1111 Bayou
La Marque, Texas 77568
409.938.9202

Mayor Bobby Hocking
Mayor Pro- Tem Keith Bell- District A
Councilmember Chris Lane- District B
Councilmember Robert Michetich- District C
Councilmember Casey Mc Auliffe- District D

****

OFFICIALLY POSTED ON THE WEB: DATE: 12.15. 2017 TIME: 9:15 a.m.

ORDINANCE NO. O-2017-0024
RESOLUTION NO. R-2017-0028

CITY OF LA MARQUE
PUBLIC HEARING AND
SPECIAL CITY COUNCIL MEETING
AGENDA
December 18, 2017

Notice is hereby given that the City Council of the City of La Marque, Texas will conduct a **Public Hearing and Special City Council Meeting on Monday, December 18, 2017** beginning at 6:00 p.m. at 1109-B Bayou Road for the purpose of considering the following agenda**:**

(1) CALL MEETING TO ORDER

(2) ROLL CALL

(3) PUBLIC HEARING

a. Conduct a Public Hearing to receive public input regarding Ordinance **NO. O-2017-0024**, authorizing the issuance and sale of the City of La Marque, Texas Public Property Finance Contractual Obligations Series 2018; Levying a Tax in Payment Thereof; and Enacting Other Provisions Relating Thereto **THIS IS THE FIRST AND FINAL READING (as per Texas Government Code 1201.028)**

(4) OLD BUSINESS

a. Discussion/possible action regarding Ordinance **No. O-2017-0024**, authorizing the issuance and sale of the City of La Marque, Texas Public Property Finance Contractual Obligations, Series 2018; Levying a Tax in Payment Thereof; and Enacting Other Provisions Relating Thereto **THIS IS THE FIRST AND FINAL READING (as per Texas Government Code 1201.028)**

(5) NEW BUSINESS

a. Discussion/possible action regarding adoption of Resolution No. **R-2017-0028**, a Reimbursement Resolution expressing intent to finance expenditures to be incurred – Finance Director S. Kou

b. Discussion/possible action regarding authorizing the City Manager to enter into necessary agreements and expenditures pertaining to architectural and construction proposals for the renovation and remodeling of properties located at 4916 FM 1764 – Public Services Director L. Rumburg

(6) EXECUTIVE SESSION

The City Council for the City of La Marque, Texas reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above, as authorized the Texas Government Code Section 551.071 (Consultation with Attorney), 551.072 (Deliberations about Real Property), 551.073 (Deliberations about Gifts and Donations), 551.074 (Personnel Matters), 551.076 (Deliberations about Security Devices) and 551.086 (Economic Development)

(7) ACTION TAKEN FROM EXECUTIVE SESSION

(8) REQUEST AND ANNOUNCEMENTS

Requests by Mayor and Council Members for items to be placed on future City Council agendas and announcements on city events/community interests TEX. GOV'T CODE §551.415. (b), "items of community interest" includes:

(1) expressions of thanks, congratulations, or condolence;
(2) information regarding holiday schedules;
(3) an honorary or salutary recognition of a public official, public employee, or other citizen, except that a discussion regarding a change in the status of a person's public office or public employment is not an honorary or salutary recognition for purposes of this subdivision;
(4) a reminder about an upcoming event organized or sponsored by the governing body;
(5) information regarding a social, ceremonial, or community event organized or sponsored by an entity other than the governing body that was attended or is scheduled to be attended by a member of the governing body or an official or employee of the municipality or county; and
(6) announcements involving an imminent threat to the public health and safety of people in the municipality or county that has arisen after the posting of the agenda.

(9) ADJOURNMENT

CERTIFICATION:

I hereby certify that the above notice of meeting was posted at 1109-B Bayou Road, La Marque, Texas **on or before December 15, 2017 before 5:30 p.m.**

Robin Eldridge, TRMC
City Clerk

This facility is wheelchair accessible and accessible parking spaces are available. Request for accommodations or interpretive services must be made 48 hours prior to this meeting. Please contact the City Clerk's office at (409) 938-9259, or Fax (409) 935-0401, or e-mail cityclerk@cityoflamarque.org for further information.

CITY COUNCIL AGENDA FORM

Meeting Date: December 18, 2017 Agenda item: **5&6a**
Prepared by: Suzy Kou Reviewed by: *Carol Buttler*
Department: Finance

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding adopting Ordinance No. **O-2017-0024** Authorizing the Issuance and Sale of City of La Marque, Texas Public Property Finance Contractual Obligations, Series 2018, Levying a Tax in Payment Thereof; and Enacting Other Provisions Relating Thereto

☒ X

ATTACHED FOR REFERENCE

1. Ordinance O-2017-0024
2. Financing Time Table

STAFF BRIEFING:

- On December 11, 2017 City Council approved for staff to proceed with replacing current Badger meters with AMI meters.
- Staff is proposing a 12-15 years financing period with Contractual Obligations at the winning competitive bid rate.
- City's financial advisor and bond counsel began the bid process after December 11, 2017.
- The proceeds will include acquiring the meters, installation, software, project management with a warranty by Siemens, and cost of issuance.

HISTORY:

- **December 8, 2017** - Public notice of Public Hearing was posted.
- **December 11, 2017** - Council approved the AMI meters project.

TARGET IMPLEMENTATION:

SIGNIFICANT ACTION DATES:

December 18, 2017- Proposal to Council Contractual Obligations ordinance for AMI meters financing.

January 11, 2018- Closing of Contractual Obligations and City receives proceeds.

