CITY COUNCIL AGENDA

City of Big Spring
Tuesday, June 26, 2012

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, June 26, 2012, at 5:30 p.m. in the City Council Chambers located at 307 East 4th Street, Big Spring, Texas.

The City Council may discuss and/or take action on each of the following items before it and may go into Executive Session on any item listed on the agenda in accordance with Chapter 551 of the Texas Government Code.

Presentations & Public Hearings

1.	Invocation & Pledge of Allegiance to the United States Flag and to the Texas State Flag		Duncan
2.	**Public Hearing** – Consideration and Discussion of a Specific Use Permit for 10 Acres on Southwest Corner of Alamesa and Wasson	4-5	Darden
3.	Presentation of "Star Employee Awards"		Duncan

Disposition of Minutes

4.	Minutes of the Regular Meeting of June 12, 2012	6-10	Davis

Consent Items

5.	Final Reading of a Resolution Authorizing Continued Participation with the Steering Committee of Cities Served by Oncor; and Authorizing the Payment of Ten Cents per Capita to the Steering Committee to Fund Regulatory and Related Activities Related to Oncor Electric Delivery Company L.L.C.	11-12	Walker
6.	Acceptance of Howard County Appraisal District Board of Directors Minutes for Meetings of April 11, 2012 and May 16, 2012	13-15	Walker

Routine Business

7.	Vouchers for 06/14/12 $ 1,059,271.07 Vouchers for 06/21/12 $ 266,804.43		Olson

Bids

8.	Award Bid for Wastewater Treatment Plant SCADA Improvements as Part of the 2012 Wastewater Treatment Plant Improvement Project and Authorizing the City Manager or His Designee to Execute Any Necessary Documents	16-18	Darden
9.	Award Bid for Crack-Seal of Runway 624 at the McMahon-Wrinkle Airport Using RAMP Funds and Authorizing the City Manager or His Designee to Execute Any Necessary Documents		Little

New Business

10.	Presentation of Howard County Appraisal District Proposed 2013 Budget	19-32	Ronny Babcock
11.	First Reading of an Ordinance Authorizing the Issuance and Sale of Combination Tax and Surplus Revenue Certificates of Obligation, Series 2012; Levying an Annual Ad Valorem Tax for the Payment of Said Certificates; Approving an Official Statement; and Enacting Other Provisions Relating to the Subject	33-59	Walker
12.	First Reading of an Ordinance Providing for the Issuance of a Specific Use Permit to M.U.G.S. Properties, LLC for Construction and Operation of a Nursing Home Facility on 10 Acres Located on the Southwest Corner of Wasson and Alamesa Described as Section 12, Block 22 1-S, Big Spring, Howard County; Providing for Severability; Providing for Publication	60-62	Darden
13.	Discussion and Consideration of Approval of a Performance Agreement between Big Spring Economic Development Corporation and Transport Handling Specialists, Inc.	63-72	Sjogren
14.	Acceptance of Big Spring Economic Development Corporation Board of Directors Minutes for Regular Meeting of May 15, 2012	73-75	Fuqua

City Manager's Report

15.	2012 Seal Coat Project Update	Fuqua
16.	Revisions to Watering Schedule for Drought Contingency Stage III	Fuqua

Council Input

17.	Input	Duncan

18. Adjourn into Executive Session — Duncan

Executive Sessions

19. Executive Session in Accordance with Section 551.071(2) to Consult with the City Attorney Concerning an Economic Development Incentive to Boyce Galvanizing, LLC — Duncan

20. Executive Session Under the Provisions of Title 5, Texas Government Code, Section 551.087 to Discuss or Deliberate Commercial or Financial Information Concerning Entities that the City Seeks to have Locate, Stay, or Expand in or Near the City and with Which the City is Conducting Economic Development Negotiations — Duncan

21. Reconvene into Regular Session to Take Any Necessary Action — Duncan

22. Adjourn — Duncan

I hereby certify that this agenda was posted on the official bulletin boards at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas on Friday, June 22, 2012 at 4:30 p.m. In addition this agenda and supporting documents are posted on the City of Big Spring's website, **www.mybigspring.com** in accordance with legal requirements.

Lesa Gamble

Lesa Gamble, Administrative Assistant

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATIONS OR HEARING-IMPAIRED PERSONS WISHING TO HAVE AN INTERPRETER SHOULD CONTACT LESA GAMBLE AT 264-2401. REQUESTS FOR AN INTERPRETER SHOULD BE MADE AT LEAST 48 HOURS IN ADVANCE OF THE MEETING TIME.

Agenda Removal Notice - This public notice was removed from the official posting board at the Big Spring City Hall Building, 310 Nolan Street, Big Spring, Texas on

June _____, 2012 at _____a.m./p.m. By: _____

City Secretary's Office

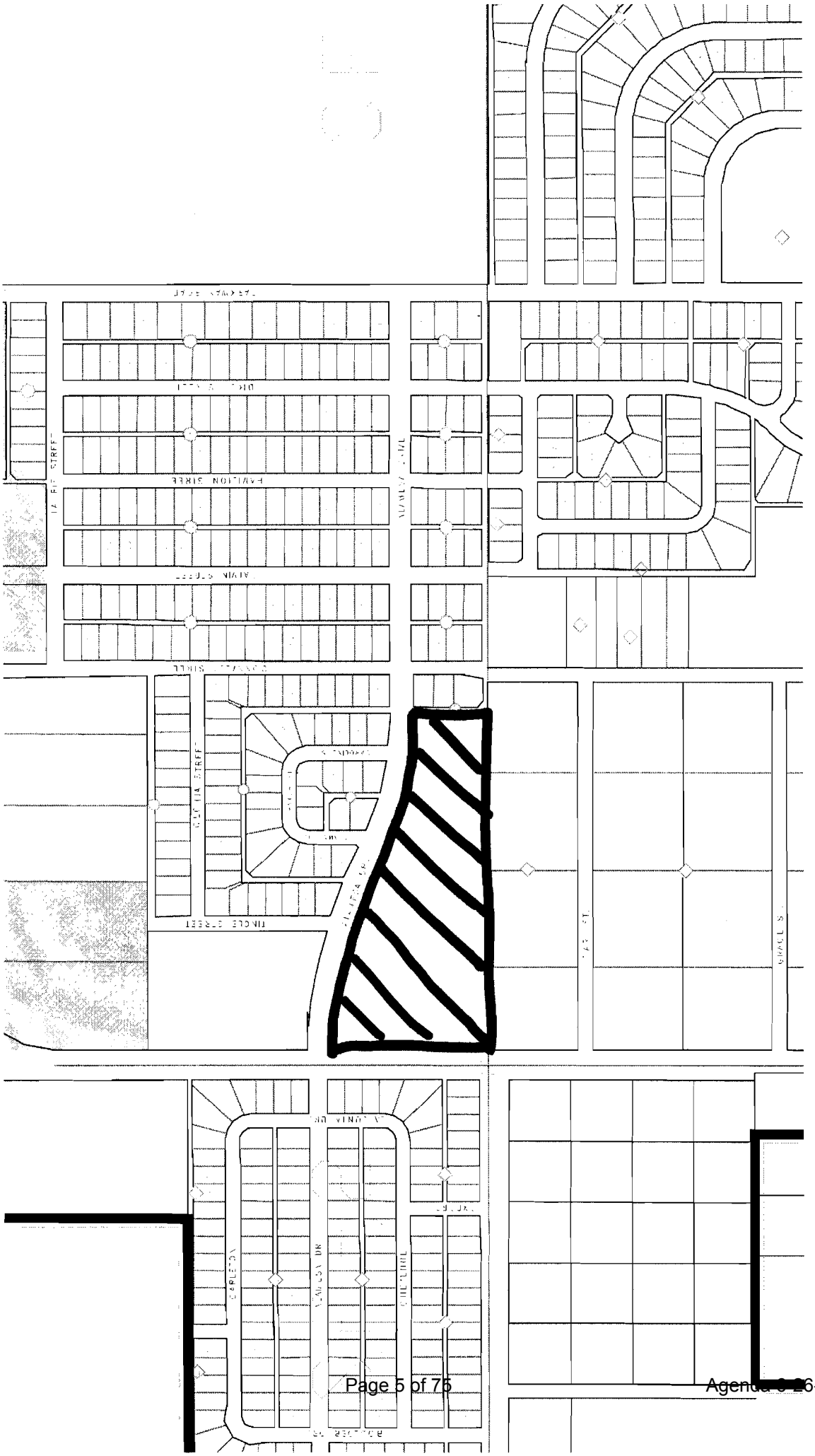
CITY OF
Big Spring
CITY COUNCIL
March 27, 2012

