | 58,469.00 | |
| 09/30/2023 | | | | | 678,487.00 |
| 03/01/2024 | 570,000 | 2.360% | 58,469.00 | 628,469.00 | |
| 09/01/2024 | | | 51,743.00 | 51,743.00 | |
| 09/30/2024 | | | | | 680,212.00 |
| 03/01/2025 | 585,000 | 2.360% | 51,743.00 | 636,743.00 | |
| 09/01/2025 | | | 44,840.00 | 44,840.00 | |
| 09/30/2025 | | | | | 681,583.00 |
| 03/01/2026 | 600,000 | 2.360% | 44,840.00 | 644,840.00 | |
| 09/01/2026 | | | 37,760.00 | 37,760.00 | |
| 09/30/2026 | | | | | 682,600.00 |
| 03/01/2027 | 610,000 | 2.360% | 37,760.00 | 647,760.00 | |
| 09/01/2027 | | | 30,562.00 | 30,562.00 | |
| 09/30/2027 | | | | | 678,322.00 |
| 03/01/2028 | 625,000 | 2.360% | 30,562.00 | 655,562.00 | |
| 09/01/2028 | | | 23,187.00 | 23,187.00 | |
| 09/30/2028 | | | | | 678,749.00 |
| 03/01/2029 | 640,000 | 2.360% | 23,187.00 | 663,187.00 | |
| 09/01/2029 | | | 15,635.00 | 15,635.00 | |
| 09/30/2029 | | | | | 678,822.00 |
| 03/01/2030 | 655,000 | 2.360% | 15,635.00 | 670,635.00 | |
| 09/01/2030 | | | 7,906.00 | 7,906.00 | |
| 09/30/2030 | | | | | 678,541.00 |
| 03/01/2031 | 670,000 | 2.360% | 7,906.00 | 677,906.00 | |
| 09/30/2031 | | | | | 677,906.00 |
| | 8,545,000 | | 1,653,861.12 | 10,198,861.12 | 10,198,861.12 |

STATE OF TEXAS §
COUNTY OF FRIO §
CITY OF PEARSALL, TEXAS §

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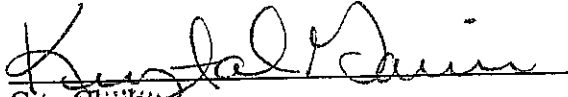
AYES: 5 NOES: 0 ABSTENTIONS: 1

2. A true, full, and correct copy of the Ordinance passed at the Meeting is attached to and follows this Certificate; the Ordinance has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Ordinance; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code.

3. The Mayor and the City Clerk of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of the Ordinance for all purposes.

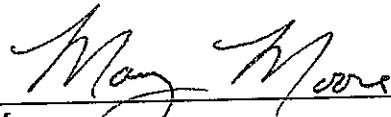
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SIGNED AND SEALED on this the 10th day of May, 2016.



City Clerk,
City of Pearsall, Texas





Mayor,
City of Pearsall, Texas

Ordinance No. 2016-05-03

AN ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016;" PROVIDING FOR THE PAYMENT OF THE CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY AND FURTHER SECURING THE CERTIFICATES BY A LIEN ON AND LIMITED PLEDGE OF THE PLEDGED REVENUES OF THE CITY'S WATER AND WASTEWATER SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF THE CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF THE CERTIFICATES, AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AND AN INVESTMENT LETTER OF PURCHASER; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City Council of the City of Pearsall, Texas (the "City") has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$8,545,000 for the purpose of providing funds for the following purpose, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects. This notice has been duly published in a newspaper hereby found and determined to be of general circulation in the City, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than thirty (30) days prior to the tentative date stated therein for the passage of the ordinance authorizing the issuance of such certificates of obligation; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified electors of the City, has been presented to or filed with the City Clerk prior to the date tentatively set in such notice for the passage of this ordinance; and

WHEREAS, the City Council hereby finds and determines that the certificates of obligation described in such notice should be issued and sold at this time; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PEARSALL, TEXAS THAT:

Section 1. Authorization - Designation - Principal Amount - Purpose.
The certificates of obligation of the City shall be and are hereby authorized to be issued in the aggregate principal amount of EIGHT MILLION FIVE HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$8,545,000.00), to be designated and bear the title of "CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016 (the Certificates), for the purpose of paying contractual obligations to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects. The Certificates are being issued pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through 271.063, and the Home Rule Charter of the City.

Section 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Certificates are issuable in fully registered form only; shall be dated May 15, 2016 (the *Certificate Date*), and shall be in denominations of \$100,000 or any integral multiple of \$5,000 thereof, and the Certificates shall become due and payable on March 1 in each of the years and in principal amount (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Delivery Date (as defined herein), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, at the per annum rates, while Outstanding (hereinafter defined), in accordance with the following schedule:

| <u>Years of Stated</u>
<u>Maturity</u> | <u>Principal Amount</u>
<u>(\$)</u> | <u>Interest Rates</u>
<u>(%)</u> |
|---|--|-------------------------------------|
| 2017 | 440,000.00 | 2.360 |
| 2018 | 495,000.00 | 2.360 |
| 2019 | 505,000.00 | 2.360 |
| 2020 | 520,000.00 | 2.360 |
| 2021 | 530,000.00 | 2.360 |
| 2022 | 545,000.00 | 2.360 |
| 2023 | 555,000.00 | 2.360 |
| 2024 | 570,000.00 | 2.360 |
| 2025 | 585,000.00 | 2.360 |
| 2026 | 600,000.00 | 2.360 |
| 2027 | 610,000.00 | 2.360 |
| 2028 | 625,000.00 | 2.360 |

| <u>Years of Stated</u>
<u>Maturity</u> | <u>Principal Amount</u>
<u>(\$)</u> | <u>Interest Rates</u>
<u>(%)</u> |
|---|--|-------------------------------------|
| 2029 | 640,000.00 | 2.360 |
| 2030 | 655,000.00 | 2.360 |
| 2031 | 670,000.00 | 2.360 |

The Certificates shall bear interest at the per annum rates shown above shall be computed on the basis of a 360-day year of twelve 30-day months, and interest thereon shall be payable semi-annually on March 1 and September 1 of each year (the *Interest Payment Date*) commencing March 1, 2017, while the Certificates are outstanding.

Section 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of and interest on the Certificates shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Certificates.

The selection and appointment of BRANCH BANKING AND TRUST COMPANY, to serve as the initial Paying Agent/Registrar for the Certificates is hereby approved and confirmed, and the City agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit "A" hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and City may prescribe. The City covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or 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. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The City reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or ordinance terminating such agency. Additionally, the City agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Both principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the City by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, and (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal

thereof upon redemption of the Certificates or at the Certificates' Stated Maturity. The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

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

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 4. Optional Redemption. The Certificates maturing on or after March 1, 2025, shall be subject to redemption prior to Stated Maturity at the option of the City on March 1, 2024, or any date thereafter in whole only at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the City and at the City's expense, by the Paying Agent/Registrar to each Holder of a Certificate to

be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*). Additionally, this notice may also be sent by the City to any registered securities depository and to any national information service that disseminates redemption notices.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Ordinance.

Neither the City nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five (45) days prior to the date fixed for redemption of the Certificates, or (2) to transfer or exchange any Certificate selected for redemption, provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

Section 5. Execution - Registration. The Certificates shall be executed on behalf of the City by its Mayor or Mayor Pro Tem under its seal reproduced or impressed thereon and attested by its City Clerk. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the City shall bind the City, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8(b), executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8(c), executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

Section 6. Registration - Transfer - Exchange of Certificates - Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Registrar the name and address of every owner of the Certificates, or, if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the City shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the City shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the City, evidencing the same debt, and entitled to the same benefits under this Ordinance, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 22 in lieu of a mutilated, lost, destroyed, or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Section 7. Initial Certificate(s). The Certificates herein authorized shall be issued initially either (i) as a single fully registered certificate in the total principal amount of \$8,545,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate(s)*) and, in either case, the Initial Certificate(s) shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate(s) shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate(s), the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Certificate(s) delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

Section 8. Forms.

a. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Certificates, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the City or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial

Certificate(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

b. Form of Definitive Certificate.

REGISTERED

R-_____

REGISTERED

\$_____

United States of America
State of Texas
County of Frio
CITY OF PEARSALL, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATE OF OBLIGATION,
SERIES 2016

Interest Rate:

_____%

Certificate Date:

May 15, 2016

Delivery Date:

June 9, 2016

Stated Maturity:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The City of Pearsall, Texas (the "City"), a body corporate and municipal corporation in the County of Frio, 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, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption) and to pay 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 such principal sum has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year commencing March 1, 2017.

Principal of this Certificate shall be payable to the Registered Owner hereof (the "Holder"), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each interest payment date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other

method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Certificate is one of the Series specified in its title issued in the aggregate principal amount of \$8,545,000 (the "Certificates") pursuant to an Ordinance adopted by the governing body of the City (the "Ordinance"), for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects. The Certificates are being issued under and in strict conformity with the laws of the State of Texas, particularly Chapter 1502, as amended, Texas Government Code, the Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through 271.063, and the City's Home Rule Charter.

The Certificates maturing on and after March 1, 2025, shall be subject to redemption prior to Stated Maturity at the option of the City on March 1, 2024 or any date thereafter in whole only at the redemption price of par plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holder of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Ordinance.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the City or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Certificates of this Series are payable from the levy of an ad valorem tax, within the limitations prescribed by law, upon all taxable property in the City and are additionally payable from and secured by a lien on and pledged of the Pledged Revenues, being a limited amount of the Net Revenues, derived from the operation of the City's Water and Wastewater System. In the Ordinance, the City retains the right to issue Additional Obligations without

limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

Reference is hereby made to the Ordinance, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the City may issue Revenue Obligations, Additional Limited Pledge and Inferior Lien Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Ordinance. Capitalized terms used herein have the same meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the City nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the City have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Certificates does not exceed any constitutional or statutory limitation. In case any provision in this Certificate or any application thereof shall be deemed invalid,

illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF this Certificate has been signed with the manual or facsimile signature of the Mayor and countersigned with the manual or facsimile signature of the City Clerk (or their respective designees), and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

CITY OF PEARSALL, TEXAS

By: _____
Mayor

ATTEST:

City Clerk

(CITY SEAL)

c. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate(s) Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICER OF THE COMPTROLLER
OF PUBLIC ACCOUNTS

§
§
§
§
§

REGISTER NO. _____

THE STATE OF TEXAS

I HEREBY CERTIFY that this Certificate has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts, State of Texas

(SEAL)

**Note to Printer: Not to appear on printed Certificates*

d. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

This Certificate has been duly issued under the provisions of the within-mentioned Ordinance; the Certificate or Certificates of the above-entitled and designated Series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

**BRANCH BANKING AND TRUST
COMPANY**

By: _____
Authorized Officer

Registered this date:

e. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee):

(Social Security or other identifying number _____) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

Signature guarantees:

f. The Initial Certificate(s) shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

- (1) immediately under the name of the Certificate(s) the headings "Interest Rate ____" and "Stated Maturity ____" shall both be completed "as shown below;"
- (2) the first two paragraphs shall read as follows:

Registered Owner: BRANCH BANKING AND TRUST COMPANY

Principal Amount: EIGHT MILLION FIVE HUNDRED FORTY-FIVE THOUSAND AND NO/100 DOLLARS (\$8,545,000.00)

The City of Pearsall, Texas (the "City") a body corporate and municipal corporation in the County of Frio, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to maturity on the first day of March in each of the years and in the principal amounts and bearing interest at per annum rates in accordance with the following schedule:

Years of Stated Maturity

Principal Amount (\$)

Interest Rates (%)

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

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts 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, to the earlier of redemption or until the principal amounts have become due and payment thereof has been made or duly provided for, to Stated Maturity, at the per annum rates, of interest specified above

computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year, commencing March 1, 2017.

Principal on this Certificate shall be payable to the Registered Owner hereof (the "Holder"), upon its presentation and surrender, at the corporate trust office of BRANCH BANKING AND TRUST COMPANY (the "Paying/Agent Registrar"). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each interest payment date. All payments of principal of and interest on this Certificate shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

g. Insurance Legend. If bond insurance is obtained by the City or the Purchasers for the Certificates, the Definitive Certificates and the Initial Certificate(s) shall bear an appropriate legend as provided by the insurer.

Section 9. Definitions. For all purposes of this Ordinance (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 24 of this Ordinance have the meanings assigned to them in Section 24 of this Ordinance, and all such terms, include the plural as well as the singular; (ii) all references in this Ordinance to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Ordinance as originally adopted; and (iii) the words "herein," "hereof," and "hereunder" and other words of similar import refer to this Ordinance as a whole and not to any particular Section or other subdivision.

a. The term *Additional Obligations* shall mean (i) obligations hereinafter issued by the City payable wholly or in part from and secured by a lien and pledge of the Net Revenues as provided in Section 18 of this Ordinance, which obligations may be secured by a senior, junior or subordinate lien on and pledge of the Net Revenues, and (ii) obligations hereafter issued to refund any of the foregoing as determined by the City Council in accordance with applicable law.

b. The term *Available Funds* shall mean funds appropriated by the City Council from any source that may lawfully be used with respect to any payment obligated or permitted under this Ordinance.

c. The term *Certificates* shall mean the \$8,545,000, "CITY OF PEARSALL, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016," authorized by this Ordinance.

d. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Ordinance.

e. The term *City* shall mean the City of Pearsall, Texas, and where appropriate, the City Council of the City.

f. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

g. The term *Debt Service Requirement* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the City as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

h. The term *Delivery Date* shall mean the date of physical delivery of the Initial Certificates in exchange for the payment of the agreed purchase price for the Certificates scheduled to occur on June 9, 2016.

i. The term *Depository* shall mean an official depository bank of the City.

j. The term *Fiscal Year* shall mean the annual financial accounting period for the City now ending on September 30th of each year; provided, however, the City Council may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

k. The term *Government Securities*, as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America, or (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

l. The term *Gross Revenues* for any period shall mean all income and revenue received by the City by virtue of the operation of the System, including permits and other revenue sources.

m. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

n The term *Interest Payment Date* shall mean the date semi-annual interest is payable on the Certificates, being March 1 and September 1 of each year, commencing March 1, 2017, while any of the Certificates remain Outstanding.

o The term *Net Revenues* for any period shall mean the Gross Revenues of the System less the expenses of operation and maintenance, including all salaries, labor, materials, repairs and improvements necessary to maintain and operate the City's Water and Wastewater System; provided, however, that only such repairs and improvements as in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the City's in operation and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical action or condition which would otherwise impair the security of any bonds or other obligations payable from and secured by a lien on the Net Revenues of the System derived from the ownership and operation of the System shall be deducted in determining Net Revenues. Depreciation charges shall not be considered operating and maintenance expenses for purposes of determining Net Revenues.

p The term *Ordinance* shall mean this ordinance adopted by the City Council of the City on May 10, 2016.

q. The term *Outstanding* when used in this Ordinance with respect to Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Ordinance, except:

- (1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 26 of this Ordinance; and
- (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 22 of this Ordinance.

r The term *Pledged Revenues* during the entire period the Certificates or interest thereon remain Outstanding and unpaid, shall mean an amount totaling \$1,000 of Net Revenues, which pledge is a junior and subordinate lien of the Net Revenues securing the Additional Obligations.

s The term *Pledged Revenue Amount* shall mean the total amount of \$1,000 while the Certificates are Outstanding, of Net Revenues that are deposited into the Revenue Fund pursuant to Section 13 of this Ordinance and may be transferred by the City, in any given Fiscal Year, to the Certificate Fund.

t. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 23 of this Ordinance.

u. The term *System* shall mean the land and improvements (real property, fixtures, and personalty) constitute the City's Water and Wastewater System.

Section 10. Certificate Fund, Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special Fund to be designated "COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016, INTEREST AND SINKING FUND" (the "Certificate Fund"), which Fund shall be kept and maintained at the Depository, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 24. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

The City, at its sole discretion, may appropriate the Pledged Revenue Amount and deposit it into the Certificate Fund as provided in Section 13 hereof. The Pledged Revenue Amount, if deposited into the Certificate Fund, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. This Pledge Revenue Amount shall be accounted for and transferred to the Paying Agent/Registrar in accordance with the provisions of the previous paragraph of this Section.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any Fund established pursuant to the provisions of this Ordinance may, at the option of the City, be placed in time deposits or certificates of deposit, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such fund will be available at the proper time or times. Except as provided in Section 13 hereof, all interest and income derived from deposits and investments in any fund established pursuant to the provisions of this Ordinance shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

Section 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the fiscal year commencing October 1, 2016, and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in the City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax within the limits provided by law and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

a. Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the City Council shall determine:

- (1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;
- (2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied, and (b) adding thereto the amount of the Pledge Revenue Amount, if any, to be appropriated and allocated during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied;
- (3) the amount of Pledged Revenue Amount, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year; and
- (4) the amount of Available Funds, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes to be levied during the next succeeding Fiscal year.

b. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2), (3), and (4) after taking into consideration delinquencies and costs of collecting such annual taxes.

Section 12. Pledge of Pledged Revenues. The City hereby covenants and agrees that (i) the Pledged Revenue Amount is (within the limitation of a total amount of \$1,000 during the time the Certificates or interest thereon remain Outstanding and unpaid), hereby irrevocably pledged to the payment of the principal of and interest on the Certificates (subject to the provisions of Section 10) and (ii) the pledge of Pledged Revenue Amount herein made for the payment of the Certificates shall constitute a lien on and pledge of the Pledged Revenue Amount in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the City.

Section 13. *Reserved.*

Section 14. Deposits to Certificate Fund; Excess Certificate Proceeds. The City covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Certificates, any Net Revenues appropriated during any Fiscal Year.

Ad valorem taxes levied and collected for payment of the Certificates shall be deposited in the Certificate Fund. In addition, Available Funds, any surplus proceeds, along with any investment income thereon, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Certificate Fund from ad valorem taxes or Pledged Revenues to pay principal only on the outstanding Certificates.

Section 15. Security of Funds. All money on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

Section 16. Records and Accounts - Annual Audit. The City further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the receipts and disbursements of the Net Revenues. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect these records and accounts. The City further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Copies of each annual audit shall be furnished to the Executive Director of the Municipal Advisory Council of Texas at his office in Austin, Texas, and, upon written request, to the Purchasers of the Certificates and any subsequent holder thereof.

Section 17. 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 payments to be made to the Certificate Fund, or (b) defaults

in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Ordinance, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition, or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any 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 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 all other existing remedies and the specification of such remedies shall not lie deemed to be exclusive.

Section 18. Additional Obligations. The City expressly reserves the right to hereafter issue revenue obligations secured by a senior, junior or subordinate lien on and pledge of the Net Revenues or revenue obligations hereafter issued to refund any of the foregoing without limitation as to principal amount but subject to any terms, conditions or restrictions applicable thereto under law or otherwise.

Section 19. Special Covenants. The City hereby further covenants that:

a. it has the lawful power to pledge the Net Revenues supporting the Certificates and has lawfully exercised this power under the laws of the State of Texas, including power existing under Chapter 1502, as amended, Texas Government Code, Certificate of Obligation Act of 1971, as amended, Local Government Code Section 271.041 through Section 271.063, and the City's Home Rule Charter; and

b. other than for the payment of the Certificates and other obligations similarly secured, the Net Revenues have not in any manner been pledged to the payment of any debt or obligation of the City.

Section 20. Notices to Holders; Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holders 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 Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 21. Cancellation. All Certificates surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar

and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any, manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the City.

