

**MINUTES
OF
CITY OF WHARTON
REGULAR CITY COUNCIL MEETING
MAY 24, 2010**

Mayor David W. Samuelson declared a Regular Meeting duly open for the transaction of business at 7:04 P.M. Mayor David W. Samuelson led the opening devotion and then led the pledge of allegiance.

Councilmember's present were: Mayor David W. Samuelson, Councilmembers V. L. Wiley, Jr., Lewis Fortenberry, Jr., Terry David Lynch, Don Mueller, Domingo Montalvo, Jr., and Jeff Gubbels.

Councilmember absent was: None.

Staff members present were: City Manager Andres Garza, Jr., Finance Director Joyce Vasut, City Secretary Lisa Olmeda, Public Works Director Carter Miska, Emergency Management Coordinator Jim Cooper, Airport Manager David Allen, and City Attorney Paul Webb.

Fire Dept. members present were: Bobby Barnett, Scott Stewart, Thomas Araguz, Juan Cano III, Arthur Araguz, Leonard Martinez, Marshall Johnson, Ricky Guzman, Tony Vargas, Abell Perez, Avery Hughes, Stephen Nelson, Roberto Hernandez, Apolonio Maldondo, Paul Shannon, Aaron Freudensprung, and Jesus Luz Gutierrez.

Visitors present were: Barry Halvorson with Wharton Journal Spectator, Kent Hill with Wharton Economic Development Corporation, Carlos Cotton with Jones & Carter, Karen Heintschel with Wharton Economic Development Corporation, Billie Jones, Tom Sage, Jim Gilley, Ronnie Stavena, Walter Stavena, Honey Stavena, Patty Shannon, Terry Freese, Barbara Fortenberry, Brian Fortenberry, Tayler Belasquez, Mr. & Mrs. Johnnie Gonaes, Sister Celia Ann Cavazos, Virginia M. Diaz, Chris Sliva, Mary Madrid, Mr. & Mrs. Joseph C. Diaz, Eleas & Cenué Morales, Arnold & Nurri Azaldua, Ray Amader, Paula Amader, Annie Lozana, Rudy Rodriguez, Jr., Kathrin Barlow, Celia Weiss, Curtis W. Evans, Kay and Fred Zidma, Lambert Stavena, Jr., and John Alaniz.

The second item on the agenda was Administer of Oath of Office to Elected Officials Mayor Domingo Montalvo, Jr., and Councilmembers Lewis Fortenberry, Jr., Don Mueller, and Jeff Gubbels. City Attorney Paul Webb administered the Oath of Office to Elected Officials Councilmembers Lewis Fortenberry, Jr., Don Mueller, and Jeff Gubbels. He then administered the Oath of Office to Elected Official Mayor Domingo Montalvo, Jr.

The third item on the agenda was presentation of mayoral plaque to David W. Samuelson for serving as City of Wharton Mayor from May 2008 – May 2010. Newly elected Mayor Domingo Montalvo, Jr. presented the mayoral plaque to David W. Samuelson for serving as City of Wharton Mayor from May 2008 – May 2010. David W. Samuelson expressed his appreciation to the citizens of the City of Wharton for their support. He stated that being a member of city government was never on his radar screen and he spent 37 years in the City not knowing what was happening at City Hall, then some of his friends encouraged him to run. He said that once elected, he gained an appreciation for the challenges that were a part of the council's decision making process. He said that he would recommend that everyone spend a few meetings at the council in order to have a greater understanding as to why some things are done and some things are not done. He said that he had great pride in the achievement of the Santa Fe Drainage Project and the Emergency Services District. He publicly thanked City Manager Andres Garza, Jr., Finance Director Joyce Vasut, Assistant to City Manager Jackie Jansky, City Secretary Lisa Olmeda, Department Heads, and City Staff. He then recognized former Mayor Bryce D. Kocian, Councilmember Domingo Montalvo, Jr., V. L. Wiley, Jr., Ken Freese, and Don Mueller as members of the council he worked with for an extended time. No action was taken.

The fourth item on the agenda was presentation of proclamations. Mayor Domingo Montalvo, Jr. presented a proclamation, which read as follows:

Whereas, The annual distribution of Buddy Poppies by the Veterans of Foreign Wars of the United States has been officially recognized and endorsed by governmental leaders since 1922; and

Whereas, VFW Buddy Poppies are assembled by disabled veterans, and the proceeds of this worthy fund-raising campaign are used exclusively for the benefit of disabled and needy veterans, and the widows and orphans of deceased veterans; and

Whereas, The basic purpose of the annual distribution of Buddy Poppies by the Veterans of Foreign Wars is eloquently reflected in the desire to "Honor the Dead by Helping the Living;" and

Whereas, The V.F.W. Post 4474 will distribute Buddy Poppies in the City of Wharton on May 28, 2010 through May 31, 2010.

Now, Therefore, I, Domingo Montalvo, Jr., as the Mayor of the City of Wharton, do hereby proclaim May 25, 2010 to May 31, 2010 as

“Buddy Poppies Week”

and urge the citizens of this community to recognize the merits of this cause by contributing generously to its support through your donations for Buddy Poppies on the days set aside for the distribution of these symbols of appreciation for the sacrifices of our honored dead. I urge all patriotic citizens to wear a Buddy Poppy as mute evidence of our gratitude to the men and women of this country who have risked their lives in defense of the freedoms which we continue to enjoy as American citizens.

In Witness Whereof, I have set my hand and caused the seal of the City of Wharton to be affixed this 24th day of May, in the year of our Lord two thousand ten A.D.

A. Proclamation declaring May 25, 2010 as Wharton High School Girls Individual Track Day. Mayor Domingo Montalvo, Jr. presented a proclamation declaring May 25, 2010 as Wharton High School Girls Individual Track Day, which read as follows:

WHEREAS, We realize that participation in organized athletics helps to build character and teaches a wholesome sense of fair play and good sportsmanship among our youth; and

WHEREAS, To really excel in athletics, a young person must demonstrate, in addition to a great deal of natural ability, an outstanding spirit of dedication, enthusiasm, and hard work; and

WHEREAS, A striking example of this has been brought to my attention in the achievement of the **WHARTON HIGH SCHOOL GIRLS INDIVIDUAL TRACK MEMBERS** in their accomplishments of qualifying for the 2010 UIL State Girls Track meet held May 13 & 14, 2010 in Austin, Texas; and

WHEREAS, The **WHARTON HIGH SCHOOL GIRLS INDIVIDUAL TRACK MEMBERS** include:

Myavia Armstrong - Freshman
Gold medal -100 m dash
Silver medal – 200 m dash
Sha’Nice Baldwin – Sophomore
8th –Long jump
Courtney Carter - WHS Girls Track Coach

NOW, THEREFORE BE IT RESOLVED THAT, I, Domingo Montalvo, Jr., by virtue of the authority vested in me as Mayor of the City of Wharton, Texas, do hereby proclaim

*May 25, 2010 as **WHARTON HIGH SCHOOL GIRLS INDIVIDUAL TRACK DAY***

in Wharton, Texas, and encourage all our citizens to join me in honoring these young persons for a job well done in representing our community.

IN WITNESS THEREOF, I have hereunto set my hand and caused the seal of the City of Wharton to be affixed this 24th day of May, in the year of our Lord two thousand ten A.D.

B. Proclamation declaring May 26, 2010 as Wharton High School Tiger Boys Golf Team Day. Mayor Domingo Montalvo, Jr. presented a proclamation declaring May 26, 2010 as Wharton High School Tiger Boys Golf Team Day, which read as follows:

WHEREAS, We realize that participation in organized athletics helps to build character and teaches a wholesome sense of fair play and good sportsmanship among our youth; and

WHEREAS, To really excel in athletics, a young person must demonstrate, in addition to a great deal of natural ability, an outstanding spirit of dedication, enthusiasm, and hard work; and

WHEREAS, A striking example of this has been brought to my attention in the achievement of the **WHARTON HIGH SCHOOL TIGER BOYS GOLF TEAM** in their accomplishment of placing third in the 2010 UIL State Golf Tournament held May 13 & 14, 2010 in Austin, Texas; and

WHEREAS, The **WHARTON HIGH SCHOOL TIGER BOYS GOLF TEAM** includes:

Zach Freese - Senior
Adam Garza - Senior
Branden Rachunek - Sophomore
Casey Woodfin – Sophomore
Dalton Woodfin - Sophomore
Terry Freese - WHS Golf Coach

NOW, THEREFORE BE IT RESOLVED THAT, I, Domingo Montalvo, Jr., by virtue of the authority vested in me as Mayor of the City of Wharton, Texas, do hereby proclaim

*May 26, 2010 as **WHARTON HIGH SCHOOL TIGER BOYS GOLF TEAM DAY***

in Wharton, Texas, and encourage all our citizens to join me in honoring these young persons for a job well done in representing our community.