CITY COUNCIL AGENDA FORM

ACTION:

- [x] Ordinance
- [ ] Resolution
- [ ] Special Presentation
- [ ] Proclamation
- [ ] Finance Report
- [ ] Public Hearing
- [ ] Other
- [x] Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures

Cost Details:	
Budgeted	-0-
Actual Bid	
Estimated Expenditure	
Acct. Name(s)	Debt Service Principal and Interest Expenditure
Line Items #	Will set up after Council approval of the Ordinance.
Other Funding	

STAFF'S RECOMMENDATION: Motion to adopt Ordinance No. **O-2017-0024,** Authorizing the Issuance and Sale of City of La Marque, Texas Public Property Finance Contractual Obligations, Series 2018, Levying a Tax in Payment Thereof; and Enacting Other Provisions Relating Thereto

FISCAL IMPACT: Initial interest payment based on winning competitive bid.

ORDINANCE NO. O-2017-0024

AUTHORIZING THE ISSUANCE OF

$3,200,000
CITY OF LA MARQUE, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2018

Adopted: December 18, 2017

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions....................1

Section 1.05. Interpretation....................

ARTICLE II

SECURITY FOR THE OBLIGATION

Section 2.01. Tax Levy for Payment of Obligation....................4

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE OBLIGATION

Section 3.01. Authorization....................4
Section 3.02. Date, Denomination, Maturities, Numbers and Interest....................4
Section 3.03. Medium, Method and Place of Payment....................5
Section 3.04. Execution and Initial Registration....................6
Section 3.05. Ownership....................6
Section 3.06. Registration, Transfer and Exchange....................7
Section 3.07. Cancellation and Authentication....................8
Section 3.08. Replacement Obligation....................8

ARTICLE IV

REDEMPTION OF OBLIGATION BEFORE MATURITY

Section 4.01. Limitation on Redemption....................9
Section 4.02. Optional Redemption....................9
Section 4.03. Mandatory Sinking Fund Redemption....................9
Section 4.04. Partial Redemption....................9
Section 4.05. Notice of Redemption to Owners....................10
Section 4.06. Payment Upon Redemption....................11
Section 4.07. Effect of Redemption....................11
Section 4.08. Lapse of Payment....................11

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar 11
Section 5.02. Qualifications 11
Section 5.03. Maintaining Paying Agent/Registrar 12
Section 5.04. Termination 12
Section 5.05. Notice of Change 12
Section 5.06. Agreement to Perform Duties and Functions 12
Section 5.07. Delivery of Records to Successor 12

ARTICLE VI

FORM OF THE OBLIGATION

Section 6.01. Form Generally 12
Section 6.02. Form of Obligation 13
Section 6.03. Legal Opinion 18

ARTICLE VII

SALE OF THE OBLIGATION; CONTROL AND DELIVERY OF THE OBLIGATION

Section 7.01. Sale of Obligation; Purchase Letter 18
Section 7.02. Control and Delivery of Obligation 18

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Debt Service Fund 19
Section 8.02. Deposit of Proceeds 19

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of Obligation 20
Section 9.02. Other Representations and Covenants 20
Section 9.03. Ordinance a Contract – Amendments and Remedies 20
Section 9.04. Federal Income Tax Exclusion 20

ARTICLE X

DISCHARGE

Section 10.01. Discharge 23

ARTICLE XI

MISCELLANEOUS

Section 11.01. Changes to Ordinance 23
Section 11.02. Partial Invalidity..23
Section 11.03. Repealer 23
Section 11.04. Individuals Not Liable 24
Section 11.05. Related Matters 24
Section 11.06. Force and Effect..24

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF LA MARQUE, TEXAS PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2018; LEVYING A TAX IN PAYMENT THEREOF; AND ENACTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, pursuant to the Public Property Finance Act, Chapter 271, Subchapter A, Texas Local Government Code, as amended (the "Act"), the governing body of a municipality is authorized to execute, perform and make payments under contracts with any person for the use, acquisition, purchase or financing of personal property as described in the Act; and

WHEREAS, the Act permits the governing body of a municipality to execute contracts in any form it deems appropriate in connection with the use, acquisition, purchase or financing of personal property; and

WHEREAS, it is affirmatively found that the City Council (the "City Council") of the City of La Marque, Texas (the "City") is authorized to proceed with the issuance and sale of obligations as authorized by the Constitution and laws of the State of Texas, particularly the Act; and

WHEREAS, the City Council desires to acquire, purchase or finance, to wit: the purchase and installation of water system equipment, which personal property is deemed by the City Council to be necessary, useful and/or appropriate for its purposes (the "Property"); and

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of the Obligation (as herein defined) and deems it appropriate to adopt this ordinance (the "Ordinance") and to issue the Obligation as authorized by the Act; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code, as amended; Now Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

"Bond Counsel" means Bracewell LLP or any successor thereto.

"Business Day" means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

"Code" means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter enacted, (c) any corresponding provision of any subsequent Internal Revenue Code and (d) the regulations promulgated under the provisions described in (b) and (c). "Debt Service Fund" means the Debt Service Fund established by Section 8.01(a).

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its office Austin, Texas, or at such other location designated by the Paying Agent/Registrar and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"Fiscal Year" means such fiscal year as shall from time to time be set by the City Council.

"Initial Obligation" means the Obligation described in Section 3.04(d).

"Interest Payment Date" means the date or dates upon which interest on the Obligation is scheduled to be paid until the maturity of the Obligation, such dates being March 1 and September 1 of each year commencing March 1, 2018, until maturity or prior redemption.

"Issuance Date" means the date of the initial delivery of and payment for the Obligation.

"Obligation" means the City's Obligation entitled "City of La Marque, Texas Public Property Finance Contractual Obligation, Series 2018" authorized to be issued by Section 3.01.

"Ordinance" means this Ordinance.

"Owner" means the person who is the registered owner of the Obligation, as shown in the Register.

"Paying Agent/Registrar" means initially [__________] or any successor thereto as provided in this Ordinance.