Section 22. Mutilated, Destroyed, Lost, and Stolen Certificates. If (1) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the City and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the City and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the City or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the City shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Certificate has become or is about to become due and payable, the City in its discretion may, instead of issuing a new Certificate, pay such Certificate.

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the City may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Certificates.

Section 23. Sale of the Certificates; Use of Proceeds. The sale of the Certificates to BRANCH BANKING AND TRUST COMPANY (the Purchasers and having all the rights, benefits, and obligations of a Holder) at the price of \$8,545,000.00 (which amount is equal to the par amount of the Certificates less an underwriter's discount in the amount of \$0.00), pursuant to the terms and provisions of a Purchase Investment Letter in substantially the form attached hereto as Exhibit "B," which the Mayor of the City is hereby authorized to execute and deliver and which the City Clerk of the City is hereby authorized to attest. The sale of the Certificates was awarded pursuant to a request for bids in which the Purchaser's bid and the terms of the sale of the Certificates is hereby found to be the most advantageous reasonably available to the City. The Initial Certificate shall be registered in the name of BRANCH BANKING AND TRUST

COMPANY. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Ordinance, upon payment therefor in accordance with the terms of sale.

Proceeds from the sale of the Certificates shall be applied as follows:

- (1) Accrued interest and premium, if any, received from the Purchasers shall be deposited into the Certificate Fund.
- (2) The balance of the proceeds derived from the sale of the Certificates (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the proceeds of the Certificates. This special construction account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Ordinance. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Ordinance.

Section 24. Covenants to Maintain Tax-Exempt Status.

a. Definitions. When used in this Section, the following terms have the following meanings:

"Certificates" means the \$8,545,000, "CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016," dated May 15, 2016, issued on the Delivery Date.

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Delivery Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1 (b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

"Investment" has the meaning set forth in Section 1.148-1 (b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

- (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and
- (2) the Certificates as calculated pursuant to Section 1.148-4 of the Regulations.

b. Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

c. No Private Use or Private Payments. Except to the extent that it will cause the Certificates to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

- (1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and
- (2) not directly or indirectly impose or accept an charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or

refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

d. No Private Loan. Except to the extent that it will cause the Certificates to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

e. Not to Invest at Higher Yield. Except to the extent that it will cause the Certificates to become "arbitrage bonds" within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield on any Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

f. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

g. Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

h. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

- (1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Certificates with other money of the City, provided that the City

separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

- (2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.
- (3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.
- (4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

i. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss

than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

j. Certificates Not Hedge.

- (1) The City reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.
- (2) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

k. Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, City Clerk, Director of Finance, or City Attorney, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

l. Qualified Tax-Exempt Obligations. The City hereby designates the Certificates as qualified tax-exempt obligations for purposes of section 265(b) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (a) during the calendar year in which the Certificates are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Certificates, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2016 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action or refrain from such action as is necessary in order that the Certificates will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 25. Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Certificates to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Clerk, City Manager, City Attorney or Finance Director, either or all, are hereby authorized and directed to furnish and execute such documents relating to the City and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the City's financial advisors, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificates to the Purchasers and the initial exchange thereof for definitive Certificates.

Section 26. Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied and the lien on and pledge of the Pledged Revenues under this Ordinance and all covenants, agreements, and other obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 26 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of four (4) years after the Stated Maturity of the Certificates or applicable redemption date, such money was deposited and is held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the City expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

Section 27. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Escamilla & Poneck, LLP, Attorneys at Law, approving certain legal matters as to the Certificates, said opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of said opinion on the reverse side of each of said Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Clerk of the City is hereby approved and authorized.

Section 28. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 29. Ordinance a Contract; Amendments – Outstanding Certificates. The City acknowledges that the covenants and obligations of the City herein contained are a material inducement to the purchase of the Certificates. This Ordinance shall constitute a contract with the Holders from time to time, binding on the City and its successors and assigns, and it shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

Section 30. Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, Bond Counsel, the Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, Bond Counsel, the Paying Agent/Registrar, and the Holders.

Section 31. Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 32. Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 33. Severability. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and

the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 34. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Council of the City.

Section 35. Authorization of Paying Agent/Registrar Agreement. The City Council of the City hereby finds and determines that it is in the best interest of the City to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, transferability, and payment of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit "A" and is incorporated by reference to the provisions of this Ordinance.

Section 36. Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 37. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

Section 38. No Recourse Against City. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Ordinance against any official of the City or any person executing any Certificate.

Section 39. Continuing Disclosure Undertaking. The City is not required to make any continuing disclosure pursuant to Rule 15c2-12(b) of the Securities and Exchange Commission under the Securities Exchange Act of 1934, because the Certificates are being sold pursuant to a private placement, however, in consideration of the City's purchase of the Certificates, the City agrees to deliver to the Purchaser audited financial statements within 270 days of each fiscal year end including (i) a balance sheet, (ii) statement of revenues, expenses and changes in fund balances, (iii) statement of cash flows, (iv) operating fund budget analysis, and (v) appropriate notes, schedules and attachments to the financial statements; and such other financial information relating to the ability of the City to continue performing hereunder (as submitted or approved) and permit us or our agents and representatives to inspect the City's books and records and make extracts therefrom.

Section 40. Further Procedures. The officers and employees of the City are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions, of this Ordinance, the initial sale and delivery of the Certificates, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Manager, the Director of Finance, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved 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 and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's Office. In case any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 41. Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 42. Effective Date. This Ordinance shall be in full force and effect from and upon its adoption.

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READ, PASSED, AND APPROVED on MAY 10, 2016.

CITY OF PEARSALL, TEXAS

By: May Moore
Mayor

ATTEST:

[Signature]
City Clerk
(CITY SEAL)
Exhibit A - Paying Agent/Registrar Agreement
Exhibit B - Purchase Investment Letter

Exhibit A

PAYING AGENT/REGISTRAR AGREEMENT

[See separate tab of this Transcript]

Exhibit B

PURCHASE INVESTMENT LETTER

[See separate tab of this Transcript]

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of May 10, 2016 (this "Agreement"), is between the City of Pearsall, Texas (the "Issuer") and BRANCH BANKING AND TRUST COMPANY, duly organized and existing under the statutes of the United States of America and authorized to do business in the State of Texas (the "Bank").

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its "CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016," in the aggregate principal amount of \$8,545,000 (the "Securities"), dated May 15, 2016, to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Bank is the purchaser of the Securities as provided in an ordinance authorizing the issuance of the Securities and the Bank wishes to act as Paying Agent to facilitate payment of the Securities;

The Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE 1 APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.1. APPOINTMENT.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities, in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

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

Section 1.2. **COMPENSATION.**

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Exhibit A 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 political subdivisions, which shall be supplied to the Issuer on or before ninety (90) days prior to the close of the Fiscal Year of the Issuer and which shall be effective upon the first day of the following Fiscal Year. The Issuer covenants to provide notice to the Bank upon any change in the Issuer's Fiscal Year within ten (10) business days of the governing body of the Issuer's decision to change the Fiscal Year of the Issuer.

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

ARTICLE 2
DEFINITIONS

Section 2.1. **DEFINITIONS.**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

"Acceleration Date" of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

"Bond Resolution" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the City Clerk or any other officer of the Issuer, and delivered to the Bank.

"Fiscal Year" means the fiscal year of the Issuer, which currently begins on October 1 and ends on September 30 of each year.

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

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the Mayor or the City Clerk of the City Council of the Issuer delivered to the Bank.

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

"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.

"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 Bond Resolution.

"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 Clerk, any Assistant Clerk, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration of Securities and of transfers of Securities.

"Stated Maturity" means the date specified in the Bond Resolution as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.2. **OTHER DEFINITIONS.**

The terms "Bank," "Issuer," "Register," and "Security" have the meanings assigned to them in the opening paragraph of this Agreement or in the recitals of the Issuer.

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

ARTICLE 3 PAYING AGENT

Section 3.1. **DUTIES OF PAYING AGENT.**

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

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

Section 3.2. **PAYMENT DATES.**

The Issuer hereby instructs the Bank to pay the principal and premium, if any, and interest on the Securities on the dates specified in the Bond Resolution.

**ARTICLE 4
REGISTRAR**

Section 4.1. **TRANSFER AND EXCHANGE.**

The Issuer shall keep at the Bank Office a register (the "Security Register") in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations shall be furnished the Bank herewith or subsequent hereto by Issuer Order), the Issuer shall provide for the registration of the Securities and for transfers of Securities. The Bank is hereby appointed Registrar for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

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.

Registrar may request any support documentation it feels necessary to effect a re-registration.

Section 4.2. **FORM OF SECURITY REGISTER.**

The Bank as Registrar will maintain the records of the Security Register 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 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 4.3. **LIST OF SECURITY HOLDERS.**

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of any required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information 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.

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or

court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order.

Section 4.4. **RETURN OF CANCELED SECURITIES.**

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued or which have been paid or provided a certificate of destruction relating thereto.

Section 4.5. **TRANSACTION INFORMATION TO ISSUER.**

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.1 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.1.

ARTICLE 5
THE BANK

Section 5.1. **DUTIES OF BANK.**

The Bank undertakes to perform the duties set forth herein and in the Bond Resolution and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile transmission of the closing memorandum to be followed by an original of the closing memorandum signed by the financial advisor or the Issuer.

Section 5.2. **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 the 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 the 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 believes by it to be genuine and

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

(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 5.3. **RECITALS OF ISSUER.**

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

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

Section 5.4. **MAY HOLD SECURITIES.**

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

Section 5.5. **MONEY HELD BY BANK.**

A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer 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 paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

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

Any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for four years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.6. **INDEMNIFICATION.**

The Issuer agrees, to the extent it legally may, 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 (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.7. **INTERPLEADER.**

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State District Court located in the State Texas and County or Counties where either the Bank (Texas offices only) or the Issuer is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, to the address set forth in Section 6.3 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any person claiming interest herein.

Section 5.8. **DEPOSITORY TRUST COMPANY.**

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," promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

**ARTICLE 6
MISCELLANEOUS PROVISIONS**

Section 6.1. **AMENDMENT.**

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.2. **ASSIGNMENT.**

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

Section 6.3. **NOTICES.**

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

Section 6.4. **EFFECT OF HEADINGS.**

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

Section 6.5. **SUCCESSORS AND ASSIGNS.**

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

Section 6.6. **SEVERABILITY.**

In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired hereby.

Section 6.7. **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 6.8. **ENTIRE AGREEMENT.**

This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar for the Securities, and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

Section 6.9. **COUNTERPARTS.**

The 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 on the date of final payment by the Bank issuing its checks for the final payment of principal and premium, if any, and interest on the Securities.

This Agreement may be earlier terminated upon 60 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or

association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The provisions of Section 1.2 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 and the United States of America.

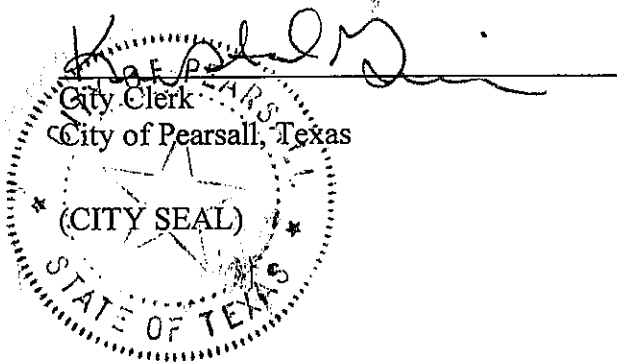
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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF PEARSALL, TEXAS

By: May Moore
Mayor

ATTEST:



BRANCH BANKING AND TRUST COMPANY

By: Mary Parrish Coley
Name: Mary Parrish Coley
Title: Office President

Address:
5130 Parkway Plaza Boulevard
Charlotte, North Carolina 28217
ATTN: Ms. Mary P. Coley

EXHIBIT A

PAYING AGENT/REGISTRAR FEES

None

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

May 10, 2016

The Honorable Mayor
City of Pearsall, Texas
215 South Ash Street
Pearsall, Texas 78061

Escamilla & Poneck, LLP
700 North Saint Mary's Street, Suite 850
San Antonio, Texas 78205

Estrada Hinojosa & Co., Inc.
100 West Houston Street, Suite 1400
San Antonio, Texas 78205

Re: ***\$8,545,000.00, City of Pearsall, Texas Combination Tax and Limited Pledge Revenue
Certificates of Obligation, Series 2016***

Ladies and Gentlemen:

We, the undersigned, have agreed to purchase, and the City of Pearsall, Texas (the "City") has agreed to sell us (the "Purchaser") the captioned Certificates (the "Certificates") at a purchase price of \$8,545,000. The Certificates will bear the terms, redemption provisions, if any, and be secured as described in the Ordinance of the City Council of the City authorizing the same adopted this date (the "Ordinance"), all subject to receipt by the Purchaser and by the City of such opinions, certificates, and other documents as the City or the Purchaser may reasonably require to establish the validity and legality of the Certificates.

The Purchaser hereby acknowledges and confirms that it has been furnished such financial, statistical and other information with respect to the City and the Certificates as the Purchaser deems necessary to enable it to make an informed purchase decision with respect to the purchase of the Certificates. The Purchaser further acknowledges that:

1. The Certificates are payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and additionally from a limited pledge of certain revenues derived from the operation of the City's Water and Wastewater System, sufficient to provide for the payment of interest on and principal of the Certificates, as such interest comes due, and such principal matures. Such ad valorem taxes have been levied and ordered to be levied against all taxable property in the City and such revenues have been limitedly pledged, all as provided in the Ordinance.

2. The Purchaser, as a financial institution, has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-

exempt obligations of a nature similar to the Certificates to be able to evaluate the risks and merits of the purchase of the Certificates.

3. The Purchaser is acquiring the Certificates for its own account as evidence of a loan or for the account of institutions which meet the representations set forth herein, and not with a view to, or for sale in connection with, any distribution of the Certificates or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Certificates or any part thereof, and the Purchaser has no present intention of reselling or otherwise disposing of the Certificates.

4. As a sophisticated purchaser, the Purchaser has made its own credit inquiry and analysis with respect to the City and the Certificates, and has made an independent credit decision based upon such inquiry and analysis. The City has furnished, and the Purchaser hereby acknowledges receipt of all, the information which the Purchaser, as a reasonable purchaser, has requested of the City, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Certificates. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Certificates.

5. Estrada Hinojosa & Company, Inc. (the City's financial advisor) and Escamilla & Poneck, LLP (the City's bond counsel) have not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the City, and the Purchaser has not looked to either of those firms or entities for, nor have either of them made, any representations to the Purchaser with respect to that information.

6. The Purchaser understands that the Certificates have not been rated by any rating agency or registered with any federal or state securities agency or commission.

7. It is understood and agreed that the Purchaser is buying the Certificates in a private placement by the City to the Purchaser. The Certificates are exempt from any federal securities registration requirements by virtue of Section 3(a)(2) of the Securities Act of 1933. The private placement of the Certificates is exempt from the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"); consequently the City has not undertaken to make any on-going disclosures for the benefit of the registered owner of the Certificates in accordance with the Rule.

8. The City will provide the Purchaser with its audited annual financial statements within 270 days after each fiscal year end and any other financial information regarding the City that the Purchaser may reasonably request from time to time while the Certificates remain outstanding.

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City of Pearsall, Texas
Combination Tax and Limited Pledge Revenue
Certificates of Obligation, Series 2016
May 10, 2016
Page 3

Very truly yours,

BRANCH BANKING AND TRUST COMPANY

By May Parrish Cole
Name: May Parrish Cole
Title: Vice President

ACCEPTANCE

ACCEPTED pursuant to the Ordinance adopted by the City Council of the City of Pearsall, Texas this the 10th day of May, 2016.

CITY OF PEARSALL, TEXAS

By: Mary Moore
Name: MARY MOORE
Title: Mayor

STATE OF TEXAS §
 §
COUNTY OF FRIO §
 §
CITY OF PEARSALL, TEXAS §

1. The City Council of the City (the "Board") convened in REGULAR SESSION on the 8th day of March, 2016, at the regular designated meeting place (the "Meeting"), and the roll was called on the duly constituted officers and members of the Board, to-wit:

and all of said persons were present, except the following absentees:
NONE, thus
constituting a quorum. Whereupon, among other business the following was transacted at the
Meeting: a written

(the "Resolution") was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Resolution be passed; and, after due discussion, said motion, carrying with it the passage of the Resolution, prevailed and carried by the following votes:

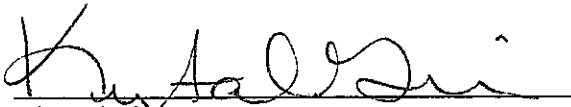
2. A true, full, and correct copy of the Resolution passed at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Resolution; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and

purpose of the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code.

3. The Mayor and the City Clerk of the City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of the Resolution for all purposes.

[The remainder of this page intentionally left blank]

SIGNED AND SEALED on this the 8th day of March, 2016.



City Clerk,
City of Pearsall, Texas



Mayor,
City of Pearsall, Texas



A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF PEARSALL, TEXAS AUTHORIZING AND APPROVING PUBLICATION OF NOTICE OF INTENTION TO ISSUE ONE OR MORE SERIES OF CERTIFICATES OF OBLIGATION; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Council (the "Board") of the City of Pearsall, Texas (the "City") has determined that is advisable and necessary to issue and sell one or more series of certificates of obligation (the "Certificates") in an amount not to exceed \$8,600,000.00, as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Local Government Code, Section 271.041 through 271.063, for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects; and

WHEREAS, the Board authorizes the City Manager, City Clerk, and the City Attorney, as appropriate, or their designees, to review, approve, and execute any documents or certificate in order to allow the City to comply with the requirements of appropriate law; and

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

WHEREAS, the Board hereby finds and determines that the City should proceed with the giving of notice of intention to issue the Certificates in the time, form, and manner provided by law;

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARSALL, TEXAS THAT:

Section 1. The City Clerk is hereby authorized and directed to cause notice to be published of the Board's intention to issue the Certificates in an amount not to exceed \$8,600,000.00 for the purpose of paying contractual obligations of the City to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes

relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and additionally from a pledge of and lien on certain of the revenues derived from the operation of the City's Water and Wastewater System. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto, which notice is incorporated herein by reference as a part of the Resolution for all purposes.

Section 2. The City Clerk shall cause the notice to be published in a newspaper of general circulation in the City, once a week for two consecutive weeks, the date of the first publication shall be at least thirty (30) days prior to the date stated therein for passage of the ordinances authorizing the issuance of the Certificates.

Section 3. The City Clerk is directed to maintain a copy of this Resolution in the City's official record in a manner that will allow any member of the general public to review this Resolution during the normal business hours of the City during the period beginning thirty (30) days after the adoption hereof and ending on the date of the issuance of the Certificates.

Section 4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 5. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 6. The Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

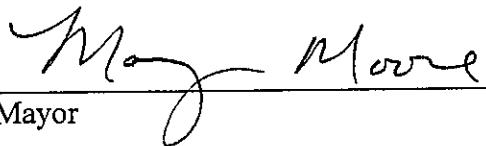
Section 7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

Section 8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 9. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED, this the 8th day of March, 2016.

CITY OF PEARSALL, TEXAS



Mayor

ATTEST:



City Clerk



EXHIBIT "A"

NOTICE OF INTENTION TO ISSUE
CITY OF PEARSALL, TEXAS CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Pearsall, Texas (the "City") will convene at its regular meeting place at City Hall located at 215 South Ash Street, in Pearsall, Texas at 7:00 o'clock p.m., Pearsall, Texas time on April 19, 2016, and, during such meeting, the City Council will consider the passage of an ordinance and take such other actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation in an aggregate principal amount not to exceed \$8,600,000.00 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements to the City's Water and Wastewater System, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects.