CASE:	Specific Use Permit for 10 acres on southwest corner of Alamesa & Wasson
STATUS:	On June 19, 2012 the Planning & Zoning Commission approved a specific use permit for a Nursing Home Facility at the referenced location and referred it to the City Council for consideration on Tuesday, June 19, 2012.
APPLICANT:	M.U.G.S. Properties, LLC
REPRESENTATIVE:	Monte Randall
LEGAL DESCRIPTION:	Section 12, Block 33 1-S
LOCATION:	10 acres located on the southwest corner of Alamesa & Wasson
CURRENT ZONING:	Single Family-2 (SF-2)
PROPOSED ZONING:	N/A

DETAILS OF REQUEST:

40 Notices sent out – 6 returned – 6 for – 0 against – 0 DMR

Todd Darden
Assistant City Manager/Public Works Director



STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a regular meeting in the City Council Chambers located at 307 E. 4th, Big Spring, Texas, at 5:30 p.m., June 12, 2012, with the following members present:

TOMMY DUNCAN	Mayor
CRAIG OLSON	Mayor Pro Tem
MARCUS FERNANDEZ	Councilmember
CARMEN HARBOUR	Councilmember
GLEN CARRIGAN	Councilmember
BOBBY MCDONALD	Councilmember
MARVIN BOYD	Councilmember

Same and constituting a quorum; and

GARY FUQUA	City Manager
TODD DARDEN	Assistant City Manager
LINDA SJOGREN	City Attorney
PEGGY WALKER	Finance Director/City Secretary
JOHN MEDINA	Human Resources Director
LONNIE SMITH	Police Chief
JIM LITTLE	Airport Director
TIM GREEN	Municipal Court Judge
RICH GROVE	Interim Fire Chief

PRESENTATIONS & PUBLIC HEARINGS

INVOCATION & PLEDGE OF ALLEGIANCE

Holston Banks, Shiloh House of Praise, gave the invocation and Mayor Duncan led the Pledge of Allegiance to the American and State Flags.

PRESENTATION OF "STAR EMPLOYEE AWARDS"

Mayor Duncan and Lonnie Smith, Police Chief, presented "Star Employee Awards" for June of 2012 to Mike Calley and Andrew Garcia, Police Officers of the Big Spring Police Department.

DISPOSITION OF MINUTES

MINUTES OF THE REGULAR MEETING OF MAY 22, 2012 AND SPECIAL MEETING OF MAY 29, 2012

Motion was made by Councilmember Boyd, seconded by Councilmember Fernandez, with all members of the Council voting "aye" approving minutes of the regular meeting of May 22, 2012 and special meeting of May 29, 2012.

CONSENT ITEMS

FINAL READING OF A RESOLUTION AUTHORIZING THE AUCTION OF HOWARD COUNTY TRUSTEE PROPERITES TO THE HIGHEST BIDDER FOR CASH, WITHOUT RESERVATION; AND PROVIDING AN EFFECTIVE DATE

FINAL READING OF A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE ATMOS CITIES STEERING COMMITTEE; AND AUTHORIZING THE PAYMENT OF FIVE CENTS PER CAPITA TO THE ATMOS CITIES STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ATMOS ENERGY CORPORATION

FINAL READING OF AN ORDINANCE AMENDING CHAPTER EIGHTEEN OF THE BIG SPRING CODE OF ORDINANCES ENTITLED "TRAFFIC" BY AMENDING ARTICLE FIVE SECTION 18-149 ENTITLED "SPECIFIC PARKING, STANDING, STOPPING AND STREET CLOSING PROVISIONS" BY ADDING A NEW SUBSECTION (l) IN ORDER TO PROVIDE TWO FIFTEEN MINUTE PET LOADING AND UNLOADING ZONES AT 215 S. MAIN STREET; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION AND PROVIDING AN EFFECTIVE DATE

ACCEPTANCE OF CONVENTION AND VISITORS BUREAU COMMITTEE MINUTES FOR MEETING OF APRIL 4, 2012

ACCEPTANCE OF MCMAHON-WRINKLE AIRPORT DEVELOPMENT BOARD MINUTES FOR MEETING OF APRIL 19, 2012

ACCEPTANCE OF HOWARD COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS MINUTES FOR MEETING OF APRIL 11, 2012

Motion was made by Mayor Pro Tem Olson, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving the above listed resolutions, ordinance and minutes.

ROUTINE BUSINESS

Councilmember McDonald reviewed the vouchers. Motion was made by Councilmember McDonald, seconded by Mayor Pro Tem Olson, with all members of the Council voting "aye" approving vouchers in the amount of $186,544.77 (5/24/12), $733,237.16 (5/31/12) and $594,611.85 (6/7/12).

BIDS

AWARD BID TO CSA CONSTRUCTION, INC. FOR WASTEWATER TREATMENT PLANT FILTERS AND AERATION IMPROVEMENTS AS PART OF THE 2012 WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT AND AUTHORIZING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember Boyd, seconded by Councilmember Fernandez, with all members of the Council voting "aye" awarding bid to CSA Construction, Inc. in the amount of $810,300.00 for Wastewater Treatment Plant filters and aeration improvements as part of the 2012 Wastewater Treatment Plant Improvement Project and authorizing the Mayor to execute any necessary documents.