"Paying Agent/Registrar Agreement" means the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar relating to the Obligation.

"Project" has the meaning set forth in Section 3.01.

"Purchase Letter" means the letter agreement described in Section 7.01 of this Ordinance.

"Purchaser" means [__________].

"Record Date" means, for any Interest Payment Date, the close of business on the fifteenth day of the month next preceding an Interest Payment Date.

"Redemption Price" means the principal amount of the Obligation being redeemed plus accrued interest to the date of redemption.

"Register" means the Register specified in Section 3.06(a).

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Rule" means Rule 15c2-12 of the United States Securities and Exchange Commission, as amended from time to time.

"Special Payment Date" means the Special Payment Date prescribed by Section 3.03(b).

"Special Record Date" means the Special Record Date prescribed by Section 3.03(b).

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on the Obligation as the same become due and payable and remaining unclaimed by the Owners of such Obligation for 90 days after the applicable payment or redemption date.

Section 1.02. Other Definitions. The terms "Act," "City Council," "City," "Property," and "Ordinance" shall have the meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, 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 and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

(c) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE OBLIGATION

Section 2.01. Tax Levy for Payment of Obligation.

(a) While the Obligation or any part of the principal thereof or interest thereon remains outstanding and unpaid, there is hereby levied and there shall be annually levied, assessed and collected in due time, form and manner, and at the same time other City taxes are levied, assessed and collected, in each year, a continuing direct annual ad valorem tax, within the limits prescribed by law, upon all taxable property in the City sufficient to pay the current interest on the Obligation as the same becomes due, and to provide and maintain a sinking fund adequate to pay the principal of the Obligation as such principal matures, but never less than two percent (2%) of the original principal amount of the Obligation each year, full allowance being made for delinquencies and costs of collection, and such taxes when collected shall be applied to the payment of the interest on and principal of the Obligation and to no other purpose. The proceeds from all taxes levied, assessed and collected for and on account of the Obligation authorized by this Ordinance shall be deposited into the Debt Service Fund created pursuant to Section 8.01 herein.

(b) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Obligation when and as due and payable in accordance with their terms and this Ordinance.

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

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE OBLIGATION

Section 3.01. Authorization. The City's Obligation to be designated "City of La Marque, Texas Public Property Finance Contractual Obligation, Series 2018," is hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, particularly the Act, in the aggregate principal amount of $3,200,000 for the purpose of providing funds to pay contractual obligations incurred or to be incurred (i) for the purchase and installation of water system equipment and (ii) for the payment of the costs of issuance related thereto (the "Project").

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The entire principal amount of the Obligation shall mature on September 1, [20__], and the Obligation shall bear interest at a rate of [___]%.

(b) The Initial Obligation shall be numbered I-1 and all other Obligations, if any, shall be numbered separately from one upward or with such other designation acceptable to the City and the Paying Agent/Registrar.

(c) The Obligation shall be dated January 1, 2018. Interest on the Obligation shall accrue from the Issuance Date and be paid until the principal amount thereof has been paid or provision for such payment has been made, at the rate per annum specified in subsection (a) above. Such interest shall be payable semiannually on each Interest Payment Date, computed on the basis of a 360-day year composed of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of and interest on the Obligation shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Obligation shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date"), which shall be at least 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of the Owner of the Obligation appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Obligation shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of the Obligation shall be paid to the person in whose name such Obligation is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Obligation at the Designated Payment/Transfer Office; provided, however, that for so long as the Obligation is held by a single Owner, mandatory sinking fund redemption payments made prior to final maturity will be noted by the Paying Agent/Registrar in their official records but will not require the presentation and surrender of the Obligation.

(e) If a date for the payment of the principal of or interest on the Obligation is not a Business Day, a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

(f) Subject to any applicable escheat, unclaimed property, or similar law, including Title 6 of the Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be paid to the City and thereafter neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Obligation for any further payment of such unclaimed moneys or on account of any such Obligation.

Section 3.04. Execution and Initial Registration.

(a) The Obligation shall be executed on behalf of the City by the Mayor or Mayor Pro Tem and City Secretary of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Obligation shall have the same effect as if the Obligation had been signed manually and in person by each of said officers, and such facsimile seal on the Obligation shall have the same effect as if the official seal of the City had been manually impressed upon the Obligation.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Obligation ceases to be such officer before the authentication of such Obligation or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Obligation shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on the Obligation. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Obligation delivered on the Issuance Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Issuance Date, one Obligation (the "Initial Obligation"), executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee against payment therefor.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Obligation is registered as the absolute owner of such Obligation for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Obligation is registered on the Record Date), and for all other purposes, whether or not such Obligation is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Obligation in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Obligation to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as the Obligation remains outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of the Obligation in accordance with this Ordinance.

(b) Subject to the restrictions contained in the Purchase Letter, the ownership of an Obligation may be transferred only upon the presentation and surrender of the Obligation at the Designated Payment/Transfer Office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Obligation shall be effective until entered in the Register.

(c) The Obligation shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for an Obligation of the same maturity and interest rate and in the denomination of $5,000 or any integral multiple of $5,000 in excess thereof, and in an aggregate principal amount equal to the unpaid principal amount of the Obligation presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver an Obligation exchanged for another Obligation in accordance with this Section.

(d) Each exchange Obligation delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Obligation in lieu of which such exchange Obligation is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for any different denomination of the Obligation. The Paying Agent/Registrar, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of an Obligation.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Obligation called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 calendar days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of an Obligation.

Section 3.07. Cancellation and Authentication. An Obligation paid or redeemed before scheduled maturity in accordance with this Ordinance, and an Obligation in lieu of which an exchange Obligation or a replacement Obligation is authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall dispose of the cancelled Obligation in accordance with the Securities Exchange Act of 1934.