The certificates of obligation (the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and from a lien on and limited pledge of certain revenues derived by the City from the operation of the City's Water and Wastewater System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971 as amended, Local Government Code Section 271.041 through Section 271.063, and Chapter 1502, as amended, Texas Government Code.

(Please attach a copy of the newspaper clipping of the published notices here and not above this line.)

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS

§
§
§
§
§

COUNTY OF FRIO

CITY OF PEARSALL, TEXAS

BEFORE ME, the undersigned authority, on this day, personally appeared Manuel Azocar III (name), Editor (title) of Frio-Nueces Current (newspaper), who being by me duly sworn, upon oath, deposes and says:

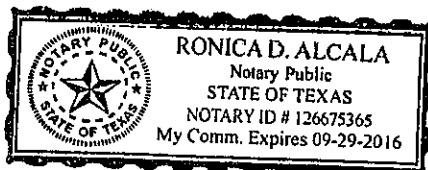
The attached clipping of a NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION was published in Frio-Nueces Current, a newspaper meeting the requirements of Section 2051.044, Texas Government Code, which are:

- (1) devotes not less than twenty-five percent (25%) of its total column lineage to the carrying of items of general interest,
- (2) is published not less frequently than once each week,
- (3) is entered as second-class postal matter in the county where published, and
- (4) has been published regularly and continuously for not less than twelve (12) months prior to the making of the attached publication,

published and of general circulation in the City of Pearsall, Frio County, Texas, in the issues of March 17, 2016 and March 24, 2016 (dates of publication), and the attached newspaper clippings are true and correct copies of said published notices.

Name: Manuel Azocar III
Title: Managing Editor

SWORN AND SUBSCRIBED BEFORE ME, this 11 day of April, 2016.



(NOTARY SEAL)

Ronica D. Alcala
Notary Public, State of Texas

NOTICE OF INTENTION TO ISSUE
CITY OF PEARSALL, TEXAS CERTIFICATES OF OBLIGATION

NOTICE IS HEREBY GIVEN that the City Council of the City of Pearsall, Texas (the "City") will convene at its regular meeting place at City Hall located at 215 South Ash Street, in Pearsall, Texas at 7:00 o'clock p.m., Pearsall, Texas time on April 19, 2016, and, during such meeting, the City Council will consider the passage of an ordinance and take such other actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation in an aggregate principal amount not to exceed \$8,600,000.00 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements to the City's Water and Wastewater System, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks, together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects.

The certificates of obligation (the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and from a lien on and limited pledge of certain revenues derived by the City from the operation of the City's Water and Wastewater System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971 as amended, Local Government Code Section 271.041 through Section 271.063, and Chapter 1502, as amended, Texas Government Code.

**NOTICE OF INTENTION TO
ISSUE CITY OF PEARSALL
TEXAS CERTIFICATES OF
OBLIGATION**

NOTICE IS HEREBY GIVEN that the City Council of the City of Pearsall, Texas (the "City") will convene at its regular meeting place at City Hall located at 215 South Ash Street, in Pearsall, Texas at 7:00 o'clock p.m., Pearsall, Texas time on April 19, 2016, and, during such meeting, the City Council will consider the passage of an ordinance and take such other actions as may be deemed necessary to authorize the issuance of one or more series of certificates of obligation in an aggregate principal amount not to exceed \$8,600,000.00 for the purpose or purposes of paying contractual obligations of the City to be incurred for making permanent public improvements to the City's Water and Wastewater System, to-wit: (1) constructing, renovating, enlarging, and improving the City's Water and Wastewater System; (2) the purchase of materials, supplies, equipment, land, and rights-of-ways for authorized needs and purposes relating to the City's Water and Wastewater System improvements; (3) the construction and improvement of streets, curbs, and sidewalks,

together with utility relocation, drainage improvements, land acquisition, and expenses, incidental to such construction and/or improvements of such streets; (4) constructing, renovating, enlarging and improving the City's gas distribution system; (5) the improvement and renovation of the "old" City Hall and the acquisition of furnishings and equipment for this municipal building; and (6) the payment of professional services related to the construction and financing of the aforementioned projects. The certificates of obligation (the "Certificates") will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the City and from a lien on and limited pledge of certain revenues derived by the City from the operation of the City's Water and Wastewater System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971 as amended, Local Government Code Section 271.041 through Section 271.063, and Chapter 1502, as amended, Texas Government Code.

GENERAL CERTIFICATE

| | |
|------------------|---|
| STATE OF TEXAS | § |
| | § |
| COUNTY OF FRIO | § |
| | § |
| CITY OF PEARSALL | § |

We, the undersigned, hereby officially certify that we are the Mayor and City Clerk, respectfully of the City of Pearsall, Texas (the "City") and we further certify for the benefit of the Attorney General of the State of Texas and all other persons interested in the City of Pearsall, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016 (the "Certificates"), dated May 15, 2016, in the aggregate principal amount of \$8,545,000, issued pursuant to an ordinance adopted May 10, 2016, (the "Ordinance"), by the City Council of the City (the "City Council") as follows:

1. The City is a duly incorporated Home Rule City, having more than 5,000 inhabitants, operating and existing under the Constitution and laws of the State of Texas and the duly adopted Home Rule Charter of the City, which Charter has not been changed or amended since the passage of the ordinance authorizing the issuance of the most recently dated, issued and outstanding obligations of the City.

2. No litigation of any nature has ever been filed pertaining to, affecting or contesting: (a) the issuance, delivery, payment, security or validity of the proposed Certificates; (b) the authority of the officers of the City to issue, execute and deliver the Certificates; or (c) the validity of the corporate existence, the current Tax Rolls, or the Charter of the City; and no litigation is pending pertaining to, affecting or contesting the boundaries of the City.

3. The currently effective ad valorem tax appraisal roll of the City (the "Tax Roll") is the Tax Roll prepared and approved during the calendar year 2016, being the most recently approved Tax Roll of the City; that the taxable property in the City has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "Texas law"); that the Tax Roll for said year has been submitted to the City Council as required by Texas law, and has been approved and recorded by the City Council; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in the City (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of the City has been or will be imposed and levied, is \$297,315,720.

4. Attached hereto as Exhibit A is a true, full and correct schedule of all the presently outstanding tax indebtedness of the City and attached hereto as Exhibit B is a combined debt service schedule for all outstanding tax indebtedness of the City, including the Certificates.

5. All of the meetings held by the City Council pursuant to which any proceedings were passed, adopted, and approved in connection with the Certificates were meetings open to the public for which public notice had been given, all as required by law and particularly Chapter 551, as amended, Texas Government Code.

6. No Net Revenues or Pledged Revenues of the System are pledged or encumbered to the payment of any debt or obligation of the City or the System, except in connection with the Certificates.

7. No petition signed by at least 5% of the qualified electors of the City has been filed with the Mayor, the City Clerk, any member of the City Council of the City, or any other officer of the City protesting the issuance of the Certificates or requesting a referendum election on the question of their issuance and sale.

8. The terms Fiscal Year, Gross Revenues, Maintenance and Operating Expenses, Net Revenues, and System, as used in this certificate, have the same meanings as in the Ordinance.

9. Additional transcript requirements pursuant to the provisions of Section 1202.008, as amended, Texas Government Code are attached hereto as Exhibit C.

10. Attached hereto as Exhibit D is a true and correct Gross Revenues, Maintenance and Operating Expenses, and Net Revenues of the System (as shown by the records of the City) for the last four Fiscal Years and is made a part of this certificate for all purposes.

11. Attached hereto as Exhibit E are the true and current rates for the City's Water and Wastewater System as adopted by the City Council.

12. Capitalized terms not defined in this certificate shall have the meanings ascribed to them in the Ordinance.

13. That the City is not in default as to any covenant, condition or obligation in connection with any or all outstanding obligations secured by the Net Revenues of the System, and the ordinances authorizing same.

14. In the event that the City acquires real property, in whole or in part, with proceeds from the Certificates, the City will obtain an independent appraisal prior to the purchase of such property in compliance with Section 252.051 of the Local Government Code, as amended by H.B. 782 (effective September 1, 2011).

15. That the meeting of April 19, 2016 was postponed at the request of the City Manager and rescheduled to May 10, 2016. The City posted a note and posted on its website a notice informing the general public that the meeting scheduled for April 19, 2016 to adopt the Ordinance was postponed until May 10, 2016.

16. That the Certificate proceeds will not be used for a purpose previously rejected by the voters of the City in an election during the preceding three years.

17. The City has received all required disclosure filings under Section 2252.908 of the Texas Government Code in connection with the authorization and issuance of the Certificates and has notified the Texas Ethics Commission ("TEC") of its receipt such filings by acknowledging such filings in accordance with TEC's rules.

18. This certificate is made for the benefit of the persons involved in this transaction and the Attorney General of The State of Texas in connection with his examination into and the approval of the Certificates.

WITNESS OUR HANDS AND THE SEAL OF THE CITY OF PEARSALL, TEXAS on this
the 10th day of May, 2016.



May Moore
Mayor
City of Pearsall, Texas

Kurtel Martin
City Clerk
City of Pearsall, Texas

EXHIBIT A

SCHEDULE OF ALL OUTSTANDING TAX INDEBTEDNESS

| <u>OBLIGATIONS</u> | <u>TOTAL OUTSTANDING (\$)</u> |
|--|--------------------------------------|
| Combination Tax and Limited Pledge Revenue Certificates of
Obligation, Series 2006 | 95,000.00.00 |
| Combination Tax and Limited Pledge Revenue Certificates of
Obligation, Series 2012 | 6,685,000.00 |
| Combination Tax and Limited Pledge Revenue Certificates of
Obligation, Series 2012A | 1,632,625.00 |
| The Certificates | 8,545,000.00 |
| Total | <hr/> \$16,957,625.00 <hr/> |

EXHIBIT B

**COMBINED DEBT SERVICE SCHEDULE
FOR ALL OUTSTANDING TAX INDEBTEDNESS**

City of Pearsall, Texas
Debt Service Requirements

| Fiscal
Year
Ended
9/30 | Existing Debt Service | | | Comb. Tax & Limited Pledge Revenue
Certificates of Obligations, Series 2016 | | | Total
Debt Service
Requirements | % of
Principal
Retired |
|---------------------------------|-----------------------|---------------------|----------------------|--|---------------------|----------------------|---------------------------------------|------------------------------|
| | Principal | Interest | Total | Principal | Interest | Total | | |
| 2016 | \$ 544,125 | \$ 255,972 | \$ 800,097 | \$ - | \$ - | \$ - | \$ 800,097 | |
| 2017 | 559,125 | 236,222 | 795,347 | 440,000 | 242,404 | 682,404 | 1,477,751 | |
| 2018 | 579,125 | 218,747 | 797,872 | 495,000 | 185,437 | 680,437 | 1,478,309 | |
| 2019 | 594,125 | 200,720 | 794,845 | 505,000 | 173,637 | 678,637 | 1,473,482 | |
| 2020 | 609,125 | 182,306 | 791,431 | 520,000 | 161,542 | 681,542 | 1,472,973 | 27.91% |
| 2021 | 629,125 | 163,171 | 792,296 | 530,000 | 149,152 | 679,152 | 1,471,448 | |
| 2022 | 649,125 | 143,491 | 792,616 | 545,000 | 136,467 | 681,467 | 1,474,083 | |
| 2023 | 669,125 | 123,181 | 792,306 | 555,000 | 123,487 | 678,487 | 1,470,793 | |
| 2024 | 689,125 | 102,315 | 791,440 | 570,000 | 110,212 | 680,212 | 1,471,652 | |
| 2025 | 709,125 | 80,671 | 789,796 | 585,000 | 96,583 | 681,583 | 1,471,379 | 63.22% |
| 2026 | 729,125 | 58,470 | 787,595 | 600,000 | 82,600 | 682,600 | 1,470,195 | |
| 2027 | 754,125 | 35,562 | 789,687 | 610,000 | 68,322 | 678,322 | 1,468,009 | |
| 2028 | 44,125 | 23,506 | 67,631 | 625,000 | 53,749 | 678,749 | 746,380 | |
| 2029 | 44,125 | 22,504 | 66,629 | 640,000 | 38,822 | 678,822 | 745,451 | |
| 2030 | 44,125 | 21,566 | 65,691 | 655,000 | 23,541 | 678,541 | 744,232 | 90.55% |
| 2031 | 44,125 | 20,628 | 64,753 | 670,000 | 7,906 | 677,906 | 742,659 | |
| 2032 | 44,125 | 19,745 | 63,870 | - | - | - | 63,870 | |
| 2033 | 44,125 | 18,753 | 62,878 | - | - | - | 62,878 | |
| 2034 | 44,125 | 17,815 | 61,940 | - | - | - | 61,940 | |
| 2035 | 44,125 | 16,878 | 61,003 | - | - | - | 61,003 | 95.68% |
| 2036 | 44,125 | 15,984 | 60,109 | - | - | - | 60,109 | |
| 2037 | 44,125 | 15,003 | 59,128 | - | - | - | 59,128 | |
| 2038 | 44,125 | 14,065 | 58,190 | - | - | - | 58,190 | |
| 2039 | 44,125 | 13,127 | 57,252 | - | - | - | 57,252 | |
| 2040 | 44,125 | 12,223 | 56,348 | - | - | - | 56,348 | 96.95% |
| 2041 | 44,125 | 11,252 | 55,377 | - | - | - | 55,377 | |
| 2042 | 44,125 | 10,314 | 54,439 | - | - | - | 54,439 | |
| 2043 | 44,125 | 9,377 | 53,502 | - | - | - | 53,502 | |
| 2044 | 44,125 | 8,462 | 52,587 | - | - | - | 52,587 | |
| 2045 | 44,125 | 7,501 | 51,626 | - | - | - | 51,626 | 98.22% |
| 2046 | 44,125 | 6,564 | 50,689 | - | - | - | 50,689 | |
| 2047 | 44,125 | 5,626 | 49,751 | - | - | - | 49,751 | |
| 2048 | 44,125 | 4,701 | 48,826 | - | - | - | 48,826 | |
| 2049 | 44,125 | 3,751 | 47,876 | - | - | - | 47,876 | |
| 2050 | 44,125 | 2,813 | 46,938 | - | - | - | 46,938 | 99.49% |
| 2051 | 44,125 | 1,875 | 46,000 | - | - | - | 46,000 | |
| 2052 | 44,125 | 940 | 45,065 | - | - | - | 45,065 | 100.00% |
| | <u>\$ 8,817,625</u> | <u>\$ 2,105,800</u> | <u>\$ 10,923,425</u> | <u>\$ 8,545,000</u> | <u>\$ 1,653,861</u> | <u>\$ 10,198,861</u> | <u>\$ 21,122,287</u> | |

EXHIBIT C

ADDITIONAL TRANSCRIPT REQUIREMENTS

(Section 1202.008, as amended, Texas Government Code)

**SIGNATURE IDENTIFICATION
AND NO-LITIGATION CERTIFICATE**

STATE OF TEXAS

§

COUNTY OF FRIO

§

§

CITY OF PEARSALL

§

§

We, the undersigned officers of the City of Pearsall, Texas (the "City") certify with respect to CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2016 (the "Certificates"), as follows:

1. That the Certificates, dated May 15, 2016, in the aggregate principal amount of \$8,545,000, have been duly and officially executed by us in the same manner appearing hereon, and we hereby adopt and ratify our respective signatures in the manner appearing on each of the Certificates whether in manual or facsimile for, as the case may be, as our own signatures.

2. That said Certificates are substantially in the form, and have been duly executed and signed in the manner, prescribed in the ordinance authorizing the issuance of the Certificates.

3. That at the time we so executed and signed the Certificates we were, and at the time of executing this certificate we are, the duly chosen, qualified and acting officers indicated therein, and herein, and authorized to execute same.

4. That neither the corporate existence nor boundaries of the City are being contested; that no litigation has been filed or is now pending which would affect the authority of the officers of the City to issue, execute, and deliver the Certificates; and that no authority or proceedings for the issuance of the Certificates have been repealed, revoked, or rescinded.

5. That we have caused the official seal of the City to be impressed, or printed, or lithographed on each of the Certificates, and the seal on the Certificates has been duly adopted as, and is hereby declared to be, the official seal of the City.

6. No litigation of any nature is now pending before any federal or state court, or administrative body, or to our knowledge threatened, to which the City is a party that seeks to restrain or enjoin the issuance or delivery of the Certificates or questioning the issuance or sale of the Certificates, or the authority or action of the governing body of the City relating to the issuance or sale of the Certificates, the levy of the tax, or the assessment and collection thereof, to pay the principal of and interest on the Certificates, the collection of certain of the revenues derived from the operation of the City's Water and Wastewater System (the "System"), or the imposition of rates and charges with regard to the System, pledged to pay the principal of and interest on the Certificates, or that would otherwise adversely affect in a material manner the financial condition of the City to pay the principal of and interest on the Certificates; and neither the corporate existence or boundaries of the City nor the right to hold office of any member of the governing body of the City or any other elected or appointed official of the City is being contested or otherwise questioned.

7. No petition or other request has been filed with or presented to any official of the City requesting that any proceedings authorizing the issuance of the Certificates adopted by the governing body of the City be submitted to a referendum or other election.

8. This Certificate is submitted pursuant to Title I, Chapter 53, Texas Administrative Code. Upon the approval of the Bonds by the Attorney General of the State of Texas, he is authorized to date this Certificate as of the date of such approval. If any litigation should develop, or if any other event should occur which should make this Certificate inaccurate before the Attorney General's approval of the Bonds, we will notify the Attorney's General at once by both telephone and facsimile transmission. With this assurance, the Attorney General is entitled to rely on the accuracy of this Certificate at the time of approval of the Bonds unless we advise him otherwise.

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WITNESS OUR HANDS AND SAID SEAL on

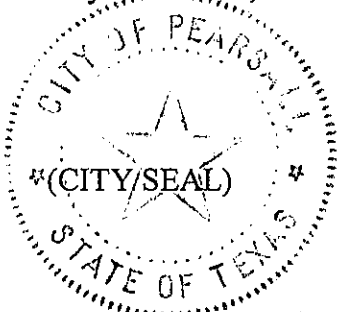
6/6/16

Kurt O'Dri

City Clerk,
City of Pearsall, Texas

May Moore

Mayor,
City of Pearsall, Texas



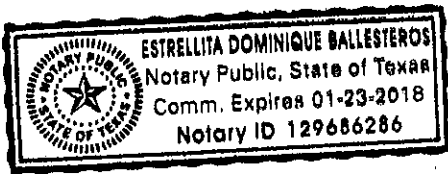
STATE OF TEXAS

COUNTY OF FRIO

§
§
§

Before me, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and official seal of office this May 19, 2016.