AWARD BID TO BBVA COMPASS BANK FOR DEPOSITORY SERVICES AND AUTHORIZING THE MAYOR TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Councilmember McDonald, seconded by Councilmember Fernandez, with all members of the Council voting "aye" awarding bid to BBVA Compass Bank for depository services from July 1, 2012 through June 30, 2014, and authorizing the Mayor to execute any necessary documents.

NEW BUSINESS

FIRST READING OF A RESOLUTION AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF TEN CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY L.L.C.

Motion was made by Councilmember Fernandez, seconded by Councilmember Carrigan, with all members of the Council voting "aye" approving first reading of a resolution authorizing continued participation with the Steering Committee of Cities served by Oncor; and authorizing the payment of ten cents per capita to the Steering Committee to fund regulatory and related activities related to Oncor Electric Delivery Company L.L.C.

APPROVAL OF A PROFESSIONAL SERVICES AGREEMENT WITH PARKHILL, SMITH & COOPER, INC., FOR THE FUEL FARM AT MCMAHON-WRINKLE AIRPARK AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY NECESSARY DOCUMENTS

Motion was made by Mayor Pro Tem Olson, seconded by Councilmember McDonald, with all members of the Council voting "aye" approving a Professional Services Agreement with Parkhill, Smith & Cooper, Inc., for the fuel farm at McMahon-Wrinkle Airpark and authorizing the City Manager or his designee to execute any necessary documents.

APPROVAL OF AN INTERLOCAL AGREEMENT BETWEEN CITY OF BIG SPRING AND CITY OF MIDLAND, TEXAS FOR THE CITY OF BIG SPRING TO PURCHASE UTILITY EQUIPMENT FROM THE CITY OF MIDLAND

Motion was made by Councilmember Carrigan, seconded by Councilmember Boyd, with all members of the Council voting "aye" approving an interlocal agreement between City of Big Spring and City of Midland, Texas for the City of Big Spring to purchase utility equipment from the City of Midland.

APPOINTMENT OF COUNCILMEMBER TO THE CONVENTION AND VISITORS BUREAU COMMITTEE BOARD

Councilmember Fernandez nominated Carmen Harbour. Motion was made by Mayor Pro Tem Olson, seconded by Councilmember Carrigan, with all members of the Council voting "aye" appointing Councilmember Harbour to the Convention and Visitors Bureau Committee Board.

CITY MANAGER'S REPORT

Gary Fuqua, City Manager, introduced Lieutenant Terry Chamness to explain about a community wide communication system that would send out emergency notifications through telephones, cell phones and computers within the county. The system has an estimated cost of $7,000 which would be split with Howard County. Councilmembers gave consent for city staff to negotiate with Howard County to purchase this system.

COUNCIL INPUT

Mayor Duncan announced that there are a lot of events going on within the next month (Rodeo, Funtastic Fourth, and Pops in the Park).

Councilmember Fernandez announced that he visited the cemetery and Moss Lake over some concerns he had and thanked the staff for showing him around.

Councilmember Carrigan thanked city staff for their hard work and also thanked Saundra Bloom, Elections Administrator, and her staff for all their work during the elections.

Councilmember McDonald has some concerns over code violations regarding the use of residential property for commercial activity.

ADJOURN

Motion was made by Councilmember Harbour, seconded by Councilmember Carrigan, with all members of the Council voting "aye" to adjourn at 6:10 p.m.

CITY OF BIG SPRING, TEXAS

_____

Tommy Duncan, Mayor

ATTEST:

_____

Tami L. Davis, Assistant City Secretary

RESOLUTION NO._____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AUTHORIZING CONTINUED PARTICIPATION WITH THE STEERING COMMITTEE OF CITIES SERVED BY ONCOR; AND AUTHORIZING THE PAYMENT OF 10 CENTS PER CAPITA TO THE STEERING COMMITTEE TO FUND REGULATORY AND RELATED ACTIVITIES RELATED TO ONCOR ELECTRIC DELIVERY COMPANY L.L.C.

WHEREAS, the City of Big Spring is a regulatory authority under the Public Utility Regulatory Act (PURA) and has exclusive original jurisdiction over the rates and services of Oncor Electric Delivery Company L.L.C. (Oncor) within the municipal boundaries of the city; and

WHEREAS, the Steering Committee has historically intervened in Oncor (formerly known as TXU) rate proceedings and electric utility related rulemakings to protect the interests of municipalities and electric customers residing within municipal boundaries; and

WHEREAS, the Steering Committee is participating in Public Utility Commission dockets and projects, as well as court proceedings, affecting transmission and distribution utility rates; and

WHEREAS, the City is a member of the Steering Committee of Cities Served by Oncor; and

WHEREAS, in order for the Steering Committee to continue its participation in these activities which affects the provision of electric utility service and the rates to be charged, it must assess its members for such costs;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

I.

That the City is authorized to continue its membership with the Steering Committee of Cities Served by Oncor to protect the interests of the City of Big Spring and protect the interests of the customers of Oncor Electric Delivery Company L.L.C. residing and conducting business within the City limits.

II.

The City is further authorized to pay its assessment to the Steering Committee ten cents ($0.10) per capita.

III.

A copy of this Resolution and the assessment payment check made payable to "Steering Committee of Cities Served by Oncor" shall be sent to Jay Doegey, Chair, Steering Committee of Cities Served by Oncor, c/o City Attorney's Office, Mail Stop 63-0300, P. O. Box 90231, Arlington, Texas 76004-3231.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 12th day of June, 2012, with all members present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 26th day of June, 2012, with all members present voting "aye" for the passage of same.

_____
Tommy Duncan, Mayor

ATTEST:

_____
Tami L. Davis, Assistant City Secretary

THE MINUTES OF MEETING OF THE BOARD OF DIRECTORS HOWARD COUNTY APPRAISAL DISTRICT

May 16, 2012

The Board of Directors of the Howard County Appraisal District (HCAD) met for their Regular Meeting on May 16, 2012 at 5:15 pm. Directors present were Donnie Baker, Donnie Reid, Dale Humphreys and Kathy Sayles. Ronny Babcock and Shane Schaffner represented the HCAD.

Mr. Baker called the meeting to order at 5:15 pm.

No one was registered for public comments.

The minutes for April 11, 2012 were reviewed and approved on a motion from Donnie Reid, with a second from Kathy Sayles. Motion carried 4 to 0.

The bills were inspected and reviewed. Kathy Sayles made a motion to approve the bills, Dale Humphreys seconded the motion. Motion carried 4 to 0.

The financial reports were reviewed and approved on a motion from Donnie Reid, with a second from Kathy Sayles. Motion carried 4 to 0.