Section 3.08. Replacement Obligation.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Obligation, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Obligation to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Obligation is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Obligation has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Obligation;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays 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 is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Obligation, a bona fide purchaser of the original Obligation in lieu of which such replacement Obligation was issued presents for payment such original Obligation, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Obligation 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.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Obligation has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Obligation, may pay such Obligation.

(e) Each replacement Obligation delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Obligation in lieu of which such replacement Obligation is delivered.

ARTICLE IV

REDEMPTION OF OBLIGATION BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Obligation shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The City has reserved the right to redeem the Obligation at its option, in whole or from time to time in part, on September 1, 2027 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption.

(b) The City, at least 45 days before the redemption date, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of Obligation to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption.

(a) The Obligation is issued as a single "Term Obligation" in the form of Obligation contained in Section 6.02(a) and is subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Debt Service Fund, on the dates and in the respective principal amounts as set forth in the form of Obligation contained in Section 6.02(a).

(b) Prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption in inverse order of due date a principal amount of Term Obligation equal to the aggregate principal amount of such Term Obligation to be redeemed, shall call such Term Obligation for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05. For so long as the Obligation is held as a single Term Obligation by the Purchaser, the Paying Agent/Registrar shall record the reductions in the principal amount of the Obligation due to mandatory sinking fund redemption payments and, upon written request of the City, provide the City with written evidence that such reduction was made.

(c) The principal amount of the Term Obligation required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Obligation which, at least 45 days prior to the mandatory sinking fund redemption date shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption.

(a) If less than all of the Obligation is to be redeemed pursuant to Section 4.02 hereof, the City shall determine the maturity or maturities (or mandatory sinking fund payment with respect to a Term Obligation) and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot, or other customary method that results in random selection, the Obligation, or portions thereof, within such maturity or maturities and in such principal amounts for redemption.

(b) A portion of the Obligation in a denomination greater than $5,000 may be redeemed, but only in a principal amount equal to $5,000 or any integral $5,000 multiple thereof. If such Obligation is to be partially redeemed, the Paying Agent/Registrar shall treat each $5,000 portion or any integral $5,000 multiple of the Obligation as though it were a single Obligation for purposes of selection for redemption.

(c) Upon surrender of any Obligation for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Obligation or Obligation in an aggregate principal amount equal to the unredeemed portion of the Obligation so surrendered, such exchange being without charge.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Obligation as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of the Obligation by sending notice by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owners of the Obligation (or portions thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The City reserves the right to give notice of its election or direction to redeem the Obligation under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. The Obligation subject to conditional redemption where redemption has been rescinded shall remain outstanding.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption.

(a) Before or on each redemption date, the City shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Obligation to be redeemed on such date by setting aside and holding in trust such amounts as are received by the Paying Agent/Registrar from the City and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Obligation being redeemed.

(b) Upon presentation and surrender of the Obligation called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption (or if the Obligation is held as a single Term Obligation, upon the reduction of the principal amount of the Obligation due to mandatory sinking fund redemption), the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Obligation to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption.

(a) When the Obligation has been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Obligation or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on the Obligation or portion thereof called for redemption shall terminate on the date fixed for redemption. If the City shall fail to make provision for payment of all sums due on a redemption date, then the Obligation or portion thereof called for redemption shall continue to bear interest at the rate stated on the Obligation until due provision is made for the payment of same.

(b) If the City shall fail to make provision for payment of all sums due on a redemption date, then the Obligation or portions thereof called for redemption shall continue to bear interest at the rate stated on the Obligation until due provision is made for the payment of same by the City.

Section 4.08. Lapse of Payment. Money set aside for the redemption of the Obligation and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

[__________] is hereby appointed as the initial Paying Agent/Registrar for the Obligation. The form of Paying Agent/Registrar Agreement is hereby approved.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Obligation.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while the Obligation is outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the City and the Paying Agent/Registrar. The signature of the Mayor or Mayor Pro Tem shall be attested by the City Secretary.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination. The City, upon not less than 45 days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination, provided, that such termination shall not be effective until a successor Paying Agent/Registrar has been appointed and has accepted the duties of Paying Agent/Registrar for the Obligation.

Section 5.05. Notice of Change. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner and any bond insurer by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, and executing the Paying Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Obligation to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE OBLIGATION

Section 6.01. Form Generally.

(a) The Obligation, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on the Obligation, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification and such legends and indorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Obligation, as evidenced by their execution thereof.

(b) Any portion of the text of any Obligation may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Obligation.

(c) The Obligation, including the Initial Obligation submitted to the Attorney General of Texas, shall be typed, printed, lithographed, photocopied or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Obligation, as evidenced by their execution thereof.

Section 6.02. Form of Obligation. The form of Obligation, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Obligation, shall be substantially as follows:

(a) Form of Obligation.

REGISTERED
NO. I-1 | REGISTERED
$3,200,000

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF LA MARQUE, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS
SERIES 2018

INTEREST RATE:	MATURITY DATE:	ISSUANCE DATE:
____%	September 1, 20__	January 11, 2018

The City of La Marque (the "City"), in Galveston County, State of Texas, for value received, hereby promises to pay to

[PAYING AGENT/REGISTRAR]

or registered assigns, on the Maturity Date specified above, the sum of

THREE MILLION TWO HUNDRED THOUSAND DOLLARS

unless the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Issuance Date specified above or the most recent interest payment date to which interest has been paid or provided for until such principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on March 1 and September 1 of each year, commencing on March 1, 2018.