Estrellita Ballesteros

Notary Public, State of Texas

(NOTARY SEAL)

CITY OF PEARSALL, TEXAS
215 South Ash Street
Pearsall, Texas 78061

May 10, 2016

Ms. Melissa Mora
Bond Registration Division
Comptroller of Public Accounts
Rusk Building
208 East 10th Street, 6th Floor, Room 636
Austin, Texas 78701-2407

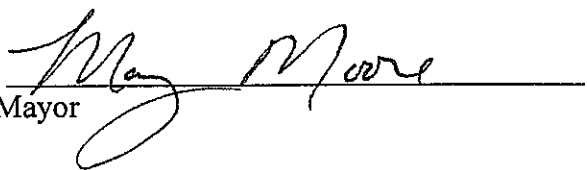
Re: City of Pearsall, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2016 (the "Certificates")

Dear Ms. Mora:

The Initial Certificate of the above captioned financing will be delivered to you by the Attorney General of Texas. Please register the Initial Certificate on behalf of the City as required by law and the proceedings authorizing the Certificates, and when so registered, deliver them, along with the approving opinions of the Attorney General and the Comptroller's registration certificates, to Mr. Juan F. Aguilera, Escamilla & Poneck, LLP, 700 North St. Mary's Street, Suite 850, San Antonio, Texas 78205.

Thank you for your assistance.

Sincerely,

By: 
Mayor

RECEIPT

| | |
|--------------------|---|
| THE STATE OF TEXAS | § |
| | § |
| COUNTY OF FRIO | § |
| | § |
| CITY OF PEARSALL | § |

THE UNDERSIGNED HEREBY CERTIFIES:

1. This receipt is executed and delivered with respect to the \$8,545,000 CITY OF PEARSALL, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, dated May 15, 2016 (the "Certificates"). The issuer of the Certificates is the City of Pearsall, Texas, located in Frio County, Texas (the "City").

2. On the date shown hereof, the Certificates were delivered to the initial purchaser(s):

BRANCH BANKING AND TRUST COMPANY

3. All of the Certificates have been paid for in fully the initial purchaser concurrently with the delivery of this receipt, and the City has received the agreed purchase price for the Certificates, as follows:

| | |
|---------------------------------|---------------------------|
| PRINCIPAL AMOUNT | \$8,545,000.00 |
| ACCRUED INTEREST..... | (-0-) |
| ORIGINAL ISSUE DISCOUNT | (-0-) |
| UNDERWRITER'S DISCOUNT | (-0-) |
|
TOTAL AMOUNT RECEIVED |
<u>\$8,545,000.00</u> |

4. The undersigned has executed this receipt in the capacity hereinafter shown for and on behalf of the City.

[The remainder of this page intentionally left blank]

EXECUTED AND DELIVERED, this _____, 2016.

Mayor
City of Pearsall, Texas



CITY OF PEARSALL

BRINGING THE PRIDE BACK

GUIDELINES FOR THE NAMING OF PUBLIC FACILITIES

City of Pearsall, Texas

Purpose

The purpose of these guidelines is to establish a systematic and consistent approach for the official naming of public facilities in the City of Pearsall, including parks, facilities, recreational areas, streets, and municipal buildings.

Objectives

- Ensure that parks, facilities, recreational areas, and municipal buildings are easily identified and located.
- Ensure that given names to parks, facilities, recreational areas, and municipal buildings are consistent with the values and character of the area or neighborhood served.
- Encourage public participation in the naming, renaming, and dedication of parks, facilities, recreational areas, and municipal buildings.
- Encourage the dedication of lands, facilities, or donations by individuals and/or groups.
- Increase and advance the reputation of the City as well as increase the understanding and public support for its programs.

Criteria

The practice of the City of Pearsall shall be to name parks, recreation areas, facilities, and municipal buildings through an a Council approved process utilizing the above objectives, emphasizing community values and character, local and national history, geography, civics, and service to the City of Pearsall. In accordance with these principles, the following criteria shall be used in determining the appropriateness of the naming designation:

- Neighborhood, geographic or common usage identification;
- A historical figure, place, event, or other instance of historical or cultural significance;
- National and state historical leaders or heroes, both past and present;

- An individual, living or deceased, who has contributed outstanding civic service to the City of Pearsall;
- An individual, living or deceased [a] who has made a significant land and/or monetary contribution to a park, recreation area, facility, or municipal building, or [b] who has had the contribution made “In Memoriam” when the name has been stipulated as a condition of the donation;
- Facilities or specialized areas may have a name different from that of the larger park, recreation area, facility, or municipal building.

Names that are similar to existing parks, recreation areas, facilities, and municipal buildings should not be considered in order to minimize confusion.

Renaming

The City of Pearsall reserves the right to change the name of a park, recreation area, facility or municipal building to maintain consistency with these guidelines. However, renaming carries with it a much greater burden of process compared to initial naming. Tradition and continuity of name and community identification are important community values. Each request to rename must meet the criteria of this policy, but meeting all criteria does not ensure renaming.

Procedures

Upon approval of these guidelines by Council, procedures consistent with the guidelines will be developed. It is anticipated that naming/renaming requests will be submitted to the City Manager. The Manager will then forward the request through an appropriate board, committee, or organization or directly to the City Council for approval. The City Council may, upon its own initiative, name or rename a City facility without following these guidelines. An individual council member may submit a naming suggestion to the City Manager, who will then apply the guidelines and procedures.



CITY OF PEARSALL

DECLARATION OF DISASTER AND PUBLIC EMERGENCY #3

WHEREAS, in December 2019, a novel coronavirus, now designated COVID-19, was detected in Wuhan City, Hubel Province, China. Symptoms of COVID-19 include fever, cough, and shortness of breath. Outcomes have ranged from mild to severe illness, and in some cases death; and

WHEREAS, on January 30, 2020, the World Health Organization Director General declared the outbreak of COVID-19 as a Public Health Emergency of International Concern (PHEIC), advising countries to prepare for the containment, detection, isolation and case management, contact tracing and prevention of onward spread of the disease; and

WHEREAS, to date, there have been numerous positive cases in Texas; and

WHEREAS, on Wednesday March 11, 2020, the World Health Organization (WHO) declared the crisis is now a pandemic after it has infected roughly 189,000 people around the world and killed 7,511. 4,752 cases have been confirmed in the United States according to WHO; and

WHEREAS, the virus is characterized by mild symptoms including a runny nose, sore throat, cough, and fever, similar to the influenza where in severe cases it can lead to pneumonia or breathing difficulties according to WHO; and

WHEREAS, those with symptoms who have traveled to or been in contact with an individual who has traveled to a country that has coronavirus in the last two weeks are urged to see their physician; and

WHEREAS, the disease can be fatal and those with other medical conditions such as asthma, diabetes, or heart disease may be more vulnerable in becoming severely ill; and

WHEREAS, due to pandemic, President Donald J. Trump announced a month-long travel restriction to several countries confirmed to have cases of the coronavirus that has gone into effect; and

WHEREAS, on March 13, 2020, President Trump declared a state of emergency due to COVID-19; and

WHEREAS, President Trump is expected to invoke the Stafford Act, which will allow state and local governments to access federal disaster relief funds; and

WHEREAS, pursuant to the Texas Disaster Act of 1975, the Mayor is designated as the Emergency Management Director of the City of Pearsall, and may exercise the powers granted to the governor on an appropriate local scale; and

WHEREAS, Section 418.108(a) of the Texas Government Code provides that the presiding officer of the governing body of a political subdivision may declare a state of local disaster; and

WHEREAS, a declaration of local disaster and public health emergency includes the ability to reduce the possibility of exposure to disease, control the risk, promote health, compel persons to undergo additional health measures that prevent or control the spread of disease, including the provision of temporary housing or emergency shelters for persons misplaced or evacuated and request assistance from the governor of state resources; and

WHEREAS, by this Declaration of Disaster and Public Health Emergency, I declare all rules and regulations that may inhibit or prevent prompt response to this threat suspended for the duration of the incident; and

WHEREAS, pursuant to the authority granted to the Mayor under Texas Disaster Act of 1975, I authorize the use of all available resources of state government and political subdivisions to assist in the City's response to this situation; and

WHEREAS, on March 13, 2020, Greg Abbott, the Governor of the State of Texas, issued a proclamation that declared COVID-19 as an imminent threat of disaster; and

WHEREAS, on March 15, 2020, the CDC issued further revised guidance regarding social distancing and mass gatherings of 50 or more people; and

WHEREAS, on March 16, 2020, the CDC issued further revised guidance that persons should avoid social gatherings in groups of more than 10 people; and

WHEREAS, I, Mary Moore, Mayor of the City of Pearsall, Texas, have determined that extraordinary and immediate measures must be taken to respond quickly, prevent and alleviate the suffering of people exposed to and those infected with the virus, as well as those that could potentially be impacted by COVID-19.

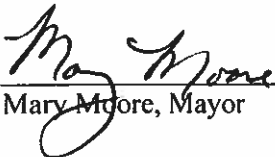
NOW, THEREFORE, BE IT PROCLAIMED BY THE MAYOR OF PEARSALL:

1. That a local state of disaster and public health emergency is hereby declared for the City of Pearsall pursuant to the Texas Disaster Act of 1975 and Texas Government Code §418.108(a).
2. All prior Declarations, orders and emergency measures are superseded by this most recent Declaration and its Exhibit.

3. Stay Home Be Safe. Pursuant to the Texas Disaster Act of 1975, I, Mary Moore, as Mayor of the City of Pearsall, in coordination and consultation with the local health professionals, all individuals living in the City of Pearsall to Stay Home Be Safe consistent with the direction and guidelines as set out in **Exhibit 1** attached to this Declaration.
4. By this Declaration, I declare all rules and regulations that may inhibit or prevent prompt response to this threat are suspended for the duration of the incident, and authorize the City Manager to exercise all emergency powers as are available to address this emergency.
5. As Mayor, I further reserve all other authority and powers conferred by state law to respond as necessary to this situation.

This declaration shall take effect immediately from and after its issuance.

ORDERED this the 31st day of March, 2020.



Mary Moore, Mayor

ATTEST:



Krystal Garcia, City Clerk

Exhibit 1

Stay Home Be Safe Measures

Take effect at 11:59 p.m. on March 31st, 2020, and will continue through 11:59 p.m. on April 7, 2020, subject to Pearsall City Council approval.

1. Stay at Home:

- a. All individuals living in the City of Pearsall are ordered to stay at home consistent with the direction and guidance in this Declaration. If individuals are using shared or outdoor spaces outside their home or engaged in Exempted Activities or Exempted Businesses, then they must maintain social distancing of at least six feet from any other person. All persons may leave their residences only for Exempted Activities, or to provide or perform Governmental Functions, or to operate Exempted Businesses, all as defined in Section 2.
- b. All businesses operating within Pearsall except Exempted Businesses are required to stop operations and close. Businesses may continue operations consisting exclusively of the following as long as social distancing of at least six feet is maintained during these activities:
 - i. Employees or contractors performing activities at their own residences (i.e. working from home or operating a home-based business regardless of whether it constitutes as Exempted Business).
 - ii. Operations necessary to maintain security, upkeep, and maintenance of premises, equipment or inventory, including but not limited to the care and maintenance of livestock or animals.
 - iii. IT or other operations that facilitate employees working from home.
- c. All public or private gatherings occurring outside a single household or single-family living unit are prohibited unless specifically exempted under this Declaration. Members of a household or single-family living unit may gather.
- d. Restaurants, prepared food retailers, microbreweries, micro-distilleries, or wineries may only provide room service, take out, delivery, drive-in, or drive-through services consistent with state and local laws. Any food establishment that provides services under this section must adhere to social distancing requirements for any food preparation, waiting area or queue.
- e. Hospitals, surgical centers, and healthcare providers must follow the Executive Order issued by Greg Abbott, Governor of the State of Texas and are strongly urged to follow the non-essential procedures guidance issued by the Centers for Medicare & Medicaid services, and American College of Surgeons.

2. Definitions:

- a. The following are Exempted Activities:
 - i. **Health and Safety Activities:** Activities related to maintaining the health and safety of the individual or their family or household members and pets, for example, obtaining medical supplies or medication, visiting a health care professional, or obtaining supplies need to work from home. This includes activity to care for a family member or pet in another household.
 - ii. **Necessary Supplies:** Activity to obtain or purchase necessary services or supplies for themselves and their family or household members and pets, or to deliver

those services or supplies to others. For example, to purchase or obtain food, pet supply, and any other household consumer products, and products necessary to maintain the safety, sanitation, and operation of residences.

- iii. **Outdoor activity:** Activity in an outdoor open space, such as walking, biking, hiking, or running, as long as individuals comply with social distancing requirements of six feet.
- iv. **Work for Exempted Business:** Activity to perform work for Exempted Business or to otherwise carry out activities specifically allowed in this Declaration.
- b. For purposes of this Declaration, Exempted Businesses means:
 - i. **Health Care Services.** Business tied to the providing or delivering of healthcare services. For example:
 - 1) hospitals, clinics, dentists, pharmacies, pharmaceutical and biotechnology companies, other healthcare facilities, including veterinary services,
 - 2) healthcare suppliers, home healthcare services providers, mental health providers, substance abuse providers,
 - 3) blood banks, medical research, or any related and/or ancillary healthcare services, veterinary care provided to animals.
 - 4) Home-based care for seniors, adults, or children. Residential facilities and shelters for seniors, adults, and children.Healthcare operations do not include fitness and exercise gyms and similar facilities.
 - ii. **Government Functions.** Business activity related to the operations or services provided by government for the continuing operation of the government agencies to provide for the health, safety and welfare of the public. For example, public safety, solid waste collection, and utility operations.
 - iii. **Education and Research.** Educators or other personnel supporting public and private K-12 schools, colleges, and universities for purposes of facilitating distance learning or performing other functions in support of Exempted Activities and Exempted Businesses.
 - iv. **Infrastructure.** Businesses related to public works construction, construction of housing, commercial construction, water, sewer, gas, electrical, oil refining, roads and highways, and public transportation.
 - v. **Transportation.** Business related to the operation, maintenance, construction, and manufacture of transportation services. For example:
 - 1) Vehicle manufacturers, automotive suppliers, car dealerships, parts distribution, maintenance and repair facilities
 - 2) Public transportation
 - 3) Businesses supporting airport operations
 - 4) Street and highway maintenance and construction
 - 5) Gas stations and other fuel distribution businesses
 - 6) Vehicles for hire including taxis and rideshare
 - vi. **IT Services:** Activity to provide or maintain internet, and telecommunications systems including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services.

- vii. **Food, Household Staples Retail.** Food service and food distribution providers including grocery stores, warehouse stores, big-box stores, liquor stores, bodegas, gas stations, and farmers' markets that sell food products and household staples. Businesses that ship or deliver groceries, food, goods or services directly to residences or provide for pick-up options. The restriction of delivery or carry out does not apply to cafes and restaurants located within hospital and medical facilities. Schools and other entities that typically provide free services to students or members of the public on a pick-up/take-away basis may continue. Laundromats, dry cleaners, and laundry service providers and businesses that supply products needed for people to work from home are included in Household Staples Retail.
 - viii. **Services for Economically Disadvantaged Populations.** Businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or other vulnerable populations.
 - ix. **Services to Maintain Operations of Residences or Support Exempted Businesses.**
 - 1) Hotels and other temporary residence facilities,
 - 2) Trash and recycling collection, processing, and disposal,
 - 3) Mail and shipping services, building cleaning and maintenance, auto repair, warehouse/distribution and fulfillment, and storage for essential businesses,
 - 4) Plumbers, electricians, exterminators, moving services, and other service providers who provide services to maintain the safety, sanitation, and operations of residences, and
 - 5) Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities, such as filing of taxes.
 - x. **News Media.** Newspapers, television, radio, and other media services.
 - xi. **Financial Institutions.** Bank, credit unions, insurance companies and other financial institutions including pawn shops and payday lenders.
 - xii. **Childcare Services.** License childcare facilities, organizations, or individuals providing childcare services.
 - xiii. **Worship Services.** Religious and worship services may only be provided by video, teleconference or other remote measures.
 - xiv. **Funeral Services.** Funeral homes, crematoriums and cemeteries.
3. To facilitate delivery for activity allowed under this Declaration, all delivery hour restrictions related to the selling or distribution of food products, medicine, or medical supplies is suspended for the next 60 days.
 4. The City acknowledges and supports full compliance with the Frio County Judges' Executive Order provisions that address rental property evictions, and foreclosure proceedings be followed and that these actions be suspended for the next 30 days.
 5. People who are sick should stay at home and not engage in any activity outside their residence unless related to treatment or health care. If someone in a household has tested positive for COVID-19 then they must follow the isolation and quarantine measures proscribed by local, state, and federal health authorities. If a member of a household tests positive then other members of the household should consider themselves positive if they

become symptomatic and also follow the isolation and quarantine measures proscribed by local, state, and federal health authorities.

6. Nursing homes, retirement, and long-term care facilities must prohibit non-essential visitors from accessing their facilities unless to provide medical assistance or for end-of-life visitation.
7. All public, private, and commercial laboratories operating within the City of Pearsall and performing COVID-19 testing shall report by 5:00 p.m. each day for the prior 24-hour period (1) the number of COVID-19 tests performed; (2) the number of positive COVID-19 tests (3) the physical address of person/s being monitored by the health local department or local health authority for COVID-19. This information shall be delivered to the City Manager who is the designated representative for the City of Pearsall. This information shall be emailed to freyes@cityofpearsall.org. This information will be used solely for public health purposes, protection of first responders and to help mitigate and contain the spread of COVID-19.
8. Subject to Pearsall City Council approval, the Declaration shall effective until 11:59 p.m. on April 7, 2020, or until it is either rescinded, superseded, or amended pursuant to applicable law.

COUNTY OF FRIO



STATE OF TEXAS

EXECUTIVE ORDER OF COUNTY JUDGE ARNULFO C. LUNA
ISSUED March 30, 2020

WHEREAS, on March 13, 2020, Texas Governor Greg Abbott issued a declaration of public health disaster in and for the State of Texas and on March 10, 2020, the Texas Department of State Health Services issued a declaration of a public health disaster in the State of Texas for the first time since 1901;

WHEREAS, pursuant to Texas Government Code Section 4198.108, Frio County Judge Arnulfo C. Luna declared a state of local disaster on March 19, 2020 due to imminent threat arising from COVID-19;

WHEREAS, in accordance with Texas Government Code Section 418.108(b), on March 23, 2020, the Frio County Commissioners Court approved an Order Continuing Declaration of State of Local Disaster for Frio County (hereinafter, the "*Order of Continuation of Declaration*");

WHEREAS, in accordance with Texas Government Code Section 418.108(b), the consent by Commissioners Court authorizes the Frio County Judge to continue to exercise the powers granted by the Texas Disaster Act of 1975 for the period specified in the Order of Continuing Declaration;

WHEREAS, the County Judge has determined the extraordinary emergency measures must be taken to mitigate the effects of this public health emergency and to facilitate a cooperative response; and

WHEREAS, to remain consistent with the declaration of the Texas Department of State Health Services and the executive order issued by Governor Greg Abbot as of March 19, 2020, and to harmonize, to the extent possible, the executive orders of Governor Greg Abbot, the Frio County Judge and the mandates contained in the declaration of the Mayor of the City of Pearsall, as extended, I hereby rescind my previous Executive Order as issued on March 23, 2020 and issue this Executive Order in its place.