The board discussed the 2012 Budget Amendment. Motion was made by Dale Humphreys and seconded by Kathy Sayles to approve the amended 2012 Budget as presented. Motion carried 4 to 0.

Donnie Reid motioned to approve the agreement with Stephens, Stephens & Telchik to audit the Howard County Appraisal District's records for this year, and seconded by Dale Humphreys. Motion carried 4 to 0.

With no other business to discuss the meeting adjourned at 6:08 pm.

Secretary, Dale Humphreys

Chairman, Donnie Baker

THE MINUTES OF MEETING OF THE BOARD OF DIRECTORS HOWARD COUNTY APPRAISAL DISTRICT

APRIL 11, 2012

The Board of Directors of the Howard County Appraisal District (HCAD) met for their Regular Meeting on April 11, 2012 at 5:15 pm. Directors present were Donnie Baker, Donnie Reid, Dale Humphreys, and Kathy Sayles. Ronny Babcock and Shane Schaffner represented the HCAD.

Mr. Baker called the meeting to order at 5:15 pm.

No one was registered for public comments.

The minutes for February 8, 2012 were reviewed and approved on a motion from Donnie Reid with a second from Kathy Sayles. Motion carried 4 to 0.

The bills were inspected and reviewed. Dale Humphreys made a motion to approve the bills, Donnie Reid seconded the motion. Motion carried 4 to 0.

The financial reports were reviewed and approved on a motion from Kathy Sayles, with a second from Donnie Reid. Motion carried 4 to 0.

The travel expense were reviewed and approved on a motion from Dale Humphreys with a second from Donnie Reid. Motion carried 4 to 0.

A motion was made by Kathy Sayles to accept the Audit for 2011 from Stephens, Stephens & Telchik as printed. Motioned was seconded by Dale Humphreys. Motion carried 4 to 0.

A motion was made by Kathy Sayles to request 2012 Budget Amendment from all entities. The total budget value would stay the same. Line item Arbitration and Line Item Contract Services would change. Motion was seconded by Donnie Reid. Motion carried 4 to 0.

Motion was made by Kathy Sayles to accept Law Office of Peter William Low as ARB Legal Representation. Motion was seconded by Dale Humphreys. Motion carried 4 to 0.

A motion was made by Dale Humphreys to authorize the Chief Appraiser to enter into contract with BIS Consulting regarding GIS Services and purchase of server. Kathy Sayles seconded the motion. Motion carried 4 to 0.

The board opened bids for sale of District vehicles. After reviewing submitted bids, Donnie Reid motioned to award the highest bid to 87Auto Sales in the amount of $5,067.00 for the 2001 Nissan Exterra; and, highest bid to 87Auto Sales in the amount of

$8,367 for 2005 Ford F150 Pickup. Motion seconded by Kathy Sayles. Motion carried 4 to 0.

The board discussed the Preliminary Budget for 2013 tax year.

With no other business to discuss the meeting adjourned at 7:00 pm.

Secretary, Dale Humphreys

Chairman, Donnie Baker

CITY OF
Big Spring

PUBLIC WORKS
MEMORANDUM

TO: HONORABLE MAYOR AND CITY COUNCIL
MR. GARY FUQUA, CITY MANAGER

FROM: TODD DARDEN, ASSISTANT CITY MANAGER

SUBJECT: AWARD BID FOR WASTEWATER TREATMENT PLANT SCADA IMPROVEMENTS AS PART OF THE 2012 WASTEWATER TREATMENT PLANT IMPROVEMENT PROJECT AND AUTHORIZE THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE ANY AND ALL NECESSARY DOCUMENTS

DATE: JUNE 20, 2012

Parkhill, Smith, & Cooper issued a Request for Proposals to solicit qualifications from qualified companies for the Wastewater Treatment Plant SCADA improvements as part of the 2012 Wastewater Treatment Plant Improvement Project as designated in the specifications.

We received proposals from:

TraC-N-Trol, Inc.	Georgetown, TX
Slaughter & Stanley Construction, Inc.	Big Spring, TX

Representatives of Parkhill, Smith, & Cooper, Inc. evaluated the proposal based on qualifications and other factors. Slaughter & Stanley Construction, Inc. was the recommended bidder at $119,987.50.

Recommendation: The staff recommends that the bid for the Wastewater Treatment Plant SCADA improvements as part of the 2012 Wastewater Treatment Plant Improvement Project be awarded to Slaughter & Stanley Construction, Inc. with the approval of contractor qualifications by Parkhill, Smith & Cooper, Inc.

PSC

PARKHILLSMITH&COOPER

June 14, 2012

Mr. Tommy Duncan, City Mayor
City of Big Spring
310 Nolan Street
Big Spring, TX 79720

Re: Recommendation for Award of Construction Contract
CITY OF BIG SPRING – WWTP SCADA IMPROVEMENTS PROJECT

Dear Mr. Duncan:

We have reviewed the bids for the above referenced project received on June 12, 2012 and determined that the bids were submitted in accordance with guidelines established in the Bid Documents and those procedures adopted by the City of Big Spring. The bid has been determined to be tabulated properly and is consistent with the figures recorded during the bid opening. A completed bid tabulation form is enclosed for your reference.

We recommend that the Construction Contract for the City of Big Spring – WWTP SCADA Improvements project be awarded to the low bidder, Slaughter & Stanley Construction, Inc. for the **Total Contract Amount of $119,987.50**. We feel that this company's qualifications and capacity to complete the project to the satisfaction of the City of Big Spring and PSC are more than adequate.

Please contact me if you have questions or wish to discuss this matter further.

Sincerely,

PARKHILL, SMITH & COOPER, INC.

By _____
Marcelino N. Trujillo, PE
Project Manager

MNT/lms
Enclosures

Amarillo
El Paso
Las Cruces
Lubbock
Midland

4222 66th Street Lubbock, Texas 79423 806.473.2200 Fax 806.473.3600

PARKHILLSMITH&COOPER

PSC

Wastewater Treatment Plant SCADA Improvements

City of Big Spring, Texas

PSC PROJECT NO. 01-0348-12

June 12th, 2012

2:00 PM

				ENGINEER'S OPC		TraC-N-Trol, Inc. PO Box 5056 Georgetown, TX 78627		Slaughter & Stanley Construction, Inc. 202 Corbell Rd. Big Spring, TX 79720	
	BASE BID								
Item No.	Description	Quantity	Unit	Unit Price	Amount	Unit Price	Amount	Unit Price	Amount
1	Mobilization/Demobilization including insurance, bonds and move in/move out related costs LS	1	LS	$4,843.00	$4,843.00	$8,270.00	$8,270.00	$19,455.00	$19,455.00
2	Wastewater Treatment Plant Human Machine Interface (HMI) computer, software and licensing as specified and shown in project plans, complete in place LS	1	LS	$21,030.00	$21,030.00	$41,375.00	$41,375.00	$26,970.00	$26,970.00
3	Replacement of ten (10) SCADA Radios to include enclosures, power supplies, UPS, antennas coaxial cable, terminal blocks, and establishment of radio link between sites as specified and shown in project plans complete in place	1	LS	$85,527.00	$85,527.00	$115,805.00	$115,805.00	$73,562.50	$73,562.50
	TOTAL				$111,400.00		$165,450.00		$119,987.50

Memorandum

TO: Honorable Mayor and
Members of the City Council

FROM: Peggy Walker, Finance Director

DATE: June 22, 2012

SUBJECT: 2012 Budget for Howard County Appraisal District

Included in this agenda is Howard County Appraisal District's proposed budget for 2013. This proposed budget is being presented to you for your consideration and approval. The Appraisal District's Board of directors will approve this budget at their regular board meeting on July 11, 2012.