IN WITNESS THEREOF, I have hereunto set my hand and caused the seal of the City of Wharton to be affixed this 24th day of May, in the year of our Lord two thousand ten A.D.

C. Proclamation declaring May 27, 2010 as Wharton High School Girls Individual Tennis Day.

Mayor Domingo Montalvo, Jr. presented a proclamation declaring May 27, 2010 as Wharton High School Girls Individual Tennis Day, which read as follows:

WHEREAS, We realize that participation in organized athletics helps to build character and teaches a wholesome sense of fair play and good sportsmanship among our youth; and

WHEREAS, To really excel in athletics, a young person must demonstrate, in addition to a great deal of natural ability, an outstanding spirit of dedication, enthusiasm, and hard work; and

WHEREAS, A striking example of this has been brought to my attention in the achievement of the **WHARTON HIGH SCHOOL GIRLS INDIVIDUAL TENNIS MEMBERS** in their accomplishment of qualifying for the 2010 State Girls Tennis Tournament held May 10 & 11, 2010 in Ausitn, Texas; and

WHEREAS, The **WHARTON HIGH SCHOOL GIRLS INDIVIDUALS TENNIS MEMBERS** include:

Paige Bahnsen (JR) - Girls Singles
Haley Rainer (SR) - Girls Doubles
Heather Reynolds (SR) - Girls Doubles
Roben Eller, WHS Head Tennis Coach
Todd Janik, WHS Assistant Tennis Coach

NOW, THEREFORE BE IT RESOLVED THAT, I, Domingo Montalvo, Jr., by virtue of the authority vested in me as Mayor of the City of Wharton, Texas, do hereby proclaim

*May 27, 2010 as **WHARTON HIGH SCHOOL GIRLS INDIVIDUAL TENNIS DAY***

in Wharton, Texas, and encourage all our citizens to join me in honoring these young persons for a job well done in representing our community.

IN WITNESS THEREOF, I have hereunto set my hand and caused the seal of the City of Wharton to be affixed this 24th day of May, in the year of our Lord two thousand ten A.D.

The fifth item on the agenda was roll call and excused absences. Mayor and City Councilmembers were present. No action was taken.

The sixth item on the agenda was Public Comments. No comments were given. No action was taken.

The seventh item on the agenda was Wharton Moment. Councilmember Lewis Fortenberry, Jr. thanked Mayor David W. Samuelson for the service to the City and he said that the Council worked well together. No action was taken.

The eighth item on the agenda was to review and consider appointment of Mayor Pro-Tem. City Manager Andres Garza, Jr. presented Section 15 of the City Charter that read, following a regular

annual election and upon the induction of the newly elected members of the governing body into office, the members of the City Council shall elect one the Councilmembers to be Mayor Pro-Tem. Mayor Domingo Montalvo, Jr. stated that Councilmember Don Mueller had been Mayor Pro-Tem the past years and had done a great job. After some discussion, Councilmember Lewis Fortenberry, Jr. made a motion to appoint Don Mueller as Mayor Pro-Tem. Councilmember Terry David Lynch seconded the motion. All voted in favor.

The ninth item on the agenda was to review and consider the vacancy to City of Wharton City Councilmember At Large Place No. 5 Position. City Manager Andres Garza, Jr. stated that with the election of Councilmember Domingo Montalvo, Jr. a Mayor, the position he held had become vacant. He then present Section 16 of the City Charter which provided the method to fill the position. Councilmember Terry David Lynch made a motion to nominate and appoint Bryce D. Kocian to the City of Wharton Councilmember At Large Place No. 5 position. Councilmember Jeff Gubbels seconded the motion. All voted in favor.

The tenth item on the agenda was to review and consider the City of Wharton financial report for the month of April 2010. Finance Director Joyce Vasut presented the financial report for the month of April 2010, which was at 58% or seven months into the fiscal year. Mrs. Vasut stated that the total ad valorem taxes collected were \$1,796,776 and the sales tax for the month of March 2010 was \$164,395 with \$109,597 to the City and \$54,798 to WEDC. She further stated the TexPool balance for April was \$9,156.27 with an average monthly yield of 0.1662%. The Prosperity Bank balance for April 2010 was \$3,318,098.86 with an average monthly yield of 0.25%. She stated that other investments included \$2,651.75 at TexasGulf Federal Credit Union in the debt fund, \$253,425.11 at Capital One Marketing 2%; and Prosperity Bank \$1,007,479.45, six months at 1.00% interest, and \$251,560.65, one year at 1.25% interest. After some discussion, Councilmember Jeff Gubbels made a motion to approve the City of Wharton Financial Report for the month of April 2010. Councilmember Don Mueller seconded the motion. All voted in favor.

The eleventh item on the agenda was to review and consider an ordinance authorizing the issuance of City of Wharton, Texas, General Obligation Refunding Bonds, Series 2010; Authorizing a Pricing Officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto; and containing other matter related thereto. City Manager Andres Garza, Jr. presented a draft ordinance prepared by Andrews Kurth LLP authorizing the issuance of City of Wharton, Texas, General Obligation Refunding Bonds, Series 2010; Authorizing a Pricing Officer to approve the amount, the interest rates, price, redemption provisions and terms thereof and certain other procedures and provisions related thereto; and containing other matter related thereto. He said that approval was recommended. Mr. Jim Gilley with Coastal Securities stated that 1998 and 2000 bond series would be eligible for refunding. He stated that by refunding \$2.6 million of debt, the City could generate a savings. He stated that Coastal Securities was recommending a parameter sale, which would allow flexibility in the changing market. Mr. Tom Sage with Andrew Kurth, LLP said that the political subdivision was allowed to participate in parameter sale; however, thresholds would be added as a guide. He stated that the sale would be approved

by either the City Manager, Finance Director, or Mayor. After some discussion, Councilmember Lewis Fortenberry, Jr. made a motion to approve Ordinance No. 2010-05, which read as follows:

**CITY OF WHARTON
ORDINANCE NO. 2010-05**

ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF WHARTON, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010; AUTHORIZING A PRICING OFFICER TO APPROVE THE AMOUNT, THE INTEREST RATES, PRICE, REDEMPTION PROVISIONS AND TERMS THEREOF AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATED THERETO; AND CONTAINING OTHER MATTERS RELATED THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS:

FINDINGS AND DETERMINATIONS

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

The City of Wharton, Texas (the "City"), acting through its City Council, has heretofore issued, assumed or undertaken and there remain outstanding certain obligations described in Exhibit B attached hereto (hereinafter defined as the "Refundable Obligations").

The City is authorized by Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), to issue refunding bonds for the purpose of refunding all or a portion of the Refundable Obligations (hereinafter defined as the "Refunded Obligations").

The City desires to refund the Refunded Obligations in advance of their maturities, which will benefit the City by reducing total net present value debt service.

Chapter 1207 authorizes the City to issue refunding bonds for the purpose of refunding the Refunded Obligations in advance of their maturities, and to accomplish such refunding by depositing directly with a paying agent for the Refunded Obligations (or other qualified escrow agent), the proceeds of such refunding bonds, together with any other lawfully available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Obligations, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations;

The City desires to enter into an escrow agreement, as authorized by Chapter 1207, pursuant to which a portion of the proceeds of the refunding bonds herein authorized, and other legally available funds of the City, if any, will be deposited, invested and applied in a manner that will provide for the full and timely payment of all principal of, premium, if any, and interest on the Refunded Obligations; and

The City desires to authorize the purchase of certain eligible investments with a portion of the proceeds of the refunding bonds herein authorized for deposit into the escrow fund established and maintained pursuant to such escrow agreement;

Upon the issuance of the refunding bonds herein authorized and the deposit referenced above, the Refunded Obligations shall no longer be regarded as being outstanding, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the ordinances authorizing the issuance of the Refunded Obligations shall be, with respect to the Refunded Obligations, discharged, terminated and defeased; and

It is hereby found and determined that the refunding must result in a net present value savings of at least _____ (___%) of the Refunded Obligations, and that such benefit is sufficient consideration and constitutes the public purpose for the issuance of the Bonds (as herein defined) and the refunding of the Refunded Obligations, and such refunding is in the best interests of the City; and

Pursuant to Section 1207.007, Texas Government Code, as amended, the City wishes to authorize the Pricing Officers herein designated to act on behalf of the City as herein provided; and

The City Council is of the opinion and hereby affirmatively finds that it is in the best interest of the City to issue the bonds in the amounts and for the purposes herein stated.