PURSUANT TO THE TEXAS DISASTER ACT OF 1975, FRIO COUNTY JUDGE ARNULFO C. LUNA HEREBY ISSUES THIS EXECUTIVE ORDER AS FOLLOWS:

- I. Effective as of 11:59 p.m. on Tuesday March 30, 2020 and continuing through 11:59 p.m. on April 6, 2020, unless extended, terminated early by Frio County Judge Arnulfo C. Luna or otherwise indicated below:
 1. Subject to the definitions and further guidance set out in Subsection (I) below, that all persons currently residing within the incorporated and unincorporated territory of Frio County are hereafter directed to stay at home ("***Stay Home Work Safe Measures***"). All person may only leave their residences to engage in allowable activities which shall include Exempted Activities or Exempted Businesses (as defined below) but must implement all social distancing requirements and adopt other mitigating measures. All public or private gatherings of any number of people occurring outside a single household are hereafter prohibited, except s otherwise provided herein. Nothing in this Executive Order prohibits the gathering of members within a household. To the extent that individuals are sharing an outdoor space, they shall, to the extent feasible, maintain social distancing of at least 6 feet from any other person. For the purpose of this order, residence shall include the outer perimeter of the lot on which your residence lies. It shall also include hotels, motels, shared rental units, and similar facilities.
 2. With the exception of Exempted Businesses, as defined below, that all businesses operating within Frio County are required to cease all activities as any facility located in the incorporated or unincorporated portions of Frio County. Notwithstanding the above requirement to cease all activities, this prohibition shall not extend to: (i) employees or contractors performing activities in their own residences (i.e. working from home or operating of a home-based businesses regardless of whether it constitutes an Exempted Business); (ii) operations to maintain security, upkeep, and maintenance of premises, equipment or inventory; (iii) IT or other operations that facilitate employees working from home.
 - (i) **Definitions of Exempted Business and Exempted Individual Activity:**
 - (a) For purposes of this Executive Order, **Exempted Activities** are defined as follows:
 - i) **Health and Safety Activities.** For example, to engage in activities or perform tasks essential to their health and safety, or to the health and safety of their family or household members (for example, obtaining food, medical supplies or medication, visiting a health care professional, or obtaining supplies needed to work from home) or to care for a family member or pet in another household.

- ii) **Necessary Supplies.** To obtain necessary services or supplies for themselves and their family or household members, or to deliver those services or supplies to other (for example, food, pet supply and any other household consumer products, and products necessary to maintain the safety, sanitation, and essential operation of residences);
- iii) **Outdoor Activity.** To engage in activity in an outdoor open space, such as walking, biking, hiking, or running, provided the individuals comply with social distancing requirements of six feet; and/or
- iv) **Work at an Exempted Business.** Activities necessary to work at or conduct an Exempted Business or to otherwise carry out activities specifically permitted in this Executive Order.

(b) For purposes of this Executive Order, **Exempted Businesses** are defined as follows:

- i) **Healthcare Services.** For example, healthcare operations, including hospitals, clinics, dentists, pharmacies, pharmaceutical and biotechnology companies, other healthcare facilities, healthcare supplies, mental health providers, substance abuse service providers, blood banks, medical research, laboratory services, or any relate and/or ancillary healthcare services. Home-based and residential-based care for seniors, adults, or children are also considered healthcare operations. Healthcare operations also includes veterinary care and all healthcare services provided to animals. This exemption shall be viewed broadly to avoid any impacts to the delivery of healthcare. *Healthcare operations do not include fitness and exercise gyms and similar facilities. Healthcare operations do not include elective medical, surgical, and dental procedures.*
- ii) **Government Functions.** For example, those services provided by local government needed to ensure the continuing operation of government agencies to provide for the health, safety, and welfare of the public including law enforcement and operation of jails and detention facilities, fire and EMS or otherwise necessary for health and safety of resident of Frio County.
- iii) **Education and Research.** To include educators or other personnel supporting public and private K-12 schools, colleges and universities for purposes of facilitating distance learning or performing other functions in support of Exempted Individual Activities or Exempted Businesses and companies engaged in science or engineering research and development.

- iv) **Infrastructure, Development, Operation and Construction.** For example, public works construction, maintenance or repair; construction, maintenance and repair of housing; or other types of construction, maintenance and repair including commercial manufacturing, airport operations and aircraft manufacturing, water, sewer, gas, electrical, oil, refining, roads and highways, public transportation, solid waste collection and removal, internet, and telecommunications systems (including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and web-based services).
- v) **Transportation.** Businesses related to the operation, maintenance, construction, and manufacture of transportation services. For example, a) vehicle manufacturers, automotive suppliers and parts department, car dealerships, parts distributors, maintenance and repair facilities; b) public transportation; c) businesses supporting airport operations; d) street and highway maintenance and construction; e) gas stations and other fuel distribution businesses; f) vehicles for hire including taxis and rideshare.
- vi) **IT Services.** For example, businesses and activity necessary to maintain internet and telecommunications systems, including the provision of essential global, national, and local infrastructure for computing services, business infrastructure, communications, and we-based services.
- vii) **Food, Household Staples and Retail.** For example, food service providers, including grocery stores, warehouses stores, big-box stores, liquor stores, bodegas, gas stations, and farmers' markets that sell food products and household staples for pick-up or businesses that ship or deliver grocers, food, goods or services directly to residences. Nothing shall restrict businesses supporting pick-up or delivery under this exception so long as there is sufficient space to implement social distancing. Restaurants, prepared food retailers, microbreweries, microdistilleries, or wineries and other facilities that prepare and serve food, but **only for delivery, curbside pick-up or carry out.** Schools and other entities that typically provide free services to students or members of the public on a pick-up/take-away basis.
- viii) **Services to Economically Disadvantaged Populations.** For example, transit services, nonprofits and other businesses that provide food, shelter, and social services, and other necessities of life for economically disadvantaged or otherwise needy individuals.
- ix) **Services Necessary to Maintain Residences or Support Exempt Businesses.** For example, hotels and other

temporary residence facilities, laundromats, dry cleaners, and laundry service providers, trash and recycling collection, processing and disposal, mail and shipping services, building cleaning and maintenance, warehouse/distribution and fulfillment, and storage for essential Businesses. This shall include plumbers, electricians, exterminators, HVAC technicians, and other service providers who provide services that are necessary to maintaining the safety, sanitation, and essential operations of residences, Essential Activities, and Exempted Businesses. Professional services, such as legal or accounting services, when necessary to assist in compliance with legally mandated activities.

- x) **News Media.** To include newspapers, television, radio, and other licensed media services.
- xi) **Financial Institutions and Insurance Services.** To include banks, credit unions, and other financial institutions and service providers as well as companies' insurance services and products.
- xii) **Childcare Services.** To include childcare facilities providing services that enable employees exempted in this Executive Order to work as permitted. To the extent possible, childcare facilities must operate under the following conditions:
 - 1. Childcare must be carried out in stable groups of 10 or fewer ("stable" means that the same 10 or fewer children are in the same group each day).
 - 2. Children shall not change from one group to another.
 - 3. If more than one group of children is cared for at one facility, each group shall be in a separate room. Groups shall not mix with each other.
 - 4. Childcare providers shall remain solely with one group of children.
- xiii) **Worship Services.** Religious and worship services may only be provided by video, teleconference or other remote measures.
- xiv) **Funeral Services.** For example, funeral homes, crematoriums and cemeteries, provided that social distancing of 6 feet per person is maintained to the greatest extent possible.
- xv) **CISA Sectors.** All business and operations necessary to the operations and maintenance of the 16 critical infrastructure sectors as identified by the National Cybersecurity Infrastructure Agency ("CISA") and outlined at: <https://www.cisa.gov/sites/default/files/publications/CISA-Guidance-on-Essential-Critical-Infrastructure-Workers-1-20-508c.pdf>

- xvi) **Food Cultivation.** Food cultivation, including farming, livestock, and fishing, provided that social distancing of 6 feet per person is maintained to the greatest extent possible.
 - xvii) **Laundry Services.** Laundromats, dry cleaners, and laundry service providers, provided that social distancing of 6 feet per person is maintained to the greatest extent possible.
 - xviii) **Mail and Delivery Services.** Business providing mailing and shipping services, including post office boxes.
- 3. That Frio County rental property owners temporarily suspend evictions for at least the next 7 days to prevent renters from being displaced due to the public health emergency.
 - 4. That foreclosure proceedings within Frio County be temporarily suspended for at least the next 7 days to prevent the displacement of occupants during the public health emergency.
 - 5. That residents of Frio County conduct essential Frio County business online or via regular mail to avoid visiting any Frio County facilities unless absolutely necessary.
 - 6. That no person shall sell any of the following goods or services for more than the price the person charged for the goods or services on 11:59 p.m. on March 19, 2020 and continuing during the pendency of this Executive Order:
 - 1) Groceries, beverages, toilet articles, ice;
 - 2) Restaurant, cafeteria, and boarding-house meals; and
 - 3) Medicine, pharmaceutical, and medical equipment and supplies.
 - 7. That as of the date of this Executive Order and continuing for the remainder of the period set out in the joint third amended emergency order of the Supreme Court of Texas in Misc. Docket No. 20-0944 and the Court of Criminal Appeal of Texas in Misc. Docket No. 20-008, all courts within Frio County restrict non-essential in person proceedings in accordance with this Executive Order.
 - 8. That people who are sick should stay at home and not engage in any activity outside of their residence unless related to treatment or health care. If someone in a household has tested positive for COVID-19, then the other members of the household should consider themselves positive if they become symptomatic and follow the current policies and procedures in place for isolation and quarantine.
 - 9. That any peace officer or other person with lawful authority is

hereby authorized to enforce the provisions of this Executive Order in accordance with the authority granted under the Texas Disaster Act of 1975. Any person who violates this Executive Order may be subject to fine not exceeding \$1,000 or confinement for a period not exceeding 180 days.

10. The sections, paragraphs, sentences, clauses and phrases of this Executive Order are severable and if any phrase, clause, sentence, paragraph or section of this Executive Order should be declared invalid by the final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs and sections that can be given effect without the invalid provisions, and to this end, the provisions of this Executive Order are severable.

- II. All provisions of the executive orders of Governor Greg Abbott either existing or as, if and when issued, shall be automatically incorporated into and constitute terms of this Executive Order enforceable as if set forth herein without necessity for the issuance of any further orders. To the extent that there is a conflict between this Executive Order and any other executive order of the Governor, the strictest order shall prevail.

DECLARED this 31st day of March, 2020.

ARNULFO C. LUNA
Frio County Judge

FILED
At 1:44 o'clock P M
This 31st day of March 2020
Aaron T. Ibarra
Clerk County Court FRIO COUNTY, TX
BY: [Signature] DEPUTY



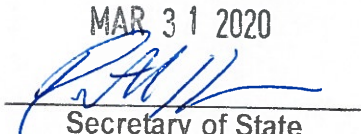
GOVERNOR GREG ABBOTT

March 31, 2020

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

2 PM O'CLOCK

MAR 31 2020


Secretary of State

The Honorable Ruth R. Hughs
Secretary of State
State Capitol Room 1E.8
Austin, Texas 78701

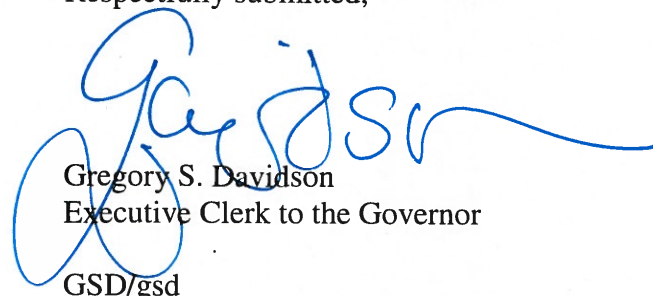
Dear Secretary Hughs:

Pursuant to his powers as Governor of the State of Texas, Greg Abbott has issued the following:

Executive Order No. GA-14 relating to statewide continuity of essential services
and activities during the COVID-19 disaster.

The original executive order is attached to this letter of transmittal.

Respectfully submitted,


Gregory S. Davidson
Executive Clerk to the Governor

GSD/gsd

Attachment

POST OFFICE BOX 12428 AUSTIN, TEXAS 78711 512-463-2000 (VOICE) DIAL 7-1-1 FOR RELAY SERVICES

Executive Order

BY THE
GOVERNOR OF THE STATE OF TEXAS

Executive Department
Austin, Texas
March 31, 2020

EXECUTIVE ORDER GA 14

*Relating to statewide continuity of essential services and activities
during the COVID-19 disaster.*

WHEREAS, I, Greg Abbott, Governor of Texas, issued a disaster proclamation on March 13, 2020, certifying under Section 418.014 of the Texas Government Code that the novel coronavirus (COVID-19) poses an imminent threat of disaster for all counties in the State of Texas; and

WHEREAS, the Commissioner of the Texas Department of State Health Services (DSHS), Dr. John Hellerstedt, has determined that COVID-19 represents a public health disaster within the meaning of Chapter 81 of the Texas Health and Safety Code; and

WHEREAS, I have issued numerous executive orders and suspensions of Texas laws in response to the COVID-19 disaster, aimed at protecting the health and safety of Texans and ensuring an effective response to this disaster; and

WHEREAS, I issued Executive Order GA-08 on March 19, 2020, mandating certain obligations for Texans in accordance with the President's Coronavirus Guidelines for America, as promulgated by President Donald J. Trump and the Centers for Disease Control and Prevention (CDC) on March 16, 2020, which called upon Americans to take actions to slow the spread of COVID-19 for 15 days; and

WHEREAS, Executive Order GA-08 is subject to expiration at 11:59 p.m. on April 3, 2020, absent further action by the governor; and

WHEREAS, on March 29, 2020, to avoid scenarios that could lead to hundreds of thousands of deaths, the President announced that, based on advice from Dr. Anthony Fauci and Dr. Deborah Birx, the restrictive social-distancing Guidelines should extend through April 30, 2020; and

WHEREAS, DSHS Commissioner Dr. Hellerstedt and White House Coronavirus Response Coordinator Dr. Birx say that the spread of COVID-19 can be reduced by minimizing social gatherings; and

WHEREAS, on March 28, 2020, the U.S. Department of Homeland Security issued its Guidance on the Essential Critical Infrastructure Workforce, Version 2.0, which provides an advisory list of critical-infrastructure sectors, workers, and functions that should continue during the COVID-19 response; and

WHEREAS, for state agencies and their employees and agents, the Office of the Attorney General of Texas has advised that local restrictions issued in response to the COVID-19 disaster do not apply to restrict the conduct of state business; and

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SECRETARY OF STATE
2 PM O'CLOCK

MAR 31 2020

WHEREAS, all government entities and businesses should be allowed to continue providing essential services during the COVID-19 disaster, and all critical infrastructure should be allowed to remain operational; and

WHEREAS, the “governor is responsible for meeting ... the dangers to the state and people presented by disasters” under Section 418.011 of the Texas Government Code, and the legislature has given the governor broad authority to fulfill that responsibility; and

WHEREAS, under Section 418.012, the “governor may issue executive orders ... hav[ing] the force and effect of law;” and

WHEREAS, under Section 418.016(a), the “governor may suspend the provisions of any regulatory statute prescribing the procedures for conduct of state business ... if strict compliance with the provisions ... would in any way prevent, hinder, or delay necessary action in coping with a disaster;” and

WHEREAS, under Section 418.017(a), the “governor may use all available resources of state government and of political subdivisions that are reasonably necessary to cope with a disaster;” and

WHEREAS, under Section 418.018(c), the “governor may control ingress and egress to and from a disaster area and the movement of persons and the occupancy of premises in the area;” and

WHEREAS, under Section 418.173, failure to comply with any executive order issued during the COVID-19 disaster is an offense punishable by a fine not to exceed \$1,000, confinement in jail for a term not to exceed 180 days, or both fine and confinement.

NOW, THEREFORE, I, Greg Abbott, Governor of Texas, by virtue of the power and authority vested in me by the Constitution and laws of the State of Texas, do hereby order the following on a statewide basis effective 12:01 a.m. on April 2, 2020, and continuing through April 30, 2020, subject to extension based on the status of COVID-19 in Texas and the recommendations of the CDC and the White House Coronavirus Task Force:

In accordance with guidance from DSHS Commissioner Dr. Hellerstedt, and to achieve the goals established by the President to reduce the spread of COVID-19, every person in Texas shall, except where necessary to provide or obtain essential services, minimize social gatherings and minimize in-person contact with people who are not in the same household.

“Essential services” shall consist of everything listed by the U.S. Department of Homeland Security in its Guidance on the Essential Critical Infrastructure Workforce, Version 2.0, plus religious services conducted in churches, congregations, and houses of worship. Other essential services may be added to this list with the approval of the Texas Division of Emergency Management (TDEM). TDEM shall maintain an online list of essential services, as specified in this executive order and in any approved additions. Requests for additions should be directed to TDEM at EssentialServices@tdem.texas.gov or by visiting www.tdem.texas.gov/essentialservices.

In providing or obtaining essential services, people and businesses should follow the Guidelines from the President and the CDC by practicing good hygiene, environmental cleanliness, and sanitation, implementing social distancing, and working from home if possible. In particular, all services should be provided through remote telework from

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SECRETARY OF STATE
2 PM O'CLOCK

MAR 31 2020

home unless they are essential services that cannot be provided through remote telework. If religious services cannot be conducted from home or through remote services, they should be conducted consistent with the Guidelines from the President and the CDC by practicing good hygiene, environmental cleanliness, and sanitation, and by implementing social distancing to prevent the spread of COVID-19.

In accordance with the Guidelines from the President and the CDC, people shall avoid eating or drinking at bars, restaurants, and food courts, or visiting gyms, massage establishments, tattoo studios, piercing studios, or cosmetology salons; provided, however, that the use of drive-thru, pickup, or delivery options for food and drinks is allowed and highly encouraged throughout the limited duration of this executive order.

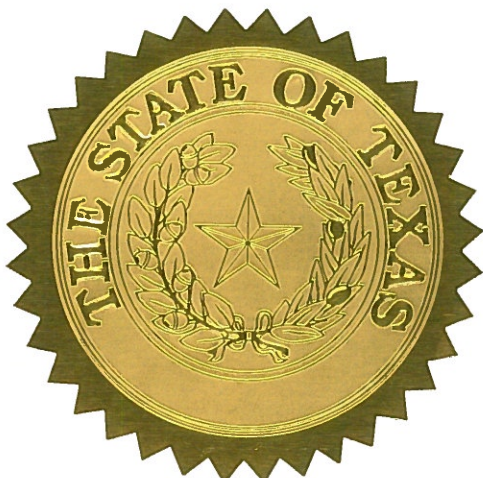
This executive order does not prohibit people from accessing essential services or engaging in essential daily activities, such as going to the grocery store or gas station, providing or obtaining other essential services, visiting parks, hunting or fishing, or engaging in physical activity like jogging or bicycling, so long as the necessary precautions are maintained to reduce the transmission of COVID-19 and to minimize in-person contact with people who are not in the same household.

In accordance with the Guidelines from the President and the CDC, people shall not visit nursing homes, state supported living centers, assisted living facilities, or long-term care facilities unless to provide critical assistance as determined through guidance from the Texas Health and Human Services Commission.

In accordance with the Guidelines from the President and the CDC, schools shall remain temporarily closed to in-person classroom attendance and shall not recommence before May 4, 2020.

This executive order shall supersede any conflicting order issued by local officials in response to the COVID-19 disaster, but only to the extent that such a local order restricts essential services allowed by this executive order or allows gatherings prohibited by this executive order. I hereby suspend Sections 418.1015(b) and 418.108 of the Texas Government Code, Chapter 81, Subchapter E of the Texas Health and Safety Code, and any other relevant statutes, to the extent necessary to ensure that local officials do not impose restrictions inconsistent with this executive order, provided that local officials may enforce this executive order as well as local restrictions that are consistent with this executive order.

This executive order supersedes Executive Order GA-08, but not Executive Orders GA-09, GA-10, GA-11, GA-12, or GA-13, and shall remain in effect and in full force until April 30, 2020, unless it is modified, amended, rescinded, or superseded by the governor.



Given under my hand this the 31st day of
March, 2020.