Section 6.06(b) of the *Texas Tax Code* states the following:

> If governing bodies of a majority of the taxing units entitled to vote on the appointment of board members adopt resolutions disapproving a budget and file them with the secretary of the board within 30 days after its adoption, the budget does not take effect and the board shall adopt a new budget within 30 days of the disapproval.

Howard County Appraisal District

2013
Proposed
Budget

Submitted
16-May-12

Prepared and Submitted
By
Ronny Babcock, RPA, RTA/C
Chief Appraiser

2013

Howard County Appraisal District
2013
Operating Budget

Table of Contents

Section	Page
I. Budget	
A. Budget Summary	Exhibit A
B. Salaries	Exhibit A-1
C. Participation	Exhibit A-2
II. Appraisal Budget Summary	
A. Supporting Schedules	Exhibit B-1 thru B-6
B. Appraisal Budget Proration	Exhibit C
C. Appraisal Budget Proration Pie Chart	Exhibit C-1

Howard County Appraisal District
2013
Combined Budget Summary
Exhibit "A"

	2012 Budget	2013 Budget	Net Change
Revenues:			
Cost Shares	$ 1,312,819.00	$ 996,350.16	(0.24)
Interest Account	-	-	
Miscellaneous Income	-	-	
Total	$ 1,312,819.00	$ 996,350.16	(0.24)
Expenditures:			
Payroll Cost & Employee Benefits 6100 Series	$ 505,319.00	$ 506,936.16	0.00
Purchased & Contracted Service 6200 Series	$ 699,050.00	$ 373,396.00	(0.47)
Supplies & Materials 6300 Series	$ 37,200.00	$ 33,200.00	(0.11)
Other Operating Expenses 6400 Series	$ 44,750.00	$ 51,818.00	0.16
Debt Service 6500 Series	$ -	$ -	0.00
Capital Expenditures 6600 Series	$ 26,500.00	$ 31,000.00	0.17
Total	$1,312,819.00	$996,350.16	(0.24)

Exhibit "A"

Howard County Appraisal District
2013
Salary & Benefit Schedule
Exhibit "A-1"

Position	Classification		Salaries
Payroll Cost			
1	Chief Appraiser	*	$ 93,870.00
	Auto/Phone Allowance		6,000.00
	Group Life / Health Insurance (Est)		8,100.00
	401 Retirement		11,984.40
	457 Retirement		3,994.80
	FICA - Medicare		1,448.12
1	Deputy Chief Appraiser	*	42,500.00
	Phone Allowance		1,200.00
	Group Life / Health Insurance (Est)		8,100.00
	401 Retirement		5,244.00
	457 Retirement		1,748.00
	FICA - Medicare		633.65
1	Administrative Assistant	*	34,554.00
	Group Life / Health Insurance (Est)		8,100.00
	401 Retirement		4,146.48
	457 Retirement		1,382.16
	FICA - Medicare		501.03
1	Appraiser-RPA	*	32,150.00
	Phone Allowance		1,200.00
	Group Life / Health Insurance		8,100.00
	401 Retirement		4,002.00
	457 Retirement		1,334.00
	FICA - Medicare		483.58
1	Appraiser-Level III	*	27,450.00
	Phone Allowance		1,200.00
	Group Life / Health Insurance		8,100.00
	401 Retirement		3,438.00
	457 Retirement		1,146.00
	FICA - Medicare		415.43
1	Appraiser-Level I	*	24,415.00
	Phone Allowance		1,200.00
	Group Life / Health Insurance (Est)		8,100.00
	401 Retirement		3,073.80
	457 Retirement		1,024.60
	FICA - Medicare		371.42
1	Data Entry Clerk	*	27,284.00
	Group Life / Health Insurance (Est)		8,100.00
	401 Retirement		3,274.08
	457 Retirement		1,091.36
	FICA - Medicare		395.62
1	Deeds Clerk	*	20,000.00
	Group Life / Health Insurance		8,100.00
	401 Retirement		2,400.00
	457 Retirement		800.00
	FICA - Medicare		290.00
1	Receptionist	*	21,000.00
	Group Life / Health Insurance		8,100.00
	401 Retirement		2,520.00
	457 Retirement		840.00
	FICA - Medicare		304.50
9			$ 465,210.01
Other Salaries & Benefits			
	Workmans Compensation		$ 1,875.00
	Unemployment Compensation		5,400.00
	Reserve for Merit Increase	5%	16,161.15
	Reserve for Insurance Increase	10%	7,290.00
	Disability Insurace		5,000.00
	Part Time		6,000.00
			$ 41,726.15
Total Salaries & Benefits			$ 506,936.16

Exhibit "A-1"

PARTICIPATION
EXHIBIT A-2

JURISDICTION	2013 estimated APPRAISAL	2012 TOTAL	PERCENT VARIANCE	2011 TOTAL
Howard County	$ 201,405.82	$ 265,377.97	-24.11%	295,049.88
Howard County College	109,537.08	144,329.13	-24.11%	160,560.24
Permian Basin Municipal Water	3,452.20	4,548.72	-24.11%	4,928.16
City of Big Spring	94,561.20	124,596.50	-24.11%	144,182.40
City of Coahoma	1,774.01	2,337.48	-24.11%	2,568.72
City of Forsan	370.12	487.68	-24.11%	501.72
Big Spring ISD	312,821.21	412,182.03	-24.11%	390,927.36
Borden ISD	3,325.59	4,381.89	-24.11%	4,881.84
Coahoma ISD	93,305.62	122,942.11	-24.11%	129,227.64
Forsan ISD	124,446.99	163,974.86	-24.11%	169,965.36
Sands ISD	46,738.05	61,583.37	-24.11%	9,714.36
Stanton ISD	4,612.28	6,077.27	-24.11%	3,001.20
Totals	$ 996,350.16	$ 1,312,819.01	-24.11%	$ 1,315,508.88