The principal of this Obligation (or so much thereof as shall not have been paid or deemed to have been paid upon prior redemption) shall be payable without exchange or collection charges in lawful money of the United States of America on the Maturity Date specified above (unless redeemed prior thereto as provided in this Obligation) upon presentation and surrender of this Obligation at the corporate trust office in [_____], Texas (the "Designated Payment/Transfer Office"), of [__________] as initial Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Obligation is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Obligation, the registered owner shall be the person in whose name this Obligation is registered at the close of business on the "Record Date," which shall be the close of business on the fifteenth day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of an Obligation appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Obligation is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Obligation is one of a series of fully registered Obligation specified in the title hereof issued in the aggregate principal amount of $3,200,000 (herein referred to as the "Obligation"), pursuant to a certain ordinance approved by the City Council of the City (the "Ordinance") for the purpose of providing funds for the purchase and installation of water system equipment and to pay the costs of issuance related thereto.

This Obligation and the interest thereon are payable from the levy of a direct and continuing ad valorem tax levied, within the limit prescribed by law, against all taxable property in the City as described and provided in the Ordinance.

The City has reserved the right to redeem the Obligation at its option, in whole or from time to time in part, on September 1, 2027 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. If less than all of the Obligation is to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot the Obligation, or portions thereof, within such maturity and in such principal amounts, for redemption.

The Obligation is a "Term Obligation" are subject to mandatory sinking fund redemption prior to scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

September 1, 20
September 1, 20
September 1, 20
September 1, 20
September 1, 20
September 1, 20
September 1, 20 (Maturity)

The Paying Agent/Registrar will select in inverse order of due date the specific Term Obligation (or each $5,000 portion thereof) to be redeemed by mandatory redemption. For so long as the Obligation is held as a single Term Obligation by the Purchaser, the Paying Agent/Registrar shall record the reductions in the principal amount of the Obligation due to mandatory sinking fund redemption payments and, upon written request of the City, provide the City with written evidence that such reduction was made. The principal amount of Term Obligation required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Term Obligation which, at least 45 days prior to the mandatory sinking fund redemption date shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Not less than 30 days prior to a redemption date for the Obligation, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the Owners of the Obligation to be redeemed at the address of the Owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

The City reserves the right to give notice of its election or direction to redeem Obligation pursuant to an optional redemption conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date, or (ii) that the City retains the right to rescind such notice at any time on or prior to the scheduled redemption date if the City delivers a certificate of the City to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Obligation subject to conditional redemption and such redemption has been rescinded shall remain Outstanding and the rescission of such redemption shall not constitute an event of default. Further, in the case of a conditional redemption, the failure of the City to make moneys and or authorized securities available in part or in whole on or before the redemption date shall not constitute an event of default.

Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the registered owner receives such notice. Notice having been so given and subject, in the case of an optional redemption, to any rights or conditions reserved by the City in the notice, the Obligation called for redemption shall become due and payable on the specified redemption date, and notwithstanding that any Obligation or portion thereof has not been surrendered for payment, interest on such Obligation or portions thereof shall cease to accrue.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Obligation is transferable upon surrender of this Obligation for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Obligation of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Obligation is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Obligation is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Obligation be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Obligation and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Obligation has been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Obligation, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, this Obligation has been duly executed on behalf of the City, under its official seal, in accordance with law.

____________________________ City Secretary City of La Marque, Texas	____________________________ Mayor City of La Marque, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar

CERTIFICATE OF PAYING AGENT/REGISTRAR

This Obligation was originally issued as one Initial Obligation which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

[__________],

as Paying Agent/Registrar

Dated: __________________ By: ______________________________
Authorized Signatory

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and ZIP Code of transferee): ____________________________________
____
(Social Security or other identifying number: ____________________) the within Obligation and all rights hereunder and hereby irrevocably constitutes and appoints ___________________ attorney to transfer the within Obligation on the books kept for registration hereof, with full power of substitution in the premises.

Date: ______________________

Signature Guaranteed By:

____

____
Authorized Signatory

____
NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Obligation in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(d) Form of Comptroller's Registration Certificate.

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Obligation:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Obligation, and that this Obligation has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this ____________________.

Comptroller of Public Accounts of the
State of Texas

[SEAL]

(e) The Initial Obligation shall be in the form set forth in paragraphs (a), (b), (c) and (d) of this Section, and shall be numbered "I-1".

Section 6.03. Legal Opinion. The approving legal opinion of Bond Counsel may be printed on or attached to each Obligation over the certification of the City Secretary of the City, which may be executed in facsimile.

ARTICLE VII

SALE OF THE OBLIGATION; CONTROL AND DELIVERY OF THE OBLIGATION

Section 7.01. Sale of Obligation; Purchase Letter.

(a) The Obligation is hereby sold and shall be delivered to the Purchaser at a price of $3,200,000, representing the par amount of the Obligation in accordance with the terms of the Purchase Letter of even date herewith, presented to and hereby approved by the City Council, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the City. The Mayor or Mayor Pro Tem and other appropriate officials of the City are hereby authorized to execute the Purchase Letter on behalf of the City and to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Obligation and the approving opinion of the Attorney General of Texas.

(b) All officers and officials of the City are authorized to take such actions and to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of the Obligation, as they may deem necessary and appropriate in order to consummate the delivery of the Obligation. Further, in connection with the submission of the record of proceedings for the Obligation to the Attorney General of the State of Texas for examination and approval of such Obligation, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Obligation or (ii) $9,500, but in no case less than $750).

(c) The obligation of the Purchaser to accept delivery of the Obligation is subject to the Purchaser being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated as of and delivered on the Issuance Date.

Section 7.02. Control and Delivery of Obligation.

(a) The Mayor, the Mayor Pro Tem or his designee is hereby authorized to have control of the Initial Obligation and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Obligation shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor or Mayor Pro Tem, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Debt Service Fund.