A handwritten signature in black ink that reads "Greg Abbott".

GREG ABBOTT
Governor

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 PM O'CLOCK

MAR 31 2020

ATTESTED BY:



RUTH R. HUGHS
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
2 PM O'CLOCK
MAR 31 2020

RESOLUTION
No. 2020-04-01

ACCEPTING NOMINATIONS FOR A QUALIFIED INDIVIDUAL TO SERVE THE UNEXPIRED TERM OF PLACE ONE (1) FOR THE CITY OF PEARSALL CITY COUNCIL IN ACCORDANCE WITH SECTION 3.09 OF THE PEARSALL CITY CHARTER. UPON RECEIVING NOMINATIONS FOR THIS POSITION, APPOINTING A QUALIFIED INDIVIDUAL BY THE REQUIRED VOTES TO SERVE THE UNEXPIRED TERM OF PLACE ONE (1) FOR THE CITY OF PEARSALL CITY COUNCIL.

WHEREAS, Section 2.01 of the Pearsall City Charter states the powers of the City Council. Section 2.01 reads as follows, “The City shall have all powers possible for a City to have under the Constitution and laws of the State as fully and completely as though they were specifically enumerated in this charter.”

WHEREAS, given the power to select officers by the City Charter, the Pearsall City Council wishes to nominate an individual for the City Council. Section 3.09 of the Pearsall City Charter addresses how vacancies in the City Council will be handled: “Vacancies in the City Council and the position of Mayor, where the same do not exceed two at any one time, shall be filled by a majority vote of the remaining Councilmembers and shall serve only until the next general City Council election.”

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARSALL THAT:

Section 1. In accordance with Section 3.09 of the Pearsall City Charter, the members of the City Council appoint _____, a qualified individual with the required votes to serve the unexpired term for Place One (1) of the Pearsall City Council.

PASSED, APPROVED, and ADOPTED this 6th day of April, 2020.

Mary Moore, Mayor

ATTEST:

Krystal Garcia, City Clerk

RESOLUTION
No. 2019-05-03

WHEREAS, the City Council of the City of Pearsall desires to appoint a Municipal Judge in accordance with Article 9 Section 9.02 of the Pearsall Home Rule Charter, and

WHEREAS, the City Council of the City of Pearsall desires to appoint a Municipal Judge for a term that runs concurrent with the term of the current elected Mayor; and

WHEREAS, the City Council of the City of Pearsall desires to compensate the Municipal Court Judge as an independent contractor for an annual contract amount of \$19,500 in accordance with Article 9 Section 9.04 of the Pearsall Home Rule Charter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PEARSALL THAT:

Section 1. In accordance with Article 9, Section 9.02 of the Pearsall Home Rule Charter, the members of the City Council appoint Juan Pence, Jr., to the position of Municipal Court Judge for a term that runs concurrent with the term of the Mayor; and

Section 2. In accordance with Article 9 Section 9.04 of the Pearsall Home Rule Charter the City of Pearsall hereby approves compensating the Municipal Court Judge as an independent contractor for an annual contracted amount of \$19,500.

PASSED, APPROVED, and ADOPTED this 21st day of May, 2019.



Mary Moore, Mayor

ATTEST:



Krystal Garcia, City Clerk

CITY OF PEARSALL
FIRST AMENDMENT TO CONTRACT FOR SOLID WASTE COLLECTION AND DISPOSAL SERVICE

The first Amendment to the Contract for Solid Waste Collection and Disposal Service dated the 14th day of July 2015 for the City of Pearsall, Texas (hereinafter referred to as the "First Amendments") is made effective on the 1st day of May, 2019 between the City of Pearsall (herein referred to as "City") 215 South Ash, Pearsall, TX 78061 and BFI Waste Services of Texas, L.P., D.B.A. Allied Waste Services of San Antonio, a Republic Services Company (herinafter referred to as "Contractor"), 4542 SE Loop 410, San Antonio, Texas 78222.

WITNESSED, THAT in consideration of the covenants and agreements herein contained, to be made, the following clarifications and amendments are made to the agreement:

10.0 TERMS: The First Amendment to the Contract will extend for a period of an additional five (5) years beginning the 1st day of January 2021 upon the expiration of the original performance of the Contract on the 31st of December 2020, of the original five (5) years that began on January 1st 2016.

12.02 MODIFICATION TO RATE SCHEDULE:

4) The Current Scheduled Rates will remain in effect until May 1, 2020. Contractor shall increase the rates for service effective on each anniversary of the effective date of this First Amendment in an amount equal to the percentage increases in the Consumer Price Index for All Urban Consumers(Water, Sewer and trash Collections Services) U.S. City Average, as published by the United States Department of Labor, Bureau of Statistics (the "CPI"). Rates will be adjusted using the most recently available trailing 12 months average CPI compared to the 12 months preceding. For example, if the CPI price increase is scheduled for May 1, 2020, and the latest CPI index available is the month of March, 2020 the CPI price increase percentage would be computed as the % change from:

The average CPI for the 12 months – April 2018 through March, 2019
Against
The average CPI for the 12 months – April 2016 through March, 2017

Such yearly increases shall be limited to a minimum increase of two (2) percent per year and a maximum increase of five (5) percent per year.

RATE SCHEDULE:

Senior Citizen Residential Collection Rate-Residents qualifying for the special Senior Citizens Discount designated by the city as primary head of household being 65 years of age or older will receive a discounted rate of \$14.83/month for residential household waste.

IN WITNESS WHERE, City of Pearsall, hereunto has subscribed his/her name on the day set forth after his/her signature, and the Authorized Agent of BFI Waste Services of Texas, L.P., D.B.A. Allied Waste Services of San Antonio, a Republic Services Company has also hereunto subscribed his name on the day and date set forth after his/her signature.

City:
City of Pearsall, Texas

Contractor:
BFI Waste Services of Texas, L.P., D.B.A. Allied Waste Services of San Antonio, a Republic Services Company

BY: MARY MOORE
Mary L. Moore

BY: RYAN WHITESIDE
[Signature]

DATED: 5-14-17

DATED: 5-13-17



CITY OF PEARSALL CONTRACT FOR MUNICIPAL
SOLID WASTE COLLECTION AND DISPOSAL SERVICES

Presented By

ACI RECYCLING AND DISPOSAL, INC.
12400 San Pedro Ave. Ste. 200
San Antonio, Texas 78216

Contact Name: J. Alex Salas
(210) 404-1220 – Office
(210) 820-3636 – Fax
alex@alamo1.com

July 2015

CONTRACT

THIS CONTRACT, is made and entered into this the 14th day of July, 2015 to become effective the 1st day of January , 2016, ("Effective Date") by and between the City of Pearsall, a Municipal Corporation in Frio County, of the State of Texas, with its principal office located at 215 South Ash Street, Pearsall, TX 78061 (hereinafter called the "City"), and ACI Recycling and Disposal, Inc., a Texas Business Corporation with its principal office and place of business at 12400 San Pedro Ave., San Antonio, TX 78216 (hereinafter called "Contractor" or "ACI"), acting herein by its duly authorized officer. City and Contractor will be referred to as "Party" or "Parties".

WITNESSETH:

WHEREAS, the Contractor initially submitted an August 2010 Proposal to contract for refuse collection and disposal within the City and to perform such work as may be incidental thereto,

NOW, THEREFORE, in consideration of the following mutual agreements and covenants, it is understood and agreed by and between the Parties hereto as follows: The Contractor shall have the sole and exclusive franchise, license, and privilege to provide residential, commercial, and industrial refuse, construction debris, demolition debris, land clearing debris and all municipal solid waste collection and removal from within the corporate limits of the City, including those customers outside the City limits receiving City services, for the term of this Contract and all renewals hereof. As part of the mutual considerations herein, the Contractor is granted a franchise and license to use the City streets and public right-of-way to provide the services authorized pursuant to this Contract. The term of such franchise and license shall be only for the initial and any extended term of this Contract.

No amendment to this Contract shall be made except upon the written consent of the Parties, which consents shall not be unreasonably withheld. No amendment shall be construed to release either Party from any obligation of the Contract Documents except as specifically provided for in such amendment.

SOLID WASTE COLLECTION AND DISPOSAL
GENERAL SPECIFICATIONS

1.00 **DEFINITIONS**

- 1.01 Bag
- 1.02 Bulky Waste
- 1.03 Bundle
- 1.04 Cart(s)
- 1.05 City
- 1.06 Commercial Container
- 1.07 Commercial Customer
- 1.08 Construction Debris
- 1.09 Contract Documents
- 1.10 Contract Year
- 1.11 Contractor
- 1.12 Customer
- 1.13 Dead Animal(s)
- 1.14 Disposal or Refuse Processing Site
- 1.15 Driver
- 1.16 Garbage
- 1.17 Hazardous Waste
- 1.18 Landfill
- 1.19 Producer
- 1.20 Refuse
- 1.21 Residential and Commercial Refuse
- 1.22 Residential Container
- 1.23 Residential Customer
- 1.24 Roll-off Container
- 1.25 Roll-off Customer
- 1.26 Rubbish
- 1.27 Stable Matter
- 1.28 Unacceptable Waste

2.00 **SCOPE OF WORK**

3.00 **COLLECTION(S)**

- 3.01 Service (Residential Refuse)
- 3.02 Service (Yard-Grown Rubbish)
- 3.03 Bulky Waste Pickup
- 3.04 Contractor Performance Standards
- 3.05 Location of Carts, Bags, Bundles, Private Receptacles for Collection
- 3.06 Commercial Collection
- 3.07 Roll-off Commercial Collection
- 3.08 Brush Pickup

4.00 **OPERATION**

- 4.01 Hours of Operation
- 4.02 Routes of Collection

- 4.03 Holidays
- 4.04 Complaints
- 4.05 Collection Equipment
- 4.06 Office
- 4.07 Hauling
- 4.08 Disposal of Refuse
- 4.09 Notification
- 4.10 Point of Contact
- 4.11 Vehicle and Property Condition
- 4.12 City Service
- 5.00 COMPLIANCE WITH LAWS
- 6.00 EFFECTIVE DATE
- 7.00 NON-DISCRIMINATION
- 8.00 INDEMNITY
- 9.00 LICENSES AND TAXES
- 10.00 TERM
- 11.00 INSURANCE AND CORPORATE SURETY BOND
 - 11.01 Insurance
 - 11.02 Corporate Surety Bond
- 12.00 BASES AND METHOD OF PAYMENT
 - 12.01 Rates
 - 12.02 Modification to Rate Schedule
 - 12.03 City to Act as Biller and Collector
 - 12.04 Delinquent and Closed Accounts
 - 12.05 Contractor Billing to City
 - 12.06 Contractor Fee Paid to City
 - 12.07 Rate Schedule – (See Attachment A)
 - 12.08 Donations and Contributions
 - 12.09 TDS Previous Balance
 - 12.10 Transfer Station
 - 12.11 Community-Wide Cleanup Programs
- 13.00 TRANSFERABILITY OF CONTRACT
- 14.00 RIGHTS OF CONTRACTOR
- 15.00 OWNERSHIP
- 16.00 EXCLUSIONS

- 17.00 SUBCONTRACTORS
- 18.00 RIGHTS OF THE CITY
- 19.00 FORCE MAJEURE
- 20.00 SEVERABILITY
- 21.00 GOOD FAITH DEALINGS
- 22.00 REMEDIES
- 23.00 MEDIATION
- 24.00 RELATIONSHIP OF THE PARTIES
- 25.00 VENUE

SCHEDULE A (Rate Sheet)

SCHEDULE B ("No Charge" City Facility Locations)

SIGNATURES

1.00 DEFINITIONS

- 1.01 Bag - Plastic sack designed to store refuse with sufficient wall strength to maintain physical integrity when lifted by top. Total weight of a bag shall not exceed 35 lbs.
- 1.02 Bulky Waste - includes Stoves, refrigerators, water tanks, washing machines, furniture, mattresses, and other waste materials including Construction Debris other than dead animals, brush, yard waste, hazardous waste or stable matter with weights or volumes greater than those allowed for Waste Wheelers and/or Residential Containers.
- 1.03 Bundle - Tree, shrub and brush trimmings neatly stacked together or newspapers and magazines securely tied together forming an easily handled package not exceeding five feet in length and 35 lbs. in weight.
- 1.04 Cart(s) - Waste receptacle with wheels provided by the Contractor not to exceed ninety-six (96) gallon capacity. Cart must be loaded so that lid is closed when the residential or commercial customer places the container at the curb.
- 1.05 City - City of Pearsall, Texas, a municipal corporation
- 1.06 Commercial Container - a ninety-six (96) gallon plastic cart, or metal containers two (2), three (3), four (4), six (6), or eight (8) cubic yards.
- 1.07 Commercial Customer - A business, commercial, or industrial customer designated by the City as a Commercial Customer. Residential

Apartment complexes greater than four (4) residential units shall also be in this customer class. These customers will be serviced with carts or commercial containers.

- 1.08 Construction Debris - Building materials resulting from construction, remodeling, repair or demolition operations.
- 1.09 Contract Documents - Solid Waste Collection and Disposal General Specifications and any addenda for changes to the specifications agreed to by the City and the Contractor.
- 1.10 Contract Year - Each 365 or 366 day calendar year from January 1 through December 31, and that portion the calendar year from the Effective Date to January 1, 2016, and each anniversary thereafter and ending the day prior to the next such anniversary date.
- 1.11 Contractor - The person, corporation or partnership performing the refuse collection and disposal (ACI Recycling and Disposal, Inc.) under contract with the City.
- 1.12 Customer - An occupant of a Residential or Commercial customer location, or Roll-off customer who generates refuse.
- 1.13 Dead Animal(s) - Animals, or portions thereof and any and all household animals, less than 20 pounds in weight, that have expired from any cause, except those slaughtered or killed for human use.
- 1.14 Disposal or Refuse Processing Site - Refuse depository including but not limited to sanitary landfills, transfer stations, incinerators and waste processing/separation centers licensed, permitted or approved to receive for processing or final disposal of refuse and dead animals by all governmental bodies and agencies having jurisdiction and requiring such licenses, permits or approvals.
- 1.15 Driver - An employee of the Contractor assigned to operate the Contractor's equipment for the purpose of servicing the customers' refuse needs.
- 1.16 Garbage - Any and all Dead Animals of less than 20 pounds in weight, except those slaughtered for human consumption; every accumulation of waste (animal, vegetable, household, and/or other matter) that results from the preparation, processing, consumption, managing, handling, packing, canning, storage, transportation, decay or decomposition of meats, fish, fowl, birds, fruits, grains or other animal or vegetable matter (including, but not by way of limitation, used tin cans and other food containers associated therewith, and all putrescible or easily decomposable waste animal or vegetable matter which is likely to attract flies or rodents), except (in all cases) any matter included in the definition of Unacceptable Waste, Bulky Waste, Construction Debris, Hazardous Waste, Rubbish or Stable Matter.
- 1.17 Hazardous Waste - Any chemical compound, mixture, substance or article which is designated by the United States Environmental Protection Agency, or appropriate agency of the state, to be "hazardous" as that term is defined by or pursuant to Federal or State law.
- 1.18 Landfill - A permitted, licensed, and approved sanitary landfill of the Contractor's selection (See Disposal or Refuse Processing Site definition).

- 1.19 Producer - An occupant of a Residential or Commercial customer location who generates Refuse.
- 1.20 Refuse - This term shall refer to Residential, Commercial, and Industrial Refuse and Bulky Waste, Construction Debris and Stable Matter generated at a Residential or Commercial customer location, unless the context otherwise requires.
- 1.21 Residential and Commercial Refuse - All garbage and rubbish generated by a Residential or Commercial Customer.
- 1.22 Residential Container - A receptacle provided by the resident with a capacity of greater than 20 gallons, but less than 35 gallons, constructed of plastic, metal or fiberglass, having handles of adequate strength for lifting and having a tight fitting lid capable of preventing entrance into the container by vectors. The mouth of a container shall have a diameter greater than or equal to that of the base. The weight of a container and its contents shall not exceed 35 pounds. Also a bag (see definition above.)
- 1.23 Residential Customer - A single family dwelling, and up to a cluster of four (4) interconnected family dwelling units (duplex, triplex, quadplex), within the corporate limits of the City or outside the City limits receiving City services. A Residential customer location shall be deemed occupied, when either water, natural gas, or domestic light and power services are being supplied thereto by any provider. Also, a condominium dwelling, whether single or multi-level construction, consisting of four or less contiguous or separate single-family dwelling units, (duplex, triplex, quad-plex) shall be treated as a Residential Unit, except that each single-family dwelling within any such Residential Unit shall receive collection services and each shall be billed separately as a Residential Unit.
- 1.24 Roll-off Container - A solid waste industry container loaded by a winch truck not to exceed forty (40) cubic yards in volume.
- 1.25 Roll-off Customer - A customer requiring a specific type of open-top container generally used for larger construction or cleanup projects. These containers are placed on site, loaded by the customer, and hauled off by the Contractor with a specialized roll-off truck.
- 1.26 Rubbish - All waste wood, wood products, tree trimmings, grass cuttings, dead plants, weeds, leaves, dead trees or branches thereof, chips, shavings, sawdust, printed matter, paper, used and discarded shoes, boots and clothing, combustible waste pulp and other products, such as those used for packaging, or wrapping, crockery and glass, ashes, cinders, floor sweepings, glass, mineral or metallic substances, and any and all other waste materials not included in the definitions of Bulky Waste, Construction Debris, Dead Animals, Garbage, Hazardous Waste or Stable Matter.
- 1.27 Stable Matter - All manure and other fecal waste matter and stable bedding normally accumulated in or about a stable, or any animal, livestock or poultry enclosure, and resulting from the keeping of animals, poultry or livestock.
- 1.28 Unacceptable Waste - any and all waste that is either:

- 1) Waste which is now or in the future prohibited from disposal at a sanitary landfill by state or federal laws or the regulations promulgated thereunder; for example, including, but not limited to: Lead acid batteries, tires, concrete, and bulk petroleum or chemical products or by-products, septic tank pumping and grease and grit trap waste, sludge waste, including potable water supply treatment plants;
- 2) Hazardous waste, as defined by the laws of the United States or the State of Texas, or the regulations promulgated there under
- 3) Special waste, as defined by the laws of the United States or the State of Texas, or the regulations promulgated thereunder;
- 4) Any waste which because of its quantity, concentration, required disposal procedures, regulatory status, or physical, chemical infectious or other characteristics, jeopardizes or may jeopardize the environmentally sound operation of a solid waste collection system or disposal site, as determined by the Contractor

2.00 SCOPE OF WORK

The work under this Contract shall consist of all solid waste collection and disposal service for residential customers, commercial customers, and roll-off customers within the corporate limits of the City and those customers outside the City limits receiving City services, including all the supervision, materials, equipment, labor and all other items necessary to complete said work in accordance with the Contract Documents.

3.00 COLLECTION(S)

3.01 Service (Residential Refuse) - Contractor shall provide public curbside/alley collection of garbage for Residential customers one (1) time per week. A 96-gallon cart and up to 35 additional gallons (bag, bundle or private receptacle) shall be collected. Carts, bags, bundles, and private receptacles shall be placed at curbside by 7:00 a.m. on the designated collection day.

3.02 Service (Yard-Grown Rubbish) - Contractor shall furnish residential solid waste pickup (subject to limitations in Schedule A) of grass, leaves, tree trimmings and other similar residential yard-grown refuse on regular pickup days, provided the yard-grown refuse is bundled or placed in plastic bags. No more than a combination of five (5) bags or bundles in addition to the 96 gallon cart will be collected. Should the resident require additional refuse collection, the resident may request one additional 96 gallon Cart (see rate schedule A) or contract directly with the Contractor to collect and dispose of the additional refuse at a rate of \$75 per hour, minimum of one hour.