Exhibit A2

Howard County Appraisal District
2013
Budget Request Worksheet

Summary by Account

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Payroll Cost		
6111	Salaries & Wages	$ 338,250	$ 323,223
6112	Reserve/Merit Increase	-	16,161
6113	Part Time	5,900	6,000
6114	Overtime Wages	-	-
6117	Phone/Auto Allowances	6,500	10,800
	Employee Benefits		
6142	Group Health/Life Ins	89,250	72,900
6143	Workmen's Comp Ins	-	1,875
6144	FICA-Medicare	4,900	4,843
6145	Unemployment Comp Ins	-	5,400
6146	Disability Insurance	5,000	5,000
6149	Retirement	55,519	53,444
6150	Reserve for Ins. Increase		7,290
Totals		**$ 505,319**	**$ 506,936**

B1
2013

Howard County Appraisal District
2013
Budget Request Worksheet

Summary

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Purchased/Contract Services		
6210	CAD Legal Services	$ 424,000	$ 100,000
6211	ARB Legal Services	3,500	5,000
6212	Financial Auditing	4,800	4,800
6213	Arbitration Fees		5,000
6214	Building Rent	12,300	12,500
6219	Appraisal Services	208,500	145,500
6251		-	-
6253	Computer Equip Maint	-	10,000
6254	Software Support/Maint	40,000	26,400
6255	Web Site Maintenance	-	2,400
6256	Postage Meter System	-	3,096
6269	Office Equip Maint	-	500
6274	Automated Backup	-	-
6275	Telephone	2,250	4,500
6276		-	-
6288		-	-
6289	Copier Lease	3,700	3,700
6290	Custodial Services	-	2,400
6292	Mapping Maintenance	-	10,600
6293	Aerial Photography	-	35,000
6294	Deed Data	-	2,000
Totals		**$ 699,050**	**$ 373,396**

B2
2013

Howard County Appraisal District
2013
Budget Request Worksheet

Summary

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Supplies & Materials		
6333	Books & Subscriptions	$ 8,500	$ 8,500
6391	General Office Supplies	6,000	6,000
6392	Postage & Delivery	12,000	12,000
6393	Appraisal Supplies	3,200	3,200
6394	Copier/Printer Supplies	3,500	3,500
6395	Other Supplies	4,000	-
Total		**$ 37,200**	**$ 33,200**

B3
2013

Howard County Appraisal District
2013
Budget Request Worksheet

Summary

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Other Operating Expense		
6411	Travel/Perdiem/Hotel	$ 10,000	$ 15,000
6413	Schools/Education Cost	2,000	5,000
6430	Board of Review Expense	5,500	5,000
6431	Office Insurance	6,000	1,337
6432	Board Member Liability	1,500	1,500
6433	Vehicle Insurance	-	1,981
6434	Vehicle Expense	12,000	12,000
6491	Dues & Fees	-	-
6492	Legal Notices & Advert	2,000	2,000
6493	Office Forms & Printing	4,550	4,500
6494	Other Operating Costs	1,200	3,500
Total		**$ 44,750**	**$ 51,818**

B4
2013

Howard County Appraisal District
2013
Budget Request Worksheet

Summary

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Debt Service		
6500	Computer Loan Principal	$ -	$ -
6510	Computer Loan Interest	-	-
6520	Real Estate / Principal	-	-
6530	Real Estate / Interest	-	-
Total		$ -	$ -

B5
2013

Howard County Appraisal District
2013
Budget Request Worksheet

Summary

Department Appraisal

Account Number	Account Name	Budget 2012	Total Requested 2013
	Capital Expenditures		
6630	Furniture & Equipment	$ 1,000	$ 3,000
6632	Reserve for Replacement	11,500	4,000
6633	Computer Software	-	2,000
6634	Vehicles	14,000	14,000
6636	Computer Equipment	-	8,000
Total		**$ 26,500**	**$ 31,000**

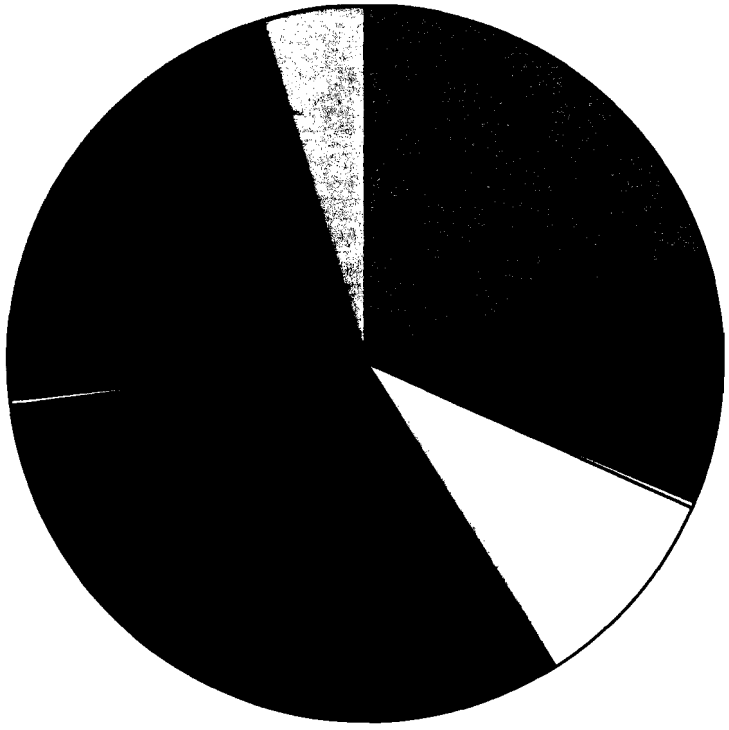
B6
2013

Howard County Appraisal District
2013
Taxing Jurisdiction Proration
Exhibit 'C'

Jurisdiction	2011 Levy	Budget Percentage	2013 Proration
Howard County	11,072,495.29	0.2021436	201,405.82
Howard County College	6,021,915.35	0.1099383	109,537.08
Permian Basin Municipal Water	189,788.36	0.0034648	3,452.20
City of Big Spring	5,198,600.83	0.0949076	94,561.20
City of Coahoma	97,527.84	0.0017805	1,774.01
City of Forsan	20,347.65	0.0003715	370.12
Big Spring ISD	17,197,673.17	0.3139671	312,821.21
Borden ISD	182,827.89	0.0033378	3,325.59
Coahoma ISD	5,129,573.88	0.0936474	93,305.62
Forsan ISD	6,841,603.63	0.1249029	124,446.99
Sands ISD	2,569,473.00	0.0469093	46,738.06
Stanton ISD	253,565.00	0.0046292	4,612.28
Total	54,775,391.89	1.0000000	996,360.16

Exhibit C

APPRAISAL PARTICIPATION



- HOWARD COUNTY
- HOWARD COLLEGE
- PERMIAN UWD
- BIG SPRING CITY
- COAHOMA CITY
- FORSAN CITY
- BIG SPRING SCHOOL
- BORDEN ISD
- COAHOMA SCHOOL
- FORSAN SCHOOL
- SANDS ISD