DEFINITIONS AND INTERPRETATIONS

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

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

“Attorney General” means the Attorney General of the State of Texas.

“Bond” or “Bonds” means any or all of the City of Wharton, Texas, General Obligation Refunding Bonds, Series 2010, authorized by this Ordinance.

“Bond Purchase Agreement” means the agreement between the City and the Underwriter providing for the sale of Bonds at such price, with and subject to such terms as determined by a Pricing Officer pursuant to Section 7.1 of this Ordinance.

“Business Day” means any day which is not a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close.

“City” means the City of Wharton, Texas and, where appropriate, its City Council.

“City Council” means the governing body of the City.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“DTC” means The Depository Trust Company, New York, New York, or any successor securities depository.

“DTC Participant” means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Debt Service Fund” means the General Obligation Refunding Bonds, Series 2010 Debt Service Fund established by the City pursuant to Section 5.2 hereof.

“Escrow Agent” means Wells Fargo Bank, N.A., Austin, Texas and its successors in that capacity.

“Escrow Agreement” means the agreement between the City and the Escrow Agent relating to the escrow of funds and securities to pay the Refunded Obligations.

“Escrow Fund” shall mean the fund created pursuant to the Escrow Agreement to be administered by the Escrow Agent pursuant to the provisions of the Escrow Agreement.

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

“Government Securities” shall mean (1) direct non-callable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (2) non-callable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent and (3) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City are rated, as to investment quality, by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Interest Payment Date,” when used in connection with any Bond, means December 1, 2010, and each June 1 and December 1 thereafter until maturity of such Bond.

“MSRB” means the Municipal Securities Rulemaking Board.

“Ordinance” means this Ordinance and all amendments hereof and supplements hereto.

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

“Owner” shall have the meaning set forth under the definition of “Registered Owner.”

“Paying Agent/Registrar” means Wells Fargo Bank, National Association, and its successors in that capacity.

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

“Pricing Officer” means one or more of the following: the Mayor, the City Manager or the Finance Director.

“Pricing Officer’s Certificate of Sale” means the certificate of the Pricing Officer provided in accordance with Section 7.1 of this Ordinance.

“Record Date” means the close of business on the last Business Day of the month next preceding the applicable Interest Payment Date.

“Refunded Obligations” means any of those bonds identified in Exhibit B hereto that are Outstanding on the date of execution of the Bond Purchase Agreement by a Pricing Officer and selected in accordance with Section 7.1 of this Ordinance.

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

“Registered Owner” or “Owner” means the person or entity in whose name any Bond is registered in the Register.

“Underwriter” shall have the meaning given to such term in Section 7.1 hereof.

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

TERMS OF THE BONDS

Amount, Purpose and Authorization. (1) The Bonds shall be issued in fully registered form, without coupons, under and pursuant to the authority of the Act in the total authorized aggregate principal amount not to exceed TWO MILLION SIX HUNDRED THOUSAND (\$2,600,000) for the purpose of refunding the Refunded Obligations and paying the costs of issuing the Bonds and refunding the Refunded Obligations. The Bonds are issued pursuant to Chapter 1207, Texas Government Code, as amended, and all other applicable law.

The principal amount of the Bonds shall be established by a Pricing Officer in an amount necessary to provide funds sufficient to refund the Refunded Obligations and pay the costs associated with the refunding of the Refunded Obligations and the issuance of the Bonds; provided, however, that the following conditions shall be met for the issuance of the Bonds: in establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish the principal amount of the Bonds in an aggregate principal amount not to exceed the amount authorized in subsection (a) of this Section, which amount shall be sufficient to provide for the defeasance of the Refunded Obligations (as determined by the Pricing Officer) and which results in (i) a target net present value savings for the refunding of at least \$ _____; (ii) a gross savings of at least \$1.00, such that the aggregate amount of payments to be made under the refunding portion of the Bonds does not exceed the aggregate amount of payments that would have been made under the terms of the Refunded Obligations; and (iii) the latest maturity date of the Bonds will not exceed the latest maturity date of the Refunded Obligations.

In exercising the authority granted to the Pricing Officer to sell Bonds for the purpose of refunding the Refunded Obligations, such Pricing Officer, acting severally and individually, may exercise any authority granted under Chapter 1207, Texas Government Code (as in effect on the date the Pricing Officer executes the Bond Purchase Agreement), including, without limitation, (i) the selection of the particular maturities and principal amounts of the Refundable Obligations to be refunded (including the execution and delivery of any notices of redemption required in connection therewith) and (ii) establishing the terms and details related to the issuance and sale of the Bonds.

Designation, Date and Payment Date. The Bonds shall be designated as the "City of Wharton, Texas, General Obligation Refunding Bonds, Series 2010." Interest on the Bonds shall be payable on each Interest Payment Date until maturity. The Bonds shall be dated and bear interest at the fixed rate or rates of interest per annum (which interest rate shall not exceed the Maximum Rate), calculated on the basis of a 360-day year composed of twelve 30-day months, determined in accordance with the procedures for the sale of the Bonds set forth in Section 7.1 of this Ordinance. The Bonds shall mature and become payable on the dates and in each of the years and amounts (either through serial maturities or mandatory redemptions of term bonds) as determined by a Pricing Officer pursuant to Section 7.1 of this Ordinance; provided that no Bond shall mature more than forty (40) years after the dated date thereof.

Number, Denomination, Interest Rate and Maturity. (a) The Bonds shall be initially issued bearing the numbers, in the principal amounts and bearing interest at the rates and maturity dates as set forth in the Pricing Officer's Certificate of Sale, and may be transferred and exchanged as set out in this Ordinance. Bonds delivered in transfer of or in exchange for other

Bonds shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

Redemption Prior to Maturity. The Bonds are not subject to redemption prior to maturity.

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

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

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

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

Registration, Transfer and Exchange. The Paying Agent/Registrar is hereby appointed the registrar for the Bonds. So long as any Bond remains Outstanding, the Paying Agent/Registrar shall keep the Register at its operations office in Minneapolis, Minnesota, and subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the operations office of the Paying Agent/Registrar, in Minneapolis, Minnesota, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented and surrendered.

All Bonds shall be exchangeable upon the presentation and surrender thereof at the operations office of the Paying Agent/Registrar, in Minneapolis, Minnesota, for a Bond or Bonds, in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

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

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

Book-Entry Only System. (2) The definitive Bonds shall be initially issued in the form of a single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in subsection (b) hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as

shown on the Register, of any notice with respect to the Bonds, or (c) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Register, of any amount with respect to principal of Bonds, premium, if any, or interest on the Bonds.

Except as provided in subsection (c) of this Section, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds, for the purpose of giving notices of redemption, if any, and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an owner shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance.

Payments and Notices to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Replacement Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond, of the same maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of such Bond to pay a sum sufficient to cover any tax or other

governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the City.

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

furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save and hold them harmless;

paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and

met any other reasonable requirements of the City and the Paying Agent/Registrar.

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

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

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

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

FORM OF BONDS

The Bonds, including the Form of Comptroller's Registration Certificate, Form of Paying Agent/Registrar Authentication Certificate, Form of Assignment and Form of Statement of Insurance, if any, shall be in substantially the form shown in Exhibit A, with such omissions, insertions and variations as may be necessary or desirable and not prohibited by this Ordinance.