3.03 Bulky Waste Pickup - Contractor shall provide twice per year for the special collection and hauling from Residential Customers of bulky waste, construction debris and stable matter (with a limitation of four (4) cubic yards) from all residential locations receiving garbage collection services. Contractor shall provide City with at least two weeks' notice before such special collection and provide adequate advance public notification of the collection schedule and items

to be collected. City will assign a City employee to accompany contractor during Bulky Waste Pickup. Also, the Contractor may provide for the special collection of dead animals over twenty (20) pounds at residential or commercial customer locations at sole discretion and upon such terms, as Contractor shall specify. Contractor shall separately contract with Customer for these services and manage its own billing and collection for such services.

3.04 Contractor Performance Standards - Performance standards shall include:

- 1) Residential carts shall be replaced within five (5) feet of customer's placement without obstructing traffic or damaging landscaping. Lids will be closed after servicing.
- 2) Residential collection areas shall be free of litter larger than three (3) inches within a 10-foot radius of the cart.
- 3) The Contractor will make all reasonable efforts to collect waste regardless of barriers (i.e. blocked streets) except when the safety and health of Contractor employees or the public is placed in danger.
- 4) The Contractor will make every effort to maintain a consistent route schedule.
- 5) The Contractor will make every reasonable effort to leave behind no loose trash, which may fall in the streets or into Customer's property. The Contractor will make every reasonable effort to keep neighborhoods free of litter from carts.
- 6) Unless personal or public safety concerns warrant, drivers are expressly forbidden to use their emergency brake to stop a moving Contractor vehicle.
- 7) The Contractor shall not provide collection service one-half (½) hour before the beginning or one (1) hour after dismissal on a scheduled school date on streets directly adjacent to school campuses.
- 8) The Contractor will make every reasonable effort to use vehicles that do not leak oil, hydraulic fluid or other substances, or present an unhygienic or unsafe appearance. If there should be a leak from a truck, the Contractor will comply with all regulations to lawfully clean up the spill within 48 hours of notification.
- 9) In the event of equipment breakdowns, Contractor will make every effort to notify the City and customers by telephone or door hanger if the service will be delayed or rescheduled for another pick-up day.

3.05 Location of Carts, Containers, Bags, Bundles, Private Receptacles for Collection - Each cart, bag, bundle, or private receptacle shall be placed at public curbside or alley for collection. "Public curbside" refers to that portion of right-of-ways adjacent to City roadways. Containers, bags, bundles, or private receptacles shall be placed as close to the roadway as practicable to an access point for the Contractor collection vehicle. Contractor may decline to collect any bag, bundle or private receptacle not so placed, or any Residential refuse not in the cart, bag, bundle or private receptacle.

3.06 Commercial Collection - The Contractor will establish commercial routes to service the Commercial Customers within the municipal corporate limits of the City and outside the City limits where City services are received. The following container sizes will be offered: 96 gallon carts, 2 yard, 3 yard, 4 yard, 6 yard and

8 yard containers. Commercial Customer will determine the container size and number/location of pickups.

3.07 Roll-off Commercial Collection - The Contractor will offer Roll-off service for Commercial Customers in the City. The following container sizes will be offered - 10, 20, 30, and 40 cubic yard roll-offs.

3.08 Brush Pickup - Contractor shall provide at no additional charge to the City, brush curbside/alley pickups twice per month on a designated day as agreed upon with the City. Brush must be no larger than four (4) inches in diameter and stacked neatly by curbside/alley. Brush will be in bundles not to exceed two cubic yards with dimensions no larger than five (5) feet in length, three (3) feet in width, and three (3) feet in height. Customers must call City Hall by 5:00 PM two days before the designated day to schedule brush pickup.

4.00 OPERATION

4.01 Hours of Operation - Collection of Refuse shall not start before 7:00 A.M. or continue after 7:00 P.M. on the same day. Exceptions to collection hours shall be effected only upon the mutual agreement of the City and Contractor. Such exception shall not be reasonably withheld or when Contractor reasonably determines that an exception is necessary in order to complete collection on an existing collection route due to unusual circumstances.

4.02 Routes of Collection - On the initial term of this Contract, before Contract is effective, Contractor is responsible for at least two-week advanced public notification of proposed collection schedules, route changes, items to be collected and other appropriate operational information. Contractor shall also submit a map designating the collection routes to the City for review and comment. The Contractor may from time to time propose to the City changes in routes or days of collection, provided such proposals are presented to the City at least two (2) weeks in advance of implementation. Contractor shall promptly give written or published notice to the affected customers of the modified routes/schedules at the Contractor's expense.

4.03 Holidays - The following shall be "no collection" holidays for purposes of this Contract:

| | |
|------------------|------------------|
| New Year's Day | Labor Day |
| Memorial Day | Thanksgiving Day |
| Independence Day | Christmas Day |

Contractor may decide to observe any or all of the above holidays by suspension of collection service on the holiday, but such decision in no manner relieves Contractor of his obligation to still provide collection service at least once per week, even if such adjustment requires an early weekday or Saturday pick-up.

4.04 Complaints - All written or oral City or Customer complaints shall be made directly to the Contractor and shall be given prompt and courteous attention. In the case of alleged missed scheduled collections, the Contractor shall investigate

and, if such allegations are verified, Contractor shall arrange for the collection of the Refuse not collected within 24 hours after the complaint is received. The Contractor shall keep and maintain a written record of all complaints received during the Term and any extended Term of this Contract. The Contractor shall keep records of complaints and associated resolutions, which will be available for the City to review online or at Contractor's closest business office at any time Monday through Friday, between the hours of 8 am and 5pm.

- 4.05 Collection Equipment - The Contractor shall maintain and operate its collection system and equipment in order to render competent and efficient service subject to the terms of this Contract. All equipment, including motor vehicles and trucks necessary for the performance of this Contract shall, at the beginning of and throughout the term of the Contract, be in good condition and repair. The trucks used in collection of solid waste shall be all metal, with completely enclosed "packer" type bodies that are designed and manufactured for the collection of solid waste. Said collection vehicles shall be painted and numbered and shall have Contractor's name and telephone number painted in letters of a contrasting color on each side of the vehicle in a size and type so as to be easily readable from a distance of 50 feet. All vehicles shall be kept in a clean and sanitary condition and shall be cleaned inside and outside at least once each month. Contractor shall furnish the City with a list of the type, model, and age of the equipment to be utilized for servicing the City.

- 4.06 Office - Contractor shall maintain, in the City of Pearsall, an office or such other facilities, as approved by the City, at the City's transfer station, through which it may be contacted twenty-four hours per day, seven days per week. It shall be equipped with sufficient telephone numbers, cell phone numbers, answering machine, and telefax, and shall have a responsible person in charge from 8:00 A.M. to 5:00 P.M. on regular collection days. The Contractor shall contact the City once before leaving the City on each collection day to receive any complaints which may have been filed with the City. The City Finance Director or his designee will be the primary contact for the City, and the Director of Solid Waste for the Contractor, per the terms of this Contract. The telephone number of the office shall be prominently displayed on all of the Contractor's containers, carts, and trucks used in the City.

- 4.07 Hauling - All Refuse hauled by the Contractor shall be so contained, tied or enclosed that leaking, spilling or blowing are minimized.

- 4.08 Disposal of Refuse - Contractor shall have the responsibility of the disposal of all Refuse (solid waste) collected under this Contract and all of said materials shall be disposed of in compliance with the laws of the Federal Government and State of Texas and/or the rules, regulations and standards established or to be established by the Federal Government and the Texas Commission on Environmental Quality (TCEQ). All refuse collected for disposal by the Contractor shall be hauled to a legally authorized and licensed disposal site

(landfill). Contractor shall pay all disposal site (landfill) fees for refuse (solid waste) hauled and disposed by the Contractor.

- 4.09 Notification - The Contractor shall initially notify all Producers about complaint procedures, rates, regulation, and day(s) for scheduled Refuse collection. Later "notification" will be made by City and/or Contractor via local newspaper and utility bill.
- 4.10 Point of Contact - Contact regarding legal issues between the Parties shall be expressly between the Contractor and the City Manager or his designee.
- 4.11 Vehicle and Property Condition - The Contractor must keep all vehicles and equipment utilized in the performance of its duties under this Contract in proper operating condition. Contractor will make every reasonable effort to assure that the equipment is properly maintained to prevent any fluid leaks from the truck containers or equipment.
- 4.12 City Service - The Contractor shall provide commercial solid waste collection services to all City buildings and City facilities, including parks, (excluding the transfer station) at no cost to the City (Schedule B).

5.00 COMPLIANCE WITH LAWS

The Contractor shall conduct operations under this Contract in compliance with all applicable State and Federal regulations, including municipal ordinances.

6.00 EFFECTIVE DATE

This Contract shall be effective upon the execution of the Contract and performance of such Contract shall begin on January 1, 2016.

7.00 NON-DISCRIMINATION

The Contractor shall not discriminate against any person because of race, gender, age, creed, national origin, or physically challenged condition.

8.00 INDEMNITY

It is expressly understood and agreed that to the extent allowed by Texas law, the contractor shall indemnify, defend, and hold harmless the city and its officers, servants and employees, individually or collectively (referred to herein as the "indemnities"), from all suits, actions, losses, damages, demands, judgments, claims, or liability of any character, type or description, including without limiting the generality of the foregoing, all expenses of litigation, court costs, and reasonable attorney's fees for injury or death to any person, or loss or damage to any property, received or sustained by any person, or persons, or property (referred to herein as the "losses"), to the extent arising out of, or occasioned by, negligent actions or omissions of the contractor, in the execution of performance of this contract.

To the extent allowed by Texas law, contractor's subcontractors, if any, shall be contractually bound in the agreement between the contractor and its subcontractors to indemnify and hold harmless the indemnities from the losses described above to the

extent arising out of, or occasioned by, the negligent actions or omissions of the subcontractor, or its subtler subcontractors, sub-consultants, agents, employees or invitees of any of them, in the execution of the performance of the subcontract between contractor and subcontractor.

The foregoing obligations of contractor and any of its subcontractors are conditioned upon (a) contractor, or, if applicable, subcontractor being given control of the defense of any claim and all negotiations relative to the settlement thereof, and (b) city, or the relevant indemnitee, promptly informing the contractor or subcontractor in writing of any claim with respect to which contractor and/or its subcontractor(s) assume(s) responsibility hereunder, and (c) to the extent that contractor and/or its subcontractor(s) are obligated to indemnify an indemnitee pursuant to this paragraph. The contractor and/or its subcontractor(s) shall, upon provision of such indemnity, be subrogated to all rights of indemnitee(s) with respect to such loss.

It is further expressly understood and agreed by the parties that for any losses arising out of, or occasioned by, any negligent actions or omissions of contractor and/or subcontractor(s) in combination with any negligent actions or omissions of one or more of the indemnitees, then to the extent contractor and/or subcontractor(s) would otherwise be liable under Texas law, contractor shall be liable for only that portion of the losses attributable to the negligence of contractor and, subcontractor(s) shall be liable for only that portion of the losses attributable to the negligence of subcontractor(s), as agreed to by the parties. However, it is further mutually understood and acknowledged by the parties that the above indemnification provided by the contractor and its subcontractors, to the indemnitees, shall not apply at all to situation arising solely out of the negligent acts or omissions of the indemnitees.

9.00 LICENSES AND TAXES

The Contractor shall obtain and maintain current, all licenses and permits (other than the City license and permit granted by the Contract) and promptly pay all taxes required by the City. The City itself is a tax exempt public municipal corporation.

10.00 TERM

The term of this Contract shall begin on the Effective Date through December 31, 2020. The term of this Contract shall be automatically extended at the end of the initial term and any renewal term for an additional one (1) calendar year term, unless either party gives the other party written notice of termination at least one-hundred eighty (180) days prior to the end of the term or any subsequent annual calendar year renewal.

11.00 INSURANCE AND CORPORATE SURETY BOND

11.01 Insurance - The Contractor shall at all times during the Contract maintain in full force and effect Commercial General Liability, Worker's Compensation, Employer's Liability, Comprehensive Auto Liability, and Property Damage Insurance. All insurance shall be maintained with insurers licensed and approved to conduct an insurance business in the State of Texas. Before commencement of work hereunder, the Contractor agrees to furnish the City Certificates of Insurance or other evidence satisfactory to the City to the effect that such insurance has been

procured from reputable underwriters and is in force. For the purpose of the Contract, the Contractor shall carry the following types of insurance in at least the limits specified below:

| <u>Coverage</u> | <u>Limits of Liability</u> |
|-------------------------------------|---------------------------------|
| Worker's Compensation | Statutory |
| Employer's Liability | \$1,000,000.00 |
| <u>Commercial General Liability</u> | |
| Bodily Injury Liability | \$1,000,000.00 each occurrence |
| (Except Automobile) | \$2,000,000.00 aggregate |
| Property Damage Liability | |
| (Except Automobile) | \$1,000,000.00 each occurrence |
| Comprehensive Business | |
| Automobile Liability | \$1,000,000.00 each person |
| Bodily Injury Liability | \$1,000,000.00 each occurrence |
| Business Auto Property | \$1,000,000.00 each occurrence |
| Damage Liability | \$1,000,000.00 each occurrence |
| Personal and Advertising Injury | \$1,000,000.00 each occurrence |
| Excess Umbrella Liability Policy | \$10,000,000.00 each occurrence |

*The coverages will be provided by ACI Recycling and Disposal, Inc.

The City, its officers, servants, and employees shall be named as additional insureds during the initial term and any renewals. The certificates shall contain the following express obligation:

"This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation or material change in a policy affecting the certificate holder, thirty (30) days prior written notice shall be given to the City of Pearsall certificate holder."

- 11.02 Corporate Surety Bond - Contractor must provide to the City an annual corporate surety bond in the amount of \$100,000.00 no later than thirty (30) days after the effective date of this Contract. This Bond will guarantee

completion of the Contract in the event of a Contractor default and be underwritten by a Surety company legally authorized by the State Board of Insurance to transact business in the State of Texas.

12.00 BASIS AND METHOD OF PAYMENT

12.01 Rates

- 1) The fees provided by the Contractor will establish pricing until December 31, 2016. The separate fees charged by the City to its residents and commercial customers will be at the discretion of the City. The refuse collection charges provided in Schedule A shall include all collection, disposal, semi-annual bulky waste pickup, semi-monthly brush pickup, and related costs.
- 2) The roll off collection charges provided in Schedule A shall include delivery collection, disposal and related costs.

12.02 Modification to Rate Schedule

- 1) Regularly scheduled garbage collection sufficient to avoid unhealthy or unsightly accumulation shall be provided to City facilities, including parks, free of charge (see Schedule B).
- 2) Rates to be paid to the Contractor by the City shall be those in Schedule A attached hereto.
- 3) Appropriate sales taxes will be added to the listed rates. The entity collecting the money will have the responsibility for remitting and reporting sales taxes to the State.
- 4) The scheduled rates on Schedule A will remain in effect until December 31, 2016. Thereafter, for any year of this Contract, a cost of living adjustment increase will be effective as follows:

The fees which may be charged by the Contractor for subsequent years after the initial one-year term Contract shall be adjusted upward to reflect changes in the cost of operations, as reflected by fluctuations in the Consumer Price Index for All Urban Consumers (CPI-U Unadjusted); All U.S. City Average, All Items, as published by the U.S. Department of Labor Bureau of Labor Statistics. The Monthly Customer Service charge shall be subject to an annual adjustment proportionate to any increases in the "CPI-U" (as stated above). Said increase each new Contract Year, beginning on January 1, is calculated by the yearly average CPI-U (Unadjusted) for the previous twelve (12) months as reported by the U.S. Department of Labor Bureau of Labor Statistics in October prior to the new Contract Year. Such yearly increases shall be limited to a minimum increase of two (2) percent per year and a maximum increase of five (5) percent per year.

- 5) Contract Year - See definition.

- 6) Temporary "pass-through" charge - In the event of an extremely unusual and unforeseeable increase in the cost of operations as a result of revised laws, ordinances, regulations, or other similar reasons, Contractor may request to "pass-through" such increase in cost with a 60-day written notice to the City.

"Extremely unusual and unforeseeable" shall mean an increase in the cost of operations which is reasonably expected to continue for a period exceeding 90 days, which was not foreseeable at the time of execution of this Contract, and which is not due to the fault or caused by Contractor, its agents, employees, affiliates, or a customer of Contractor under this Contract. The phrase shall not include ordinary business costs, an error or miscalculation by Contractor in submitting its proposal for services, or an increase in a factor taken into consideration by the Consumer Price Index adjustment allowed by this Contract.

If a "pass-through" of an extremely unusual and unforeseeable increase in the cost of operations is allowed under this section, the City shall have the right to disallow such "pass-through" only upon cessation of the event which caused the extremely unusual and unforeseeable increase in the cost of operations.

- 7) Fuel Surcharge - In the event the monthly average cost per gallon of fuel exceeds \$3.00 for sixty (60) consecutive days in Bexar County; contractor may charge City additional fuel costs as a direct pass through charge. Contractor shall cease this "pass-through" charge after the monthly average cost per gallon in Bexar County falls below \$4.00 for sixty (60) consecutive days. The additional charges will not result in a higher profit margin for the contractor than the prices originally bid. Contractor agrees to furnish documentation as required by the City to show increment change in fuel costs.
- 8) Termination of Contract - During the term of this Contract, the City may terminate this Contract for convenience by giving ten (10) days advance notice in writing, if the Contractor should increase rates as outlined above in 12.02 (6) without the written consent of the City. The parties may agree to also terminate this Contract in a writing signed all parties hereto.

12.03 City to Act as Biller and Collector - The City shall submit monthly statements to and collect from all Residential and Commercial customers that it otherwise contracts with for other City services, for services provided by the Contractor pursuant to Section 3.00, including those accounts that are delinquent.

12.04 Delinquent and Closed Accounts - The Contractor shall discontinue refuse collection service at any residential or commercial customer as set forth in any written notice sent to it by the City. Upon further written notification by the

City, the Contractor shall resume refuse collection on the next regularly scheduled collection day. City and Contractor will develop and implement a redundant reporting and records system that minimizes potential errors in collection service terminations and restarts.

- 12.05 Contractor Billing to City - The Contractor shall aggregately bill the City for services rendered to Residential and Commercial customers within ten (10) working days following the end of the month in which services were rendered, and the City shall pay the Contractor on or before the 25th day following the end of said service month. Such billing and payment shall be based on the rates and schedules set forth in the Contract Documents. Interest on past due amounts will accrue at the rate of 8% per annum beginning after sixty (60) days.

The Contractor shall be entitled to payment for services rendered to Residential and Commercial Customers irrespective of whether or not the City collects from the customer for such services, provided, however, in the event that services are required by law to be provided, and for which services the Contractor or the City cannot charge or collect, as in Bankruptcy proceedings, then the Contractor shall not be entitled to payment by City for such services rendered.

If the City becomes more than sixty (60) days delinquent in making full payment to the Contractor for undisputed services rendered, Contractor will notify City in writing and request an immediate full payment with interest, with an additional 5% of the outstanding balance due as an administrative fee.