Exhibit C-1

ORDINANCE NO. _____

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF BIG SPRING, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID CERTIFICATES; APPROVING AN OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTY OF HOWARD §
CITY OF BIG SPRING §

WHEREAS, the City Council of the City of Big Spring, Texas, deems it advisable to issue Certificates of Obligation in the amount of $12,000,000 for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Local Government Code and Subchapter B, Chapter 1502, Government Code; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said City, said newspaper being a "newspaper" as defined in §2051.044, Texas Government Code; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; 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 Tex. Gov't Code Ann. ch. 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The certificates of the City of Big Spring, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of $12,000,000 for paying all or a portion of the Issuer's contractual obligations to be incurred in connection with: (i) acquiring, constructing, installing and equipping additions, extensions and improvements to the City's waterworks and wastewater system, including upgrades and improvements for the water treatment plant and the wastewater treatment plant; and (ii) paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects (collectively, the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF BIG SPRING, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2012," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated July 15, 2012, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in

replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years	Principal Amount	Interest Rates	Years	Principal Amount	Interest Rates
2013	$ 455,000		2023	$585,000	
2014	465,000		2024	605,000	
2015	475,000		2025	630,000	
2016	485,000		2026	650,000	
2017	495,000		2027	675,000	
2018	505,000		2028	700,000	
2019	520,000		2029	730,000	
2020	535,000		2030	760,000	
2021	550,000		2031	790,000	
2022	565,000		2032	825,000	

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or

Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificate initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF CERTIFICATE.

(d) Paying Agent/Registrar for the Certifictes. The Issuer covenants with the registered owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and

legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Authentication. Except as provided below, no Certificate 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 all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the closing 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 his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Book-Entry Only System. The Certificates issued in exchange for the Certificate initially issued to the initial purchaser specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat

and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books 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 Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(g) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the representations letter of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books 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 Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representations letter of the Issuer to DTC.

(i) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the Issuer, 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 such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall cancel the initial Certificate and deliver to the Depository Trust Company on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued

and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) Form of Certificate.

NO. R-

UNITED STATES OF AMERICA
STATE OF TEXAS

PRINCIPAL AMOUNT
$_____

CITY OF BIG SPRING, TEXAS
COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION
SERIES 2012

Interest Rate	Delivery Date	Maturity Date	CUSIP No.
	August 10, 2012	February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Big Spring, in Howard County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2013, and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the registered owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In

addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such 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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (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 a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

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

THIS CERTIFICATE is one of a series of Certificates dated July 15, 2012, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $12,000,000 for paying all or a portion of the Issuer's contractual obligations to be incurred in connection with: (i) acquiring, constructing, installing and equipping additions, extensions and improvements to the City's waterworks and wastewater system, including upgrades and improvements for the water treatment plant and the wastewater treatment plant; and (ii) paying fees for legal, fiscal, engineering, architectural and other professional services in connection with these projects.

ON FEBRUARY 15, 2022, or any date thereafter, the certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of $5,000), at a redemption price equal to the principal amount to be redeemed plus

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and

if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of $5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of $5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the surplus revenues of the Issuer's waterworks and wastewater system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the Issuer's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and wastewater system, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the registered owner of this Certificate, the registered owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, by the Major Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)	(signature)
City Secretary	Mayor

(SEAL)

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Certificate is not accompanied by an executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK NATIONAL ASSOCIATION
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT
(Please print or type clearly)

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

_____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

_____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

_____

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

(d) Form of Registration Certificate of the Comptroller of Public Accounts.
COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

_____

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Initial Certificate Insertions.

(i) The initial Certificate shall be in the form set forth is paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF BIG SPRING, TEXAS, in Howard County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments	Interest Rates

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above, at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2013, and semiannually on each February 15 and August 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Certificates. All amounts received from the sale of the Certificates as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by revenues of the Issuer's waterworks and wastewater system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Issuer's waterworks and wastewater system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the

credit of the Interest and Sinking Fund created pursuant to this Section, to the extent necessary to pay the principal and interest on the Certificates. If Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Article 1208, Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9, respectively, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9, respectively, is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection 6(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements

specified in subsection 6(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Certificates.

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

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the registered owner applying for a replacement certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this , in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the registered owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or the City Manager, and the Mayor or the City Manager is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with –

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

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

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

(9) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor, the City Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Certificates or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Certificates or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax proposes from gross income of the interest.

(f) Adoption of Written Procedures Relating to Continuing Compliance with Federal Tax Covenants. The Issuer hereby adopts the Written Procedures Relating to Continuing Compliance with Federal Tax Covenants set forth in Exhibit A to this Ordinance with respect to the Certificates and any other tax-exempt obligations hereafter issued by the Issuer.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Certificates of Obligation are hereby sold and shall be delivered to Morgan Keegan & Company, Inc. and Crews & Associates, Inc. (the "Underwriters") for the purchase price of $_____ (representing the par amount of the Certificates of $12,000,000.00 plus a net original

issue premium of $_____ and less an underwriters' discount of $_____) plus interest accrued thereon to date of delivery (accrued interest to be deposited into the Interest and Sinking Fund) pursuant to the terms and provisions of a Purchase Agreement with the Underwriters. It is hereby officially found, determined, and declared that the Certificates have been sold pursuant to the terms and provisions of a Purchase Agreement in substantially the form presented at this meeting, which the Mayor Pro Tem of the Issuer is hereby authorized and directed to execute. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of Morgan Keegan & Company, Inc. or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Certificates by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated _____ 2012, prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor and Mayor Pro Tem, the City Manager and City Secretary and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2012 Combination Tax and Surplus Revenue Certificate of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the Project as hereinbefore provided. Proceeds of the Certificates, shall be deposited into the Construction Fund, other than amounts paid at closing for issuance costs. Upon payment of all such Project costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer

hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, 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.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year ending in or after 2009, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial information by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the Issuer 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 Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Certificateholders;
3. Certificate calls;

4. Release, substitution, or sale of property securing repayment of the Certificates;

5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other events affecting the tax status of the Certificates;
6. Tender offers;
7. Defeasances;
8. Rating changes; and
9. Bankruptcy, insolvency, receivership or similar event of an obligated person.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer 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.

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

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering 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 Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. The Issuer 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 Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (v) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

(1) Make any change in the maturity of any of the outstanding Certificates;
(2) Reduce the rate of interest borne by any of the outstanding Certificates;
(3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
(4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
(5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under subsection (b) of this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

Section 15. EFFECTIVE DATE. In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 16. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 26th day of June, 2012, with all members present voting "aye" for passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 10th day of July, 2012, with all members present voting "aye" for passage of same.