(a) The City hereby establishes a special fund or account to be designated the "City of La Marque, Texas, Public Property Finance Contractual Obligations, Series 2018, Debt Service Fund" (the "Debt Service Fund") with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City. The taxes levied under Section 2.01 shall be deposited to the credit of the Debt Service Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Obligation.

(b) If the amount of money in the Debt Service Fund is at least equal to the aggregate principal amount of the outstanding Obligation plus the aggregate amount of interest due and that will become due and payable on such Obligation, no further deposits to that fund need be made.

(c) Money on deposit in the Debt Service Fund shall be used to pay the principal of and interest on the Obligation as such become due and payable.

(d) The City hereby establishes a special fund or account to be designated the "City of La Marque, Texas, Public Property Finance Contractual Obligations, Series 2018, Project Fund" (the "Project Fund") with said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City.

Section 8.02. Deposit of Proceeds.

Proceeds from the sale of the Obligation is appropriated for the purposes and shall, promptly upon receipt by the City, be applied as follows:

(a) Obligation proceeds in the amount of $[___________] shall be deposited in the Project Fund and used for the purposes set forth in Section 3.01(i).

(b) Obligation proceeds in the amount of $[_____________] shall be deposited in the Project Fund and used to pay the costs of issuance.

(c) Any amounts remaining after paying costs of issuance may be used for the purposes described in subsection (a). Any amounts remaining after accomplishing such purposes and paying costs of issuance shall be deposited to the Debt Service Fund and applied to the payment of debt service on the Obligation.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of Obligation. While the Obligation is outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay the interest on and the principal of the Obligation, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The City is a duly organized and existing political subdivision of the State of Texas under the Constitution and laws of the State of Texas.

(b) The City is duly authorized under the laws of the State of Texas to issue the Obligation; all action on its part for the creation and issuance of the Obligation has been duly and effectively taken; and the Obligation in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Ordinance a Contract – Amendments and Remedies.

(a) This Ordinance shall constitute a contract with the Owners from time to time, be binding on the City, and shall not be amended or repealed by the City so long as the Obligation remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Owners, amend, add to, or rescind any of the provisions of this Ordinance.

(b) In the event of a default in the payment of the principal of or interest on the Obligation or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of the Obligation may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults, including by suit for mandamus or otherwise to enforce or compel performance of all duties required to be performed by the City under this Ordinance.

Section 9.04. Federal Income Tax Exclusion.

(a) General. The City intends that the interest on the Obligation be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150, inclusive, of the Code. The City covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Obligation to be includable in the gross income, as defined in section 61 of the Code, for federal income tax purposes or (ii) result in the violation of or failure to satisfy any provision of Section 103 and 141 through 150 of the Code. In particular, the City covenants and agrees to comply with each requirement of this Section 9.04 of this Article IX; provided, however, that the City shall not be required to comply with any particular requirement of this Section 9.04 of this Article IX if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that (i) such noncompliance will not adversely affect the excludability of interest on the Obligation from gross income for federal income tax purposes or (ii) that compliance with some other requirement specified in such Counsel's Option will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement will constitute compliance with the corresponding requirement specified in this Section 9.04 of this Article IX.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Obligation, including interest or other investment income derived from Obligation proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Obligation will not a "private activity bond" within the meaning of section 141 of the Code. Moreover, the City will certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Obligation is delivered, the proceeds of the Obligation will not be used in a manner that would cause the Obligation to be "private activity bonds" within the meaning of section 141 of the Code.

(c) No Federal Guarantee. The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Obligation to be "federally guaranteed" within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(d) No Hedge Bonds. The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Obligation to be a "hedge bond" within the meaning of section 149(g) of the Code.

(e) No-Arbitrage. The City covenants and agrees that it will make such use of the proceeds of the Obligation, including interest or other investment income derived from Obligation proceeds, regulate investments of proceeds of the Obligation and take such other and further action as may be required so that the Obligation will not be an "arbitrage bond" within the meaning of section 148(a) of the Code. The City will certify, through an authorized officer, employee or agent, that, based upon all facts and estimates known or reasonably expected to be in existence on the date the Obligation is delivered, the proceeds of the Obligation will not be used in a manner that would cause the Obligation to be an "arbitrage bond" within the meaning of section 148(a) of the Code.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, 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 Obligation (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Obligation as may be required to calculate the amount earned on the investment of the gross proceeds of the Obligation separately from records of amounts on deposit in the funds and accounts of the City allocable to other debt issues of the City or moneys that do not represent gross proceeds of any debt issue of the City, (ii) determine at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Obligation that is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Obligation or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, 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 Obligation that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Obligation is issued, an information statement concerning the Obligation, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Obligation until three years after the Obligation is redeemed or paid at maturity, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Obligation by the Internal Revenue Service.

(i) Registration. The Obligation will be issued in registered form.

(j) Deliberate Action. The City will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Obligation to fail to meet any requirement of section 141 of the Code after the issue date of the Obligation unless an appropriate remedial action is permitted by section 1.141-12 of the Regulations, the City takes such action, and an opinion of Bond Counsel is obtained that such remedial action cures any failure to meet the requirements of section 141 of the Code.

(k) Qualified Tax-Exempt Obligations. The City hereby designates the Obligation as a "qualified tax-exempt obligation" for purposes of section 265(b) of the Code. In connection therewith, the City represents (a) that the aggregate amount of tax-exempt obligations issued by the City during calendar year 2018, including the Obligation, that have been designated as "qualified tax-exempt obligations" under section 265(b)(3) of the Code does not exceed $10,000,000, and (b) that the reasonably anticipated amount of its tax-exempt obligations that will be issued by the City during calendar year 2018, including the Obligation, will not exceed $10,000,000. For purposes of this Section 9.04(k), the term "tax-exempt obligations" does not include (i) private activity bonds" within the meaning of section 141 of the Code, other than "private activity bonds" within the meaning of section 141 of the Code, other than "qualified 501(c)(3) bonds" within the meaning of section 145 of the Code or (ii) Obligation issued to currently refund any obligation to the extent that the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation. In addition, for purposes of this Section 9.04(j), the City includes all governmental units which are aggregate with the City under section 265(b) of the Code.