SECURITY FOR THE BONDS

Pledge and Levy of Taxes. (3) To provide for the payment of principal of and interest on the Bonds, there is hereby levied, within the limits prescribed by law, for the current year and each succeeding year thereafter, while the Bonds or any part of the principal thereof and the interest thereon remain outstanding and unpaid, an ad valorem tax upon all taxable property within the City, within the limits prescribed by law, sufficient to pay the interest on the Bonds and to create and provide a sinking fund of not less than 2% of the principal amount of the Bonds or not less than the principal payable out of such tax, whichever is greater, with full allowance being made for tax delinquencies and the costs of tax collection, and such taxes, when collected, shall be applied to the payment of principal of and interest on the Bonds by deposit to the Debt Service Fund and to no other purpose.

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

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

Debt Service Fund. The General Obligation Refunding Bonds, Series 2010 Debt Service Fund (the "Debt Service Fund") is hereby created as a special fund solely for the benefit of the Bonds. The City shall establish and maintain such fund at an official City depository and shall keep such fund separate and apart from all other funds and accounts of the City. Any amount on deposit in the Debt Service Fund shall be maintained by the City in trust for the Registered Owners of the Bonds. Such amount, plus any other amounts deposited by the City into such fund and any and all investment earnings on amounts on deposit in such fund, shall be used only to pay the principal of, premium, if any, and interest on the Bonds.

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

CONCERNING THE PAYING AGENT/REGISTRAR

Acceptance. Wells Fargo Bank, National Association, is hereby appointed as the initial Paying Agent/Registrar for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement by and between the City and the Paying Agent/Registrar, which are

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

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

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

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

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

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

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

PROVISIONS CONCERNING SALE AND DELIVERY OF BONDS;

Sale and Delivery of Bonds: Insurance. A Pricing Officer, acting severally and individually, is hereby authorized to act for and on behalf of the City in connection with the issuance and sale of the Bonds. In that capacity, the Pricing Officer, acting for and on behalf of the City, shall determine (a) the date for issuance and sale of the Bonds and (b) subject to the limitations of Section 3.1, the aggregate principal amount and the principal amortization schedule for the Bonds, the rate or rates of interest to be borne by the Bonds, the price of the Bonds, the dates on which such interest shall be payable, the terms, if any, on which the Bonds shall be subject to optional and mandatory redemption and other terms and conditions relating to the issuance, sale and delivery of the Bonds including the determination to utilize or not utilize municipal bond insurance, all as shall be set forth in the Bond Purchase Agreement; provided, that at the time of issuance of the Bonds, the Pricing Officer, on behalf of the City, shall deliver a written certificate (i) stating that the parameters set forth in Section 3.1(b) have been satisfied (including a statement as to the present value savings as a percent of the Refunded Obligations and as to the dollar amount of the gross savings), (ii) identifying the Refunded Obligations and setting forth the terms and details for the redemption prior to maturity (if applicable) of the Refunded Obligations and (iii) setting forth the amount of proceeds of the Bonds to be deposited with the paying agent for the Refunded Obligations.

A Pricing Officer, acting severally and individually, is authorized to designate the underwriter for the Bonds to assure that the Bonds are sold on the most advantageous terms to the City; and, a Pricing Officer, acting severally and individually, for and on behalf of the City, is authorized to execute and deliver the Bond Purchase Agreement providing for the sale of Bonds at such price, with and subject to such terms as determined by the Pricing Officer pursuant to this Section. Such Bond Purchase Agreement shall be substantially in the form and substance previously approved by the City Council in connection with the authorization of general obligation bonds with such changes as are acceptable to the Pricing Officer.

The obligation of the Underwriter to accept delivery of the Bonds shall be subject to the Underwriter being furnished with the final, approving opinion of Andrews Kurth LLP, Houston, Texas, Bond Counsel for the City, which opinion shall be dated as of and delivered on the date of delivery of the Bonds to the Underwriter. The engagement of such firm as Bond Counsel for the City in connection with the issuance, sale and delivery of the Bonds is hereby approved, ratified and confirmed.

The City hereby acknowledges that the sale of the Bonds pursuant to the Bond Purchase Agreement may be contingent upon the issuance of a policy of municipal bond insurance. The Pricing Officer is authorized to apply for and pay any costs associated with one or more municipal bond insurance policies to guarantee the payment of the principal of and interest on the Bonds, which guarantee or insurance shall be specified in the Pricing Officer's Certificate of Sale; and, any acts of any Pricing Officer relating to applications for any such insurance are hereby authorized, approved, ratified and confirmed. The Pricing Officer's Certificate of Sale may contain provisions related to such bond insurance policies, if any, including payment provisions thereunder, and the rights of the bond insurer(s), and any such provisions shall be read and interpreted as an integral part of this Ordinance. The appropriate officials and

representatives of the City are hereby authorized and directed to execute such commitments, agreements (including reimbursement agreements), certificates and other documents and to do any and all things necessary or desirable to obtain any such insurance, and the printing on the Bonds of an appropriate legend or statement regarding such guarantee or insurance, as provided by the a bond insurer for the Bonds, is hereby approved.

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

Offering Documents; Ratings. A Pricing Officer, acting severally and individually, is authorized and directed to provide for and oversee the preparation of a preliminary and final official statement in connection with the issuance of the Bonds, and to approve and deem final such official statement in compliance with the Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to provide for and authorize the delivery to the Underwriters of such preliminary and final official statement in compliance with such Rule.

The Pricing Officers, each acting severally and individually, are hereby authorized to take such action as they deem necessary or appropriate in seeking ratings on the Bonds from one or more nationally recognized rating agencies, and any such action is hereby ratified and confirmed.

Application of Proceeds of Bonds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the City, be applied as follows:
An amount equal to the sum of the accrued interest on the Bonds shall be deposited into the Debt Service Fund;
Proceeds from the sale of the Bonds in an amount determined by the Pricing Officer (together with funds, if any, provided by the City) shall be applied to make a cash deposit to refund the Refunded Obligations, as more fully provided below; and
An amount equal to the costs of issuance of the Bonds, as approved by the City, shall be applied to pay such costs as the City may arrange; and
Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund.

Defeasance. The discharge and defeasance of the Refunded Obligations shall be effectuated by a cash deposit with the paying agent for the Refunded Obligations as shall be approved by a Pricing Officer:
To minimize the City's costs of refunding;

To comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations; and
To carry out the other intents and purposes of this Ordinance.

Redemption of the Refunded Obligations. (a) To maximize the City's present value savings and to minimize the City's costs of refunding, the City hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, on the dates and at the redemption prices determined by the Pricing Officer in accordance with Section 7.1 of this Ordinance, and the Pricing Officer is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption and/or a notice of defeasance to the holders or paying agent/registrar, as appropriate, of such Refunded Obligations, and, if required, to publish such notices, all in the manner required by the documents authorizing the issuance of such Refunded Obligations.

(b) Any Pricing Officer or the designee thereof is hereby authorized and directed to take all necessary and appropriate action to give or file, or to cause to be given or filed, material events notices with respect to the Refunded Obligations, as required by the orders authorizing the issuance of the Refunded Obligations and the Rule.

Tax Exemption. The City intends that the interest on the Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the "Code") and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Bonds. For this purpose, the City covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Bonds (including all property, the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause the interest on the Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the City shall comply with each of the following covenants:

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 Bond 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 shall have received 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 Bond, the City shall comply with each of the specific covenants in this Section.

Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last stated maturity of the Bonds, exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of such series of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried

on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of such series of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations or notes or bonds refunded by the Refunded Obligations 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 such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

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 final stated maturity or final payment of the Refunded Obligations, directly or indirectly invest Gross Proceeds of such Bonds in any Investment (or use such Gross Proceeds to replace money so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Refunded Obligations.

Based on all of the facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered, the City reasonably expects that the proceeds of the Bonds and the Refunded Obligations (to the extent any of such proceeds remain unexpended) will not be used in a manner that would cause the Bonds or the Refunded Obligations or any portion thereof to be "arbitrage bonds" within the meaning of Section 148 of the Code.