- 12.06 Contractor Fee Paid To City - The Contractor will collect directly from customers under this Contract fees described in Section 12.01 (2) and Roll-off services described in 3.07. In each of these instances, the Contractor shall pay the City a fee equivalent to fifteen percent (15%) of the amount that Contractor received for the services rendered in these operations. The fee, based on these accountings, shall be paid quarterly to the City on January 1, April 1, July 1, and October 1, of each year during the term of this Contract.

- 12.07 Rate Schedule - see ATTACHMENT A, as may be amended and included herein by this reference.

- 12.08 Donations and Contributions - Contractor shall donate \$5,000.00 annually to charitable organizations, City programs, and/or City events. All contributions shall be made jointly and in conjunction with City.

- 12.09 TDS Previous Balance - Contractor paid Texas Disposal Systems \$139,000 to retire the City of Pearsall's delinquent account with previous Contractor.

-  12.10 Transfer Station - City will provide a transfer station location at no charge for the term of this Agreement, which will be sufficient for ACI to conduct office and service operations in accordance with the terms and conditions of this Agreement.

- 12.11 Community-Wide Cleanup Programs – City will assist in two (2) community-wide cleanup programs annually by providing a front-end loader, an operator, and a staff person to observe and document the cleanup effort.

13.00 TRANSFERABILITY OF CONTRACT

No Assignment of the Contract or any right occurring under this Contract shall be made in whole or in part by the Contractor without the express written consent of the City. Such consent shall not be unreasonably withheld.

14.00 RIGHTS OF CONTRACTOR

The City, during the term of this Contract, shall not enter into any contract with a third party to obtain the services performed by the Contractor under this Contract and shall not suffer or permit any other party to provide similar service within the City, including those customers outside the City limits receiving City services. The City shall legally restrain, fine, or otherwise pursue available legal remedies against any other service provider who attempts to provide similar collection services in the City limits.

15.00 OWNERSHIP

Title ownership to acceptable Garbage, Refuse and Dead Animals shall pass to the Contractor when placed in Contractor's collection vehicle, removed by Contractor from a Container, or removed by Contractor from the Customer's premises, whichever last occurs.

16.00 EXCLUSIONS

This Contract shall not cover unacceptable waste, hazardous, toxic or radioactive wastes or substances as currently defined herein or in the future defined as such by applicable Federal, State or Local laws or regulations. Contractor may separately agree, but shall not be required pursuant to this Contract, to haul human waste (except sludge at sewer plant, which shall be required), hazardous waste, auto parts, rocks, concrete, sand, gravel, or dirt. The Contractor will be privately responsible for billing and collecting for these services.

17.00 SUBCONTRACTORS

Use of Subcontractors by the Contractor or subsidiaries or affiliates of the Contractor for technical or professional services shall not be considered an assignment of this Contract; provided that in any such event the Contractor shall be and remains responsible for all services and performance provided under this Contract. Any Contractor attempt to retain an independent contractor to provide for any or all services required under this Contract must be first reviewed and approved or denied by City Council.

18.00 RIGHTS OF THE CITY

- 1) If the Contractor fails to meet the Performance Standards as outlined in the Contract, or otherwise is suspected of Contract breach, the City shall provide written notice to the Contractor by certified letter outlining each deficiency and setting up a public hearing to discuss the issues in front of the City Council. At the hearing, the City Council will advise the Contractor of each deficiency and place the Contractor on notice that it has a 30-day cure period to correct these issues in the

future. The Contractor shall pursue this 30-day cure period to correct each deficiency. At the expiration of the cure period, a second public hearing shall be held. If the Contractor has corrected issues during the 30-day cure period, no action will be taken against the Contractor. In the event the City Council finds, after the cure period, that Contractor has breached this Contract, or is not meeting the Performance Standards, the City Council may place the Contractor on some form of probation or terminate this Contract for cause.

- 2) The City Council shall be separately entitled to establish the amounts to be billed by the City to Customer for the services to be provided pursuant to this Contract, to include, but not limited to, the Contract fees and charges payable by City to the Contractor.
- 3) This Contract shall not be construed or be interpreted as the City having waived any regulatory or police powers.

19.00 FORCE MAJEURE

The Contractor shall not be liable for the failure to perform its obligations hereunder if such failure is caused by a catastrophe, riot, war, government order or regulation, strike, fire, accident, or Act of God, or similar contingency beyond the reasonable control of the Contractor. Contractor shall make reasonable efforts to mitigate the impacts of the Force Majeure.

20.00 SEVERABILITY

In the event that any provision or portion of the Contract Documents shall be found to be invalid or unenforceable, then the Parties agree that such provision or portion thereof shall be reformed in accordance with the applicable laws. The invalidity or unenforceability of any provision or portion of the Contract Documents shall not affect the validity or enforceability of any other provision/portion thereof within the Contract Documents.

21.00 GOOD FAITH DEALINGS

The Parties undertake to act in good faith in relation to the performance and implementation of this Contract and to take such other reasonable measures as may be necessary for the realization of its purposes and objectives. Each Party agrees that it will not initiate a dispute against another Party unless the Party raising the dispute in good faith believes its position is legitimate. The Parties agree to attempt to resolve all disputes arising hereunder promptly, equitably, and in a good faith manner in accordance with the dispute resolution provisions included herein. The Parties further agree to provide each other with reasonable access during normal business hours to any and all non-privileged records, information, and data pertaining to any such dispute.

22.00 REMEDIES

- 1) Upon the violation or breach by Contractor or the City of any of the terms, provisions, covenants, representations, or warranties of this Contract, the other

Party may pursue any available remedy, at law or in equity, including but not limited to mandamus and specific performance.

- 2) The pursuit by either Contractor or the City of any remedy available under this Contract shall not constitute an election or waiver of any other remedy available to that Party, at equity or in law, by reason of violation or breach of any of the terms, provisions, covenants, representations, or warranties of this Contract. No waiver of any violation or breach shall be deemed or construed to constitute a waiver of any other violation or breach, and forbearance to enforce one or more of the remedies available for a violation or breach shall not be deemed to constitute a waiver of that or any other violation or breach.

23.00 MEDIATION

If a dispute arises out of or relates to this Contract or the breach thereof, the Parties shall first in good faith seek to resolve the dispute through negotiation between the upper management of each respective Party. If such dispute cannot be settled through negotiation, the Parties agree to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association, Dallas, Texas, before resorting to arbitration, litigation, or some other dispute resolution procedure; provided that a Party may not invoke mediation unless it has provided the other Party with written notice of the dispute and has attempted in good faith to resolve such dispute through negotiation. Notwithstanding the foregoing, any Party may seek immediate equitable relief, without attempting to settle a dispute through mediation, in any case where such Party is entitled to equitable relief by law, the terms of this Contract, or otherwise.

24.00 RELATIONSHIP OF THE PARTIES

This Contract shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties, or to impose any partnership obligation or liability upon the Parties. Neither of the Parties shall have any right, power, or authority to enter into any Contract or undertaking for, act on behalf of, or act as or be an agent or representative of, or otherwise bind the other Party.

25.00 VENUE

Venue for any state litigation associated with this Contract shall be in a court of competent jurisdiction in Bexar County, Texas. Venue for any federal jurisdiction questions shall initially be in San Antonio, Texas.

26.00 FINAL AGREEMENT; MODIFICATION; JOINT EFFORTS

This Contract incorporates all of the agreements, covenants, representations and warranties made by, to and between the parties and there are no oral, prior or contemporaneous agreements, all such agreements, covenants, representations and warranties are incorporated into this Contract. Except as otherwise stated herein, all parties disclaim any and all express and implied warranties and representations. There are no oral agreements between the parties. This Contract shall not be modified or changed except in a written modification instrument signed by all parties hereto. This Contract is the result of the joint drafting efforts of the parties hereto and it shall not be construed against any one party due to drafting.

**SOLID WASTE CONTRACT
CITY OF PEARSALL AND
ACI
RATE SCHEDULE FOR
2015-2016**

| <u>Contract Period</u> | <u>Frequency
of
Collection</u> | <u>Gross
ACI
Base
Rates</u> |
|--|--|---|
| | | (To ACI) |
| <u>Cart Service - Residential</u> | | |
| Residential Inside City | 1X | \$ 17.82 |
| Residential Outside City | 1X | \$ 27.74 |
| Extra Cart | N/A | \$ 8.69 |
| Standby | N/A | \$ 6.43 |
| <u>Cart Service - Commercial</u> | | |
| Commercial Inside City | 1X | \$ 30.32 |
| Commercial Outside City | 1X | \$ 37.21 |
| Extra Cart | N/A | \$ 13.67 |
| Standby | N/A | \$ 6.43 |
| <u>Commercial Containers</u> | | |
| <u>Size</u> | | |
| 2 Cubic Yard | 1X | \$ 95.40 |
| 3 Cubic Yard | 2X | \$ 168.08 |
| 3 Cubic Yard | 1X | \$ 102.78 |
| 3 Cubic Yard | 2X | \$ 193.77 |
| 4 Cubic Yard | 1X | \$ 126.33 |
| 4 Cubic Yard | 2X | \$ 219.46 |
| 6 Cubic Yard | 1X | \$ 156.30 |
| 6 Cubic Yard | 2X | \$ 274.06 |
| 8 Cubic Yard | 1X | \$ 216.26 |
| 8 Cubic Yard | 2X | \$ 327.59 |
| 8 Cubic Yard | 3X | \$ 437.87 |
| <u>Extra Pickups</u> | | |
| 2 Cubic Yard | | \$ 53.53 |
| 3 & 4 Cubic Yard | | \$ 53.53 |
| 6 Cubic Yard | | \$ 64.24 |
| 8 Cubic Yard | | \$ 80.29 |
| <u>Roll-off</u> | | |
| 20 Cubic Yard | | \$ 802.93 |
| 30 Cubic Yard | | \$ 883.22 |
| 40 Cubic Yard | | \$ 936.75 |
| Container Delivery | | \$ 0 |
| Container Rental | | \$ 3.21/Day
After 15 Days |
| Overweight Charge (over
seven (7) tons) | | \$ 32.12/Ton |
| <u>Roll-off</u> | | |
| 20 Cubic Yard | | \$ 797.58 |
| Container Rental | | \$ 3.21/Day
After 15 Days |

PCD#157552v3; 3844/4

SCHEDULE B

"No Charge" Container Requirements for City Facilities

Location and/or Department

Centennial City Park

Moreno City Park

Patino City Park

Pearsall Neighborhood Center

City Service Center

Fire Stations

City Hall

City Library

City Wastewater Treatment Plant

Animal Control Facility

Sports Complex

Police Station

***Contractor and City agree to review and update this list annually.**

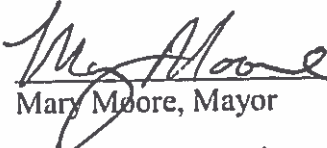
96 Gallon Carts and Front Load Containers only

IN WITNESS WHEREOF, we, the contracting Parties, by our fully and legally authorized officers or agents, hereto affix our signatures and seals in Frio County, Texas, as of the dates listed below:

ATTESTED HEREUNTO:

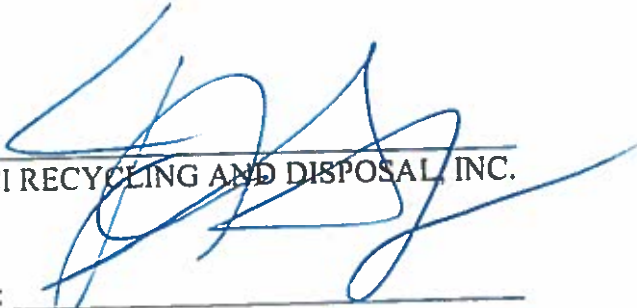
CITY OF PEARSALL
Frio County, of the State of Texas

SEAL of the City of Pearsall
in Frio County,
of the State of Texas;

By: 
Mary Moore, Mayor
Date: 09/08/2015

Approved as to Form and Content:


Sylvia Rodriguez, City Attorney
ATTESTED HEREUNTO:


ACI RECYCLING AND DISPOSAL, INC.
By: J. Alex Salas - President/CEO
Date: 07/24/2015

(CITY OF PEARSALL)

STATE OF TEXAS §

COUNTY OF FRIO §

BEFORE ME, Krystal Garcia (notary's name) on this day personally appeared Mary Moore, Mayor, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in the capacity stated, as the act of the municipal corporation, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 5th day of September, A.D., 2015.



Krystal Garcia
Notary Public in and for the State of Texas

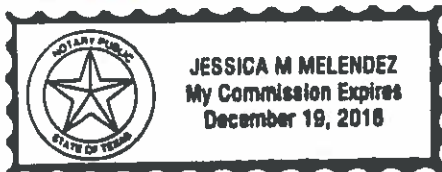
(CONTRACTOR)

STATE OF TEXAS §

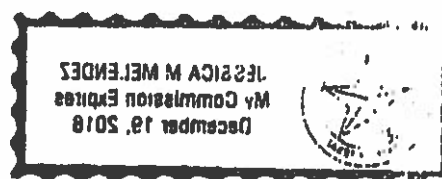
COUNTY OF BEXAR §

BEFORE ME, Jessica Melendez (notary's name) on this day personally appeared J. Alex Salas (person's name) known to me (or proved to me on the oath of _____ or through TX DL [description of identity card or other document]) to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same in the capacity stated, as the act of the Corporation, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL of office this 24th day of July, A.D., 2015.



Jessica Melendez
Notary Public in and for the State of Texas



ORDINANCE NO.

2017-10-05

AN ORDINANCE TO REPEAL AND REPLACE PRIOR ORDINANCES ESTABLISHING REGULATIONS AND RATES TO BE CHARGED FOR DISPOSING OF REFUSE AND/OR BRUSH AT THE CITY OF PEARSALL TRANSFER STATION; PROVIDING FOR OPEN MEETINGS ACT COMPLIANCE; PROVIDING FOR SEVERABILITY AND OTHER LEGAL RIGHTS; REPEALING ALL ORDINANCES IN CONFLICT; PROVIDING FOR PUBLICATION; PROVIDING AN EFFECTIVE DATE, AND PROMOTING THE SAFETY, AND GENERAL WELFARE OF THE COMMUNITY.

WHEREAS, the City Council of the City of Pearsall, Texas has previously determined that it was in the best interest of the citizens of Pearsall and would promote the health, safety and general welfare of the inhabitants of the City and its extra territorial boundaries to contract for the collection, removal, and disposal of solid waste inside the city limits and its extraterritorial jurisdiction; and

WHEREAS, the City Council desires to amend certain rates to be charged for disposing of refuse and/or brush at the City of Pearsall transfer station provided in the attached Exhibit "A" and incorporated herein as if fully set forth and incorporated herein for all purposes.

NOW THEREFORE LET IT BE ORDAINED BY THE CITY COUNCIL OF PEARSALL:

Section 1. The rates contained in Exhibit "A" to this ordinance are referenced herein as fully as if set forth verbatim in this ordinance and are hereby amended, adopted and approved.

Section 2. That the meeting at which this Ordinance was approved was in all things conducted in strict compliance with the TEXAS OPEN MEETINGS ACT, TEXAS GOVERNMENT CODE, Chapter 551.

Section 3. Should any section, clause, subsection, sentence, clause or phrase of this ordinance be declared unconstitutional or invalid by a court of competent jurisdiction, it is expressly provided that any and all remaining portions of this ordinance shall remain in full force and effect. The City Council hereby declares that it would have passed this ordinance, and each section, subsection, sentence, clause and/or phrase hereof irrespective of the fact that any one or more sections, subsections, sentences, clauses and/or phrases be declared unconstitutional or invalid.

Section 4. All ordinances or parts of ordinances not consistent or conflicting with the provisions of this ordinance are hereby repealed; provided that such repeal shall be only to the extent of such inconsistency and in all other respects this ordinance shall be cumulative of other ordinances regulating and governing the subject matter covered in this ordinance. Any cause of action accruing prior to the passage of this ordinance shall continue as if this ordinance was not passed.

Section 5. The City Clerk is hereby directed to publish in the official newspaper of the City, the

caption, publication clause and effective date clause of this ordinance in the official newspaper of the City, in accordance with the city charter and Section 52.011 of the TEXAS LOCAL GOVERNMENT CODE.

Section 6. This ordinance shall become effective upon passage and publication as required.

PASSED, APPROVED and ADOPTED this 10th day of October, 2017.



Mary Moore, Mayor

ATTEST:



Krystal Gaccia
City Clerk

EXHIBIT "A"
CITY OF PEARSALL
TRANSFER STATION
FEE SCHEDULE

Effective October 11, 2017

A FOR DUMPSTER DISPOSAL

| | Type of Waste | Unit of Measure | Inside City Limits | Outside City Limits |
|---|---|-----------------|--------------------|---------------------|
| 1 | Construction Site Material | Per yard | \$25.00 | \$45.00 |
| 2 | Roofing Material | Per yard | \$20.00 | \$40.00 |
| 3 | Loose Trash | Per yard | \$16.00 | \$28.00 |
| 4 | 30 gal. Trash Bag | Each | \$1.00 | \$5.00 |
| 5 | 55 gal. Trash Bag | Each | \$2.00 | \$10.00 |
| 6 | 30 gal. Trash Can | Each | \$3.00 | \$7.50 |
| 7 | 55 gal. Trash Can | Each | \$4.00 | \$15.00 |
| 8 | White Goods (Refrigerators, Stoves, AC Units, ect.) | Each | \$10.00 | \$55.00 |

B BRUSH FEES DURING REGULAR OPERATIONS

- 1 **FOR RESIDENTIAL CUSTOMERS SHOWING VALID I. D. AND CURRENT UTILITY BILL**
 (a) No charge.
- 2 **FOR COMMERCIAL CUSTOMERS SHOWING VALID I. D. AND CURRENT UTILITY BILL**
 (a) Two (2) loads of brush (maximum 16' trailers) per month there will be no charge.
 (b) Additional loads during a month will be charged at \$10.00 per load (maximum 16' trailers).
 (c) Loads larger than 16' trailers, but smaller than 18 Wheelers will be charged at \$20.00 per load.
- 3 **FOR RESIDENTIAL CITIZENS NOT SHOWING VALID I. D. AND CURRENT UTILITY BILL**
 (a) The charge for a load of brush (maximum 16' trailers) will be \$25.00. Maximum loads per day will be three (3).
- 4 **FOR COMMERCIAL OPERATORS NOT SHOWING VALID I. D. & CURRENT UTILITY BILL**
 (a) The charge for a load of brush (maximum 16' trailers) will be \$25.00. Maximum loads per day will be three (3).
 (b) The charge for a load of brush larger than 16' trailers, but smaller than 18 Wheelers will be \$35.00. Maximum loads per day will be three (3).
 (c) The charge for a 18 Wheeler load of brush will be \$100.00. Maximum loads per day will be two (2).

C BRUSH FEES DURING DESIGNATED CITY CLEAN-UP PERIODS

- (a) Free brush disposal will be allowed for regular size pickup loads and/or one trailer up to 16' per household during designated City cleanup period.
- (b) Currently our Garbage Contractor will have two (2) clean-ups per year for bulk waste. There will be one in the spring and the second one in the fall. Bulk waste will be limited to 4 cubic yards. Bulk waste must be placed at curb side. Clean- up is for residential customers only.
- (c) The City's Garbage Contractor will pick-up brush at curbside every 1st and 3rd Thursday of every month. Must be in piles of no longer than 4 ft. no wider than 3 ft. and no higher than 3ft. Must call office before 4:30 pm the Tuesday before to be placed on list.

D TRANSFER STATION HOURS OF OPERATIONS

Every Tuesday thru Friday (except for holidays)

Saturday
10:00 a.m. to 2:00 p.m.