(l) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of Section 9.04 of this Article IX shall survive the defeasance and discharge of the Obligation for as long as such matters are relevant to the excludability of interest on the Obligation from gross income for federal income tax purposes.

ARTICLE X

DISCHARGE

Section 10.01. Discharge. The City reserves the right to defease, discharge or refund the Obligation in any manner permitted by applicable law.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Changes to Ordinance.

Bond Counsel is hereby authorized to make changes to the terms of this Ordinance if necessary or desirable to carry out the purposes hereof or in connection with the approval of the issuance of the Obligation by the Attorney General of Texas.

Section 11.02. Partial Invalidity.

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

Section 11.03. Repealer.

All ordinances or resolutions, or parts thereof, heretofore adopted by the City and inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such conflict.

Section 11.04. Individuals Not Liable.

No covenant, stipulation, obligation or agreement herein contained shall be deemed to be a covenant, stipulation, obligation or agreement of any member of City Council or agent or employee of City Council or of the City in his or her individual capacity and neither the members of City Council nor any officer thereof, nor any agent or employee of City Council or of the City, shall be liable personally on the Obligation, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.05. Related Matters.

To satisfy in a timely manner all of the City's Obligation under this Ordinance, the Mayor or Mayor Pro Tem, the City Secretary and all other appropriate officers and agents of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Ordinance.

Section 11.06. Force and Effect.

This Ordinance shall be in full force and effect from and after its final passage, and it is so ordained.

[Signature Page Follows]

PASSED, APPROVED AND EFFECTIVE on this 18th day of December, 2017.

City Secretary City of La Marque, Texas	Mayor City of La Marque, Texas

[SEAL]

CITY OF LA MARQUE, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2018

Draft
12/12/17

COUNCIL MEETS 2ND MONDAY OF THE MONTH (6:00PM)

Tentative Timetable of Events

DECEMBER						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

JANUARY						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

FEBRUARY						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

MARCH						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Complete By	Day	Event	Parties
December 7	Thursday	Send first draft of the Term Sheet for the City of La Marque, Texas Public Property Finance Contractual Obligations, Series 2018 (the ñObligationsò) to the working group for comments.	FA
December 8	Friday	Comments due by noon on the first draft of the documents including the Term Sheet.	All
December 8	Friday	Send the Term Sheet to prospective purchasers requesting proposals on the Obligations.	FA
December 11	Monday	City Council meeting to discuss and consider financing for the City of La Marque, Texas (the ñCityò) Public Property Finance Contractual Obligations, Series 2018 (the ñObligationsò).	C
December 11	Monday	Last day to publish required City Charter notice regarding adoption of Obligation Ordinance. (at least 7 days prior to adoption of the Ordinance)	C
December 18	Monday	Proposals are due from prospective purchasers to be received no later than 11:00am.	FA
December 18	Monday	City Council conducts public hearing, awards the Obligations and adopts the ordinance authorizing the Obligations.	C
December 19	Tuesday	Distribute copy of the final Term Sheet.	FA
December 19	Tuesday	Distribute the draft closing memorandum for comments.	FA

December 21	Thursday	City publishes required city charter notice regarding passage of the ordinance. (3 to 10 days after adoption of the Ordinance)	C
January 3	Wednesday	Final comments due on the draft closing memorandum.	FA
January 11	Thursday	Deliver Obligations.	C, BC

Legend	
City of La Marque	Issuer (C)
Bracewell LLP	Bond Counsel (BC)
US Capital Advisors	Financial Advisor (FA)

CITY COUNCIL AGENDA FORM

Meeting Date: December 18, 2017 | Agenda item: **7a**
Prepared by: Suzy Kou | Reviewed by: Carol Buttler
Department: Finance

<u>AGENDA ITEM DESCRIPTION:</u> Discussion/possible action regarding adoption of Resolution No. **<u>R-2017-0028</u>**, a Reimbursement Resolution expressing intent to finance expenditures to be incurred**.**

[X]

ATTACHED FOR REFERENCE

1. Resolution

<u>STAFF BRIEFING</u>:

- Budget workshops July 24, 25, and 27, 2017- Discussion of possible usage of the three (3) buildings located on 4916 FM 1765.

- After series of Council executive sessions, Council authorized City Manager to proceed with a lease agreement with Abundant Life to use the three (3) buildings.

- Per our bond counsel, the City has a reimbursement option if additional funding is needed via future debt issuance as long as the following conditions are met:

  - We have 60 days from the date of the first expenditure of general fund dollars on the project to adopt the reimbursement resolution.

  - The timing of the reimbursement from future tax exempt debt is 18 months after the later of (i) the expenditure of general fund dollars or (ii) the date the project is put in service, but in no event later than three years after the expenditure.

- Adopting a resolution allows the City to exercise this OPTION in case there is a need to issue future debt to recover current cost.

<u>HISTORY</u>:

- **<u>September 18, 2017</u>**- Discussion in executive session with Council.
- **<u>October 9, 2017</u>**- After executive session with Council. City Manager was authorized to negotiate with Abundant Life to proceed with a lease agreement with terms and conditions.
- **<u>October 16, 2017</u>**- Council approved the lease agreement with special terms and conditions.