At all times while the Bonds are outstanding, the City will identify and properly account for all amounts constituting gross proceeds of the Bonds in accordance with the Regulations. The City will monitor the yield on the investments of the proceeds of the Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Bonds. To the extent necessary to prevent the Bonds from constituting "arbitrage bonds," the City will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Bonds to be less than the yield that is materially higher than the yield on the Bonds;

The City will not take any action or knowingly omit to take any action, if taken or omitted, would cause the Bonds to be treated as "federally guaranteed" obligations for purposes of Section 149(b) of the Code;

The City represents that not more than fifty percent (50%) of the proceeds of any new money portion of the Bonds or any new money issue refunded by, the Refunded Obligations was invested in nonpurpose investments (as defined in Section 148(f)(b)(A) of the Code) having a

substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the City reasonably expected at the time each issue of the Refunded Obligations was issued that at least eighty-five percent (85%) of the spendable proceeds of the Bonds or the Refunded Obligations would be used to carry out the governmental purpose of such Bonds within the corresponding three-year period beginning on the respective dates of the Bonds or the Refunded Obligations.

The City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the gross proceeds of the Bonds, if any, be rebated to the federal government. Specifically, the City will (i) maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the City allocable to other obligations of the City or moneys which do not represent gross proceeds of any obligations of the City and retain such records for at least six years after the day on which the last outstanding Bond is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid, in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of the gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Bonds and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the City will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, including interest thereon and penalty.

The City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

The City will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Bonds on such form and in such place as the Secretary may prescribe.

The City will not issue or use the Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the City to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage, or (ii) increasing the burden on the market for tax-exempt obligations.

Proper officers of the City charged with the responsibility for issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the Issue Date and stating whether there are facts, estimates or circumstances

that would materially change the City's expectations. On or after the Issue Date, the City will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

The covenants and representations made or required by this Section are for the benefit of the Bond holders and any subsequent Bond holder, and may be relied upon by the Bond holder and any subsequent Bond holder and bond counsel to the City.

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

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

Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code. With respect to such designation, the City represents the following: (a) that during the calendar year 2010, the City (including all entities which issue obligations on behalf of the City) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$30,000,000 of "qualified tax-exempt obligations" being issued and (b) that the City has examined its financing needs for the calendar year 2010 and reasonably anticipates that the amount of bonds, leases, loans or other obligations, together with the Bonds and any other tax-exempt obligations heretofore issued by the City (plus those of all entities which issue obligations on behalf of the City) during the calendar year 2010, when the higher of the face amount or the issue price of each such tax-exempt obligation issued for the calendar year 2010 by the City is taken into account, will not exceed \$30,000,000.

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

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking. As used in this Article, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

(a) The City shall provide annually to the MSRB, within six (6) months after the end of each fiscal year and in an electronic format prescribed by the MSRB, financial information and operating data with respect to the City of the general type described in the Official Statement under Schedules in Appendix A numbered 1, 3, 6, 7 and 11 through 14 and in Appendix C.. Any financial statements so to be provided shall be (a) prepared in accordance with generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time, as such principles may be changed from time to time to comply with state or federal law or regulation and (b) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB and shall provide to the MSRB audited financial statements, when and if the same become available.

If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Article.

The financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to documents (i) available to the public on the MSRB’s internet web site or (ii) filed with the SEC.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers or their failure to perform;
- (f) Adverse tax opinions or events affecting the tax-exempt status of the Certificates;
- (g) Modifications to rights of holders of the Certificates;
- (h) Bond calls;
- (i) Defeasances;

- (j) Release, substitution, or sale of property securing repayment of the Certificates;
- (k) Rating changes.

The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Article VIII of this Ordinance by the time required by such Article.

All documents provided to the MSRB shall be accompanied by identifying information, as prescribed by the MSRB.

(c) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Bonds remain outstanding.

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

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

No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

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

The provisions of this Article may be amended by the City from time to time to adapt to changed circumstances that arise from a change, legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal

amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article it shall include with any amended financial information or operating data next provided in accordance with this Article an explanation in narrative form of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

ESCROW AGREEMENT; REDEMPTION OF REFUNDED OBLIGATIONS AND ESCROW SECURITIES

Escrow Agreement. The discharge and defeasance of the Refunded Obligations shall be effectuated pursuant to the terms and provisions of the Escrow Agreement to be entered into by and between the City and the Escrow Agent, which shall be substantially in the form presented with this Ordinance, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the City by the Underwriter and the City's Financial Advisor, (b) to minimize the City's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) to carry out the other intents and purposes of this Ordinance. The Mayor is hereby authorized to execute and deliver such Escrow Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto and affix the City's seal.

Redemption of Refunded Obligations Prior to Maturity. To minimize the City's costs of refunding, the City hereby authorizes and directs that certain of the Refunded Obligations shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in the Report, and the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer and City Secretary are each hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption and/or a notice of defeasance to the holders or paying agent/ registrars, as appropriate, of such bonds, and, if required, to publish such notices, all in the manner required by the documents authorizing the issuance of such Refunded Obligations.

Purchase of Escrowed Securities. To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Mayor, Mayor Pro Tem, City Manager and Chief Financial Officer and other officers and employees of the City are hereby authorized to subscribe for, agree to purchase and purchase Escrowed Securities, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report, and to execute any and all

subscriptions, purchase agreements, investment contracts, commitments, letters of authorization and other documents necessary to effectuate the foregoing. Any actions heretofore taken for such purpose are hereby ratified and approved.

MISCELLANEOUS

Defeasance. The City may defease the provisions of this Ordinance and discharge its obligations to the Registered Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including by depositing with the Paying Agent/Registrar, a trust company or commercial bank other than the Paying Agent/Registrar, or with the Comptroller of Public Accounts of the State of Texas either: cash in an amount equal to the principal amount of such Bonds plus interest thereon to the date of maturity or earlier redemption; or

pursuant to an escrow or trust agreement, cash and/or (i) direct noncallable obligations of United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that 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 are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form, and the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of the principal of and interest thereon to the date of maturity or earlier redemption; provided, however, that if any of the Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance. Upon such deposit, such Bonds shall no longer be regarded to be Outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

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

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

Further Proceedings. The Mayor, City Secretary and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Ordinance. The Mayor, City Secretary and other appropriate officials of the City are each hereby authorized to execute, attest and impress the City's seal to such other agreements, assignments, bonds, certificates, contracts, documents, licenses, instruments, releases, financing statements, letters of instruction, notices of acceptance, notices of final payment, written requests and other documents, and to take all actions and to do all things whether or not mentioned herein, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance and the Bonds.

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

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

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

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

Power to Revise Form of Documents. Notwithstanding any other provision of this Ordinance, the Mayor, City Secretary and other appropriate officials of the City are each hereby authorized to make or approve such revisions, additions, deletions and variations in the form of the documents attached hereto as exhibits as, in the judgment of the Mayor, City Secretary and other appropriate officials of the City, and in the opinion of Bond Counsel to the City, as may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Preliminary Official Statement, and the final Official Statement; provided, however, that any changes to such documents resulting in substantive amendments to the terms and conditions of the Bonds or such documents shall be subject to the prior approval of the City Council.

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

[The remainder of this page is intentionally left blank.]

PASSED AND ADOPTED on this May 24, 2010.

Domingo Montalvo, Jr., Mayor
City of Wharton, Texas

ATTEST:

Lisa Olmeda, City Secretary
City of Wharton, Texas

(SEAL)

Exhibit A – Form of Bonds
Exhibit B – Schedule of Refundable Obligations

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF WHARTON
CITY OF WHARTON, TEXAS,
GENERAL OBLIGATION REFUNDING BOND
SERIES 2010
NUMBER

PRINCIPAL AMOUNT
\$ _____
REGISTERED

REGISTERED

INTEREST RATE: _____% DATED DATE: July 1, 2010 MATURITY DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ **DOLLARS**

THE CITY OF WHARTON, TEXAS, a home rule municipality of the State of Texas (the "City"), for value received, hereby promises to pay to the Registered Owner identified above or its registered assigns, on the maturity date specified above, upon presentation and surrender of this Bond at the operations office of Wells Fargo Bank, National Association, or its successor (the "Paying Agent/Registrar"), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due to the United States of America, and to pay interest thereon at the rate shown above, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the Dated Date identified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on June 1 and December 1, beginning on December 1, 2010, mailed to the registered owner as shown on the books of registration kept by the Registrar as of the close of business on the 15th business day of the month next preceding the applicable interest payment date.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (the "Bonds") in the aggregate principal amount of \$ _____¹ issued pursuant to an ordinance adopted by the City Council of the City on May 24, 2010 (the "Ordinance") for the purpose of refunding certain outstanding obligations (the "Refunded Obligations") of the City under and pursuant to the authority of Chapter 1207, Texas Government Code, as amended. Proceeds of the Bonds will also be used to pay the costs of issuing the Bonds and refunding the Refunded Obligations.