<u>TARGET IMPLEMENTATION</u>: December 18, 2017

<u>SIGNIFICANT ACTION DATES</u>:

Rev. 09/24/2014

CITY COUNCIL AGENDA FORM

ACTION:

☐	Ordinance	☒	Resolution
☐	Special Presentation	☐	Proclamation
☐	Finance Report	☐	Public Hearing
☐	Other		

☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures

Cost Details:	
Budgeted	
Actual Bid	
Estimated Expenditure	
Acct. Name(s)	
Line Items #	
Other Funding	

STAFF'S RECOMMENDATION: Motion to adopt Resolution No. **R-2017-0028,** a Reimbursement Resolution expressing intent to finance expenditures to be incurred.

FISCAL IMPACT:

RESOLUTION NO. R-2017-0028

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS EXPRESSING AN INTENT TO FINANCE EXPENDITURES TO BE INCURRED

WHEREAS, the City of La Marque, Texas (the "City") is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the City will make, or has made not more than 60 days prior to the date hereof, payments with respect to the projects listed on Exhibit "A" attached hereto (collectively, the "Financed Projects"); and

WHEREAS, the City does not currently desire to issue obligations to finance the costs associated with the Financed Projects, but may issue obligations for such purpose in the future if approved by City Council; and

WHEREAS, the City desires to reimburse itself for the costs associated with the Financed Projects from the proceeds of obligations to be issued subsequent to the date hereof;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LA MARQUE, TEXAS THAT:

Section 1. The City reasonably expects to reimburse itself for costs that have been or will be paid subsequent to the date that is 60 days prior to the date hereof and that are to be paid in connection with the Financed Projects from the proceeds of obligations to be issued subsequent to the date hereof.

Section 2. The City reasonably expects that the maximum principal amount of obligations issued to reimburse the City for the costs associated with the Financed Projects will be $3,500,000.

[Execution Page to Follow]

PASSED, APPROVED AND AOPDTED by the City Council of the City of La Marque, Texas on this ____ day of ___________________, 2017.

________________________________	________________________________
City Clerk City of La Marque, Texas	Mayor City of La Marque, Texas

[SEAL]

EXHIBIT "A"

DESCRIPTION OF PROJECT

Purpose/Project	Amount
The purchase of buildings and land located at 4916 FM 1765 (northeast corner of Garrett and FM 1765) for a municipal complex, which may include city offices, a recreational center and a community center, the improvement and equipment of the municipal complex, and the costs of professional services incurred in connection therewith.	$3,500,000

CITY COUNCIL AGENDA FORM

Meeting Date: December 18, 2017 | Agenda item: **7b**
Prepared by: Les Rumburg | Reviewed by: Carol Buttler
Department: Public Services

AGENDA ITEM DESCRIPTION: Discussion/possible action regarding authorizing the City Manager to enter into necessary agreements and expenditures pertaining to architectural and construction proposals for the renovation and remodeling of properties located at 4916 FM 1764.

X

ATTACHMENTS FOR REFERENCE

1. Proposals for construction

STAFF BRIEFING:

- Properties are slated for use as City facilities, providing office space for, initially, Public Services and Development Services.
- Upon examination, it has been determined that the build-out and remodel of Building "C" would need to be professionally prepared to accommodate ADA and IBC requirements.
- For this purpose, Joe Hoover AIA, and Associates was contacted based on their local experience (City of La Marque Central Fire Station).
- Architect's proposal is for all three (3) buildings, but initial concentration will be on Building "C".
- Building "B" will be restored first as it has no immediate conflicts with ADA or local codes.
- As quickly as Building "B" is restored, Public Services will move in as a temporary office space.
- During restoration of Building "B", the architect will be preparing plans for Building "C" to have them inspected by appropriate authorities.
- As plans are approved, construction budgets can be prepared for consideration by City Council.
- It is anticipated Building "B" can be restored and Public Services moved by mid-February 2018, with a move to the re-built Building "C", by late spring, 2018.
- Building "A"

HISTORY

TARGET IMPLEMENTATION: Upon Council's direction and approval, Architect can commence while Building "B" is being restored.

SIGNIFICANT ACTION DATES:

Sept. – Oct, 2017 – City commences remediation of buildings and initiates inspection of facilities.

CITY COUNCIL AGENDA FORM

Oct. 16, 2017 – City Council authorizes establishment of agreement to occupy property.

Nov. 2017 - Learned that reconstruction must include professional assistance to aid in building compliance issues.

ACTION:

☐ Ordinance ☐ Resolution

☐ Special Presentation ☐ Proclamation

☐ Finance Report ☐ Public Hearing

☐ Other

☒ Mark if this item does not conflict with any Resolution, Ordinance or City Charter, policies, procedures

Cost Details:	
Budgeted	-0-
Actual Bid	
Estimated Expenditure	**Up to $160,431.00**
Acct. Name(s)	Buildings
Line Items #	01-7020-12-00
Other Funding	

STAFF'S RECOMMENDATION: Motion to authorize the City Manager to enter into necessary agreements and expenditures pertaining to architectural and construction proposals for the renovation and remodeling of properties located at 4916 FM 1764.

FISCAL IMPACT: This amount will be part of capitalized total at future date.

CONSTRUCTION COST ESTIMATES
"ABC" BUILDINGS
(To make Building "B" move-in ready and initiate planning/compliance
of all three (3) structures)

BUILDING "B"

HVAC -	$20,955 ($18,000 opt)	
Flooring	$21,816	
Re-construction	$24,500	
(drywall, insulation, ceiling materials and labor)		
Painting	$ 6, 883	
Door frames and partitions	$10,800	
Electrical	$ 7,500	
Cabinets	$ 3,120	
Total Construction Costs		$95,574
Project Management (10% of construction costs)	$ 9,557	
Construction and Management Costs		$105,131

BUILDING'S PLANNING/COMPLIANCE

Architect to meet ADA/IBC Code -	$55,300	
(for all 3 buildings, includes as-builts)		
		$55,300

TOTAL ALL COSTS **$160,431**