¹ To be completed pursuant to the terms of sale as referenced in the Pricing Officer's Certificate of Sale.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the operations office of the Paying Agent/Registrar in Minneapolis, Minnesota, accompanied by an assignment duly executed by the Registered Owner or its authorized representative, subject to the terms and conditions of the Ordinance.

THIS BOND IS EXCHANGEABLE at the operations office of the Paying Agent/Registrar in Minneapolis, Minnesota, for a Bond or Bonds of the same maturity and interest rate and in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE CITY has covenanted in the Ordinance that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

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

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

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

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

CITY OF WHARTON, TEXAS

Mayor

(SEAL)

COUNTERSIGNED:

City Secretary

(b) Form of Registration Certificate of Comptroller of Public Accounts.

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

(SEAL)

Comptroller of Public Accounts
of the State of Texas

(c) Form of Paying Agent/Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Ordinance described in the text of this Bond.

Wells Fargo Bank, National Association

By: _____

Authorized Signature:

Date of Authentication:

(d) Form of Assignment.

ASSIGNMENT

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

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

(Please insert Social Security or Taxpayer Identification Number of Transferee)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Bond
on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

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

Registered Owner

NOTICE: The signature above must
correspond to the name of the registered
owner as shown on the face of this Bond
in every particular, without any alteration,
enlargement or change whatsoever.

(f) The Initial Bond shall be in the form set forth in paragraphs (a), (b), (d) and (e)
above, except for the following alterations:

(i) immediately under the Bond, the headings "INTEREST RATE" and
"MATURITY DATE" shall both be completed with the words "As Shown
Below" and the word "CUSIP" deleted;

(ii) in the first paragraph of the Bond, the words "on the maturity date
specified above" and "at the rate shown above" shall be deleted and the
following shall be inserted at the end of the first sentence "..., with such
principal to be paid in installments on December 1 in each of the years and
in the principal amounts identified in the following schedule and with such
installments bearing interest at the per annum rates set forth in the
following schedule:"

[Information to be inserted from Pricing Officer's Certificate of Sale]

(iii) the Initial Bond shall be numbered I-1.

EXHIBIT B

SCHEDULE OF REFUNDABLE OBLIGATIONS

Tax and Revenue Certificates of Obligation, Series 2009
Tax Anticipation Notes, Series 2008
Tax and Revenue Certificates of Obligation, Series 2006
Tax and Revenue Certificates of Obligation, Series 2004
Tax and Revenue Certificates of Obligation, Series 2000
Tax and Revenue Certificates of Obligation, Series 1998
General Obligation Refunding Bonds, Series 1998
Combination Tax and Revenue Certificates of Obligation, Series 1995
Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

The twelfth item on the agenda was to review and consider the request by Mr. Ron Sanders, Executive Director of the Chamber of Commerce for individuals and organizations to use Guffey Park and the City of Wharton parking lot at the corner of Fulton and Caney Streets during the City-Wide Garage Sale to be held Friday, June 11 2010 and Saturday, June 12 2010. City Manager Andres Garza, Jr. presented copy of the email dated May 12, 2010 from Chamber of Commerce Executive Director Ron Sanders requesting City authorization to allow individuals and organizations to use Guffey Park and the City of Wharton parking lot at the corner of Fulton and Caney Streets during the City-Wide Garage Sale to be held Friday, June 11, 2010 and Saturday, June 12, 2010. Mr. Ron Sanders, Chamber of Commerce Executive Director addressed the City Council and stated that last year's event hosted 100 entries. He stated that it would provide a central location, if participates desired to be at the parking lot. After some discussion, Councilmember Terry David Lynch made a motion to approve the request by Mr. Ron Sanders, Executive Director of the Chamber of Commerce for individuals and organizations to use Guffey Park and the City of Wharton parking lot at the corner of Fulton and Caney Streets during the City-Wide Garage Sale to be held Friday, June 11 2010 and Saturday, June 12 2010. Councilmember Don Mueller seconded the motion. All voted in favor.

The thirteenth item on the agenda was to review and consider the request by Mr. Ronnie Stavena to address the City Council regarding the proposed extension of Stavena Road to Highway 60. City Manager Andres Garza, Jr. stated that on April 12, 2010, the City Council approved the 2010 Street Improvement Program. He said that the program included the extension of Stavena Road from where it ended to Highway 60. He said that the City had the right-of-way for the road. He said that the City Staff contacted Mr. Ronnie Stavena and informed him of the project. He then presented a copy of the letter dated May 17, 2010 from Mr. Ronnie Stavena regarding his request to address City Council on the proposed extension of Stavena Road to Highway 60. He also presented a letter from Mr. Philip Hundl regarding his client, Mr. Stavena. He said that the City Council Public Works Committee met to discuss the request. He then presented a memo and a copy of the petition from Mr. Ronnie Stavena and his attorney, Philip Hundl that was presented to the Public Works Committee on Friday, May 21, 2010. Mr. Philip Hundl with Wadler Perches Hundl Kerlick Law firm addressed the City Council and stated that the citizens in Stavena addition has issues with the road extension. He stated that a petition with over 200 signatures was gathered. He stated that the citizens had a safety concern. Mr. Ronnie Stavena addressed the City Council and stated that the citizens were not opposing to the drainage;

however, they were opposed to the extension of the road to Highway 60. He stated that the school bus did not turn down Stavena Road; therefore, the children walk to the residents. He stated if the road was extended, it would allow traffic to travel down the road creating an unsafe area. He stated that the area has become a safe haven for the children in the neighborhood. He said that the children are the number one asset. He stated that the City Council Public Works Committees addressed drainage issues. He said that the southeast boundary of the property could be utilized for drainage, which would flow naturally. He stated that CR 140 provided access to Highway 60, which was maintained by Wharton County. He stated if the road would be extended, it would create an opportunity of a vacant lot thus creating a harbor for debris. He then asked who had the idea to open the street. Councilmember Don Mueller stated that opening of the street had been discussed for the past 18 years. Councilmember Mueller stated that if the road was extended, then the 18 wheeler could have access to Highway 60. He said that the reason why the school bus could not turn down the area was there was no cul-de-sac; however, the extension would allow the traffic to travel to Highway 60. Mr. John Alaniz addressed the City Council and stated that the truck driver, Dale Sweeny travels the road at night, which does not interfere with the safety of the children in neighborhood. Mr. Stavena stated that Mr. Dale Sweeny signed the petition opposing the extension to Highway 60. City Manager Garza stated that Ms. Perez had contacted him regarding opposition of extending the road. After some discussion, no action was taken.

The fourteenth item on the agenda was to review and consider the request by JM Eagle for frontage road improvement. City Manager Andres Garza, Jr. presented a copy of the letter dated March 31, 2010 from Mr. Dan Wimberly regarding the City of Wharton repair to the frontage road to JM Eagle. He said that the road was within the TXDOT right-of-way. He said that he had met with Mr. Wimberly and TXDOT representatives to try to formulate a solution. He said that City Council Public Works Committee met on May 21, 2010 to discuss the request and had requested additional information. He stated that TxDOT was requesting the City adopt an ordinance regarding no parking, if they participated in the improvements. After some discussion, no action was taken.

The fifteenth item on the agenda was to review and consider setting a Public Hearing for the 2009 Annual Drinking Water Quality Report – Consumer Confidence Report. City Manager Andres Garza, Jr. presented a copy of the public notice for the City of Wharton 2009 Annual Drinking Water Quality Report – Consumer Confidence Report. Finance Director Joyce Vasut said that the U.S. Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ) required that all utility customers be provided the 2009 Annual Drinking Water Quality Report and an opportunity to address any questions regarding the report. He said that the City Staff was recommending the public hearing be scheduled for June 17, 2010 at 7:00 p.m. at the Wharton City Hall. After some discussion, Councilmember Don Mueller made a motion to set the public hearing for the 2009 Annual Drinking Water Quality Report – Consumer Confidence Report on June 17, 2010 at 7:00 p.m. at City Hall. Councilmember Terry David Lynch seconded the motion. All voted in favor.

The sixteenth item on the agenda was to review and consider a resolution of the Wharton City Council approving the purchase of the E-Ticket Citations System for the Wharton Police Department. City Manager Andres Garza, Jr. stated that the City Council Public Safety and

Finance Committees had reviewed the information for the E-Ticket Citation System that could assist the Police Department and Municipal Court. Finance Director Joyce Vasut stated that the E-Ticket Citations System would allow scanning of driver's license and registration. She stated that the citations would be downloaded to Police Department and Municipal Court systems, eliminating manual data entry. Councilmember Terry David Lynch stated that the device would allow officers on the street, since there would not be data entry. Councilmember Jeff Gubbels stated it would eliminate data errors as well. After some discussion, Councilmember Terry David Lynch made a motion to approve Resolution No. 2010-28, which read as follows:

**CITY OF WHARTON
RESOLUTION NO. 2010-28**

A RESOLUTION OF THE WHARTON CITY COUNCIL APPROVING THE PURCHASE OF THE E-TICKET CITATIONS SYSTEMS FOR THE WHARTON POLICE DEPARTMENT.

WHEREAS, The Wharton City Council wishes to purchase the E-Ticket Citations Systems from Brazos Technologies for the Wharton Police Department and also be utilize by the Municipal Court; and

WHEREAS, The Wharton City Council has determined the following list of benefits for the use of the E-ticket citations system:

- Error caused by illegible handwriting or data entry will be eliminated. Officers would scan the driver's license and scan the vehicle identification number.
- Missing information on the citations will not be allowed by the system.
- Citations from the Police Department will be downloaded electronically which would eliminate the time delay for quicker payment of financial obligations at Court.
- Both the Municipal Court and Police Department would save time and resources by not having to manually enter date that was currently entered into two different computer systems.
- A positive impact in Court by presenting better records of violator encounters, and overall better evidence for use in Court.

WHEREAS, The Wharton City Council wishes to authorize the Mayor of the City of Wharton to execute the agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WHARTON, TEXAS as follows:

Section I. That the Wharton City Council hereby approves to purchase the E-Ticket Citations Systems from Brazos Technologies for the Wharton Police Department and also be utilized by the Municipal Court.

Section II. That the Mayor of the City of Wharton is hereby authorized to sign any documents relating to the aforementioned purchase.

Section III. That this resolution shall become effective immediately upon its passage.

Passed, Approved, and Adopted this 24th day of May 2010.

CITY OF WHARTON, TEXAS

By:

DOMINGO MONTALVO, JR.
Mayor

ATTEST:

LISA OLMEDA

City Secretary

Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The seventeenth item on the agenda was to review and consider the Wharton Fire Department.
A. Accommodation facilities for equipment.

City Manager Andres Garza, Jr. stated that the City Council Public Works Committee met on May 21, 2010. He stated that the City Council Public Works Committee looked at several options to house the new fire equipment, one solution would be to lower the concrete slab in one bay. Fire Chief Bobby Barnett stated that the Fire Department recognized the need for an expansion of the facility seven years ago when fire trucks were being built bigger and the City and the surrounding response area would require the Fire Department to acquire more and updated apparatus. He said two years ago, the department started to work towards that goal and the Wharton Volunteer Fire Department acquired the vacant lot, which was donated by the Hawes family. He stated that the City Council approved the purchase of the heavy rescue truck. He stated that the Fire Department obtained a Kid Safe Trailer, which was currently located on the vacant lot uncovered, since the current facility could not accommodate the size of the trailer. He stated that the Fire Department had applied for a grant for the construction of the building; however, was not funded. He stated that the rescue truck would be arriving next week; however, if the building could be constructed then the manufacturer would store the apparatus until construction of the building was completed. He stated that the construction of a three-bay facility would be \$200,000.00. Councilmember Terry David Lynch stated that the savings from the refunding of the bonds could be utilized for the construction of the facility. Mayor Domingo Montalvo, Jr. stated that the City Council should look at all areas of the budget in order for personnel not to lose their job. He then asked about the operational cost of the facility. Fire Chief Barnett stated that other areas in the Fire Department budget would be cut in order to provide operational costs for the facility at no increase to the budget. He stated that the bays would be 60 X 75 with 10 feet of storage behind two of the bays. He stated that the facility could be added on to in the future. City Manager Garza stated that if approved, the City Council would have to fund with tax anticipation notes. After some discussion, Councilmember Don Mueller made a motion to approve the construction of a three-bay facility for the fire station. Councilmember V. L. Wiley, Jr. seconded the motion. All voted in favor.

B. Agreement with Vicker's Consulting Services, Inc. for grant preparation.

City Manager Andres Garza, Jr. presented Fire Chief Barnett's request to engage the services of Vicker's Consulting Services, Inc. for a grant application for the ladder truck. He said that since it required the expenditure of funds, the request was being submitted directly to the City Council. Fire Chief Bobby Barnett stated that the Fire Department was seeking funding for a ladder truck with the Vicker's Consulting Services, Inc. could prepare the grant for an estimated amount of \$350.00. He stated that the City was successful in obtaining a grant for bunker gear in past years with the Vicker's Consulting Service, Inc. assistance. After some discussion, Councilmember Jeff Gubbels made a motion to approve the agreement with Vicker's Consulting Services, Inc. for grant preparation. Councilmember Terry David Lynch seconded the motion. All voted in favor.

The eighteenth item on the agenda was to review and consider authorization for the City Staff to prepare an application for funding under the U.S. DOT Transportation Investments Generating Economic Recovery (Tiger) II Discretionary Grant Program. City Manager Andres Garza, Jr. presented information on the U.S. DOT Tiger II Grant program. He said that U.S. DOT had scheduled a second round of funding. He said that the City Council Public Works Committee met on May 21, 2010 to discuss the item. He stated that the grant could be for relocation of FM 102, and expansion of Highway 59 to frontage road. He said that \$140 million would be distributed to rural areas; however, a competitive match of 20% would be needed. He stated that the project would be over \$10 million; however, TxDOT would be allocating \$2 million. After some discussion, Councilmember Don Mueller made a motion to authorize the City Staff to prepare an application for funding under the U.S. DOT Transportation Investments Generating Economic Recovery (Tiger) II Discretionary Grant Program. Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The nineteenth item on the agenda was to review and consider the Wharton Regional Airport.

A. Submission of a Letter of Interest to the Texas Department of Transportation Aviation Division for Airport Improvements.

City Manager Andres Garza, Jr. presented a draft copy of the letter of submission to the Texas Department of Transportation Aviation Division for Airport Improvements. He stated that the proposed improvements would be shared if approved on a 90/10 basis, which the City's portion was available in the 2009 Bond Fund. Airport Manager David Allen stated that the Airport Board was recommending approval. He said that the improvements would be \$357,843.75, with the City's portion of \$35,784. After some discussion, Councilmember Lewis Fortenberry, Jr. made a motion to authorize the submission of a Letter of Interest to the Texas Department of Transportation Aviation Division for Airport Improvements. Councilmember Don Mueller seconded the motion. All voted in favor.

B. Decommissioning Non-Directional Beacon (NDB).

Airport Manager David Allen stated that two years ago, the process began with FAA regarding decommissioning the NDB. He stated that GPS approaches were utilized and there was no fee for GPS Satellite; therefore, the Airport Board recommended approval. After some discussion, Councilmember Terry David Lynch made a motion to approve the decommissioning of Non-Directional (NDB). Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The twentieth item on the agenda was to review and consider the Alabama Water Well Rework Project Change Order No. 001. City Manager Andres Garza, Jr. presented Change No. 001 submitted by Jones & Carter, Inc. on the Alabama Water Well Rework Project for installation of 2" air vacuum release valves on Well No. 1 and Well No. 3, repairs to the existing 2-stage bowl assembly at Well No. 1 and quantity adjustments to reflect items that were non-performed. Mr. Carlos Cotton with Jones & Carter stated that the Change Order reflected a decrease in the contract. He said that the well had been pulled, televised and inspected. He said that there were holes in the casing, which allowed gravel and rock to come into the well. He said that patching holes cost approximately \$18,000 a hole; therefore he was recommending installation of a liner/screen inside the existing liner that could be completed for \$35,000. He stated that it could last another five or ten years; however, another well should be budgeted in the future with an estimated cost of \$1 - \$1.5 million. After some discussion, Councilmember Jeff Gubbels made a motion to approve the Alabama Water Well Rework Project Change Order No. 001. Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The twenty-first item on the agenda was to review and consider the City Manager Travel Reimbursement. After some discussion, Councilmember V. L. Wiley, Jr. made a motion to approve the City Manager Travel Reimbursement for the period December 4, 2009 through February 18, 2010 in the amount of \$1,256.37. Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The twenty-second item on the agenda was to review and consider appointments to the City of Wharton City Council Boards, Commissions, and Committees:

- A. Wharton Regional Airport Board.
- B. Beautification Commission.
- C. Building Standards Commission.
- D. Electrical Board.
- E. Holiday Light Decorating Chairman.
- F. Mayor's Committee on People with Disabilities.
- G. Planning Commission.
- H. Plumbing and Mechanical Board.
- I. Wharton Economic Development Corporation Board of Directors.
- J. Youth Advisory Commission.
- K. City Council Committees:
 - 1. Annexation Committee.
 - 2. Finance Committee.
 - 3. Housing Committee.
 - 4. Intergovernmental Relations Committee.
 - 5. Legislative Committee.
 - 6. Public Health Committee.
 - 7. Public Safety Committee.
 - 8. Public Works Committee.
 - 9. Telecommunications Committee.

City Manager Andres Garza, Jr. presented the list of Boards, Commissions and Committees whose terms were expiring on June 30th. Mayor Domingo Montalvo, Jr. requested City Council submit request to City Manager Andres Garza, Jr. No action was taken.

The twenty-third item on the agenda was to review and consider the update on the City of Wharton On-going Projects. City Manager Andres Garza, Jr. presented a copy of the dated May 20, 2010 providing a status report on the City of Wharton projects, which read as follows:

FLOOD REDUCTION (LEVEE) PROJECT

The U.S. Army Corp of Engineers Lower Colorado River Phase I Report - City of Wharton Flood Prevention Project and Recommended report was located at the Wharton County Library and the office of the City of Wharton City Secretary for viewing or the report may be viewed on line at <http://www.swf.usace.army.mil/pubdata/notices/LowerColorado/>.

The project was continuing to move forward. In regards to the pre-construction, engineering and design (PED) aspect of the project, the LCRA Board had approved their continuing as sponsor of the PED. On September 28, 2009, the Wharton City Council approved to amend the agreement between the City of Wharton and the Lower Colorado River Authority (LCRA) for the Lower Colorado River Basin Phase I – Texas, City of Wharton Flood Damage Reduction Project by amending the project scope to reflect the partial development of the project design and to increase the project cost by \$37,000. On January 22, 2010, the City of Wharton received the contracts for second amendment to the contract for execution by the Mayor.

DRAINAGE:

1. Santa Fe Outfall Channel.

The Public Works Department was able to move approximately ninety percent of the stockpile remaining from last year's scraper work. The soil was moved from the ditch right of way to the Hundl's property and stockpiled according to the contract between the Hundl's and the City. Recent rains had temporarily stopped excavation again. The Public Works Department and the County would continue to excavate the remainder of the channel weather permitting.

2. Highway 60 Drainage Improvements

City Staff and Jones & Carter, Inc. were working on the drainage plans and profiles to submit to TxDOT for approval.

WATER/SEWER IMPROVEMENTS:

1. Ahldag Addition Sanitary Sewer Project - TxCDBG Contract No. 728459.

The Texas Department of Rural Affairs had approved the contract amendment. Supak Construction began work on the three additional sewer lines on April 12th. Supak had completed two of the three additional sewer lines. Currently they were working on Ahldag. Upon completion of the section on Ahldag, crews would move to Belle St.

2. Ahldag Addition Sanitary Sewer Project – TxCDBG Contract No. R729710.

Jones & Carter, Inc. was currently working on the designs for sewer line replacement. City staff was reviewing the designs for approval. Final plans should be complete within one to two weeks.

3. Vahalla Water Well.

The Public Works Department placed the Vahalla water well back on line the week of April 27, 2009. The Public Works Department discontinued the injection of Polyphosphates into the water system at the end of January, 2010. As of February 18, 2010 no problems or red water calls had been reported. The well remained in good condition and was operating efficiently.

4. Water Storage Tank Maintenance Program.

City staff was currently reviewing all options for the maintenance program and would take the options to the City Council Public Works Committee in the near future to develop a recommendation to City Council.

5. Alabama Water Well Rework

Well No. 1 had been pulled, televised and inspected. The findings were initially positive. However, after viewing televised pictures of the well after wire brushing it appeared the well was not cleaning up very well. There was still a lot of scale on the sides and the screens still appear to be plugged. We are not satisfied with what the brushing had accomplished so far and had instructed the contractor to go through another round of brushing in hopes of cleaning the screens better.

There was definitely one hole in the casing and probably a couple of more. There was also significant pitting. Vigorous brushing could create some additional holes where the screens and casing were severely pitted. Since patching holes cost approximately \$18,000 a hole, we think the solution would be to not patch the holes, but install a liner/screen inside the existing liner. This can be done for approximately \$35,000. This should not restrict the capacity of the well.

According to Jones and Carter, Inc. the well was approaching the end of its useful life and should not be reworked in the future. It might last another five or ten years, but that was probably about it. Staff would know more after additional brushing and televising.

6. Quick Connect/Transfer Switch Project

City staff was working with Jones & Carter, Inc. to complete electrical engineering designs for all city lift stations, city water plants, City Hall, the Fire Station, EMS Headquarters, WWTP #1, and WWTP#2. The designs was for the installation of quick connects and transfer switches on all the above mentioned facilities. This would allow city staff to operate these facilities via generator in the event of a power failure.

7. Pressure Switches at City Water Plants

Jones & Carter, Inc. solicited bids for the project and council approved the low bidder at the April 12th meeting. City staff attended a preconstruction meeting on May 19, 2010. Construction should begin the week of May 24th.

STREET IMPROVEMENTS

1. Road Extension Project between FM 1301 and County Road 235/FM102.

City Staff, Jones & Carter, Inc., and TxDOT met on April 14th to discuss the submittal of a new application to the Texas Department of Transportation 2010 Program Call for Projects under the

Pass-Through Toll Financing Program. Discussion was focused on how to make our application more competitive.

2. 2010 Street Improvement Program

City Staff had hired four temporary employees to assist in the 2010 street program. As of May 19, 2010, the City had completed Jr. College Blvd, and Houston St and Fulton St between Milam and Burleson. Currently, crews were working on Camelia and Bailey streets. The crews had been very efficient and so far the project is roughly \$10,000 under budget.

OTHER PROJECTS:

1. Fire Station Improvements – Completed.

2. Ahldag Drainage Outfall Channel Bridge Project.

Wakefield Bridge had completed the bridge and the project was complete.

No action was taken.

The twenty-fourth item on the agenda was to review and consider the City Council Committees, Boards and Commission's Reports:

A. Wharton Economic Development Corporation meeting held on May 10, 2010.

B. Wharton Economic Development Corporation meeting held on May 17, 2010.

C. Wharton Regional Airport Board meeting held on May 11, 2010.

City Manager Andres Garza, Jr. presented the report to the City Council. No action was taken.

The twenty-fifth item on the agenda was to review and consider the City Manager's Reports:

A. City Secretary/Personnel.

H. Legal Department.

B. Code Enforcement.

I. Municipal Court.

C. Community Services Department/
Civic Center.

J. Police Department.

D. E.M.S. Department.

K. Public Works Department.

E. Engineer/Planning Department.

L. Water/Sewer Department.

F. Facilities Maintenance Department.

M. Weedy Lots/Sign Ordinance.

G. Fire Department Incidents/Inspections.

N. Wharton Municipal Pool.

O. Wharton Regional Airport.


City Manager Andres Garza, Jr. presented the report to the City Council. No action was taken.

The twenty-six item on the agenda was adjournment. After some discussion, Councilmember Don Mueller made a motion to adjourn. Councilmember Lewis Fortenberry, Jr. seconded the motion. All voted in favor.

The meeting adjourned at 8:40 p.m.

City of Wharton
Regular City Council Meeting
May 24, 2010

By: _____


DOMINGO MONTALVO, JR.
Mayor

ATTEST:



LISA OLMEDA
City Secretary