_____
TOMMY DUNCAN, Mayor
City of Big Spring, Texas

(CITY SEAL)

_____
PEGGY WALKER, City Secretary
City of Big Spring, Texas

EXHIBIT A

WRITTEN PROCEDURES
FOR FEDERAL TAX COMPLIANCE

These procedures, together with any federal tax certifications, provisions included in the order, ordinance or resolution (the "Authorizing Document") authorizing the issuance and sale of any tax-exempt debt such as the Bonds (the "Obligations"), letters of instructions and/or memoranda from bond counsel and any attachments thereto (the "Closing Documents"), are intended to assist the Issuer in complying with federal guidelines related to the issuance of such Obligations.

A. Arbitrage Compliance. Federal income tax laws generally restrict the ability to earn arbitrage in connection with the Obligations. The Issuer's chief financial officer (such officer, together with other employees of the Issuer who report to or such officer, is collectively, the "Responsible Person") will review the Closing Documents periodically (at least once a year) to ascertain if an exception to arbitrage compliance applies.

Procedures applicable to Obligations issued for construction and acquisition purposes. With respect to the investment and expenditure of the proceeds of the Obligations that are issued to finance public improvements or to acquire land or personal property, the Responsible Person will:

1. Instruct the appropriate person who is primarily responsible for the construction, renovation or acquisition of the facilities financed with the Obligations (the "Project") that (i) binding contracts for the expenditure of at least 5% of the proceeds of the Obligations must be entered into within 6 months of the date of closing of the Obligations (the "Issue Date") and that (ii) the Project must proceed with due diligence to completion;

2. Monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of the Project are expended within 3 years of the Issue Date;

3. Monitor the yield on the investments purchased with proceeds of the Obligations and restrict the yield of such investments to the yield on the Obligations after 3 years from the Issue Date; and

4. To the extent that there are any unspent proceeds of the Obligations at the time the Obligations are refunded, or if there are unspent proceeds of the Obligations that are being refunded by a new issuance of Obligations, the Responsible Person shall continue monitoring the expenditure of such unspent proceeds to ensure compliance with federal tax law with respect to both the refunded Obligations and any Obligations being issued for refunding purposes.

Procedures applicable to Obligations with a debt service reserve fund. In addition to the foregoing, if the Issuer issues Obligations that are secured by a debt service reserve fund, the Responsible Person will assure that the maximum amount of any reserve fund for the Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date.

Procedures applicable to Escrow Accounts for Refunding Obligations. In addition to the foregoing, if the Issuer issues Obligations and proceeds are deposited to an escrow fund to be administered pursuant to the terms of an escrow agreement, the Responsible Person will:

1. Monitor the actions of the escrow agent to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;

2. Contact the escrow agent on the date of redemption of obligations being refunded to ensure that they were redeemed; and

3. Monitor any unspent proceeds of the refunded obligations to ensure that the yield on any investments applicable to such proceeds are invested at the yield on the applicable obligations or otherwise applied (see Closing Documents).

Procedures applicable to all Tax-Exempt Obligation Issues. For all issuances of Obligations, the Responsible Person will:

1. Maintain any official action of the Issuer (such as a reimbursement resolution) stating the Issuer's intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the Project;

2. Ensure that the applicable information return (e.g., U.S. Internal Revenue Service ("IRS") Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;

3. Assure that, unless excepted from rebate and yield restriction under section 148(f) of the Internal Revenue Code of 1986, as amended, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired;

4. Monitor all amounts deposited into a sinking fund or funds pledged (directly or indirectly) to the payment of the Obligations, such as the Interest and Sinking Fund, to assure that the maximum amount invested within such applicable fund at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period; and

5. Ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more.

B. Private Business Use. Generally, to be tax-exempt, only an insignificant amount of the proceeds of each issue of Obligations can benefit (directly or indirectly) private businesses. The Responsible Person will review the Closing Documents periodically (at least once a year) for the purpose of determining that the use of the Project financed or refinanced with the proceeds of the Obligations does not violate provisions of federal tax law that pertain to private business use. In addition, the Responsible Person will:

1. Develop procedures or a "tracking system" to identify all property financed with Obligations;

2. Monitor and record the date on which the Project is substantially complete and available to be used for the purpose intended;

3. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public:

   (i) has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the Project;

   (ii) has a right to use the output of the Project (e.g., water, gas, electricity); or

   (iii) has a right to use the Project to conduct or to direct the conduct of research;

4. Monitor and record whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the Project or any other contractual right granting an intangible benefit;

5. Monitor and record whether, at any time the Obligations are outstanding, the Project, or any portion thereof, is sold or otherwise disposed of; and

6. Take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Authorizing Document related to the public use of the Project.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the Project financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of Obligations, such records shall be maintained until the three (3) years after the refunding Obligations mature or are otherwise paid off. Such records can be maintained in paper or electronic format.

D. Responsible Person. A Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the Project financed or refinanced with the proceeds of the Obligations. The foregoing notwithstanding, each Responsible Person shall report to the governing body of the Issuer whenever experienced advisors and agents may be necessary to carry out the purposes of these instructions for the purpose of seeking approval of the governing body to engage or utilize existing advisors and agents for such purposes.

EXHIBIT B

Annual Financial Statements and Operating Data

The following information is referred to in Section 13(b) of this Ordinance:

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

-- Tables 1 through 6, inclusive, and 8 through 15, inclusive

-- APPENDIX B (FINANCIAL INFORMATION FOR THE LAST COMPLETED FISCAL YEAR WHICH WILL BE UNAUDITED, UNLESS AN AUDIT IS PERFORMED IN WHICH EVENT THE AUDITED FINANCIAL STATEMENTS WILL BE MADE AVAILABLE)

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph above.

ORDINANCE NO._____

AN ORDINANCE OF THE CITY OF BIG SPRING, TEXAS, PROVIDING FOR THE ISSUANCE OF A SPECIFIC USE PERMIT TO M.U.G.S. PROPERTIES, LLC FOR CONSTRUCTION AND OPERATION OF A NURSING HOME FACILITY ON 10 ACRES LOCATED ON THE SOUTHWEST CORNER OF WASSON AND ALAMESA DESCRIBED AS SECTION 12, BLOCK 33 1-S, BIG SPRING, HOWARD COUNTY, TEXAS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS ORDINANCE WAS PASSED WAS OPEN TO THE PUBLIC AS REQUIRED BY LAW

WHEREAS, the City has received a request for a Specific Use Permit for a Nursing Home Facility on 10 acres located on the southwest corner of Alamesa and Wasson; and

WHEREAS, the Planning & Zoning Commission held a public hearing on Tuesday, June 19, 2012 as required by law and voted unanimously to recommend that the City Council allow the Specific Use Permit for the Nursing Home Facility to be located on the southwest corner of Alamesa and Wasson with certain conditions; and

WHEREAS, proper notice of the Public Hearing was published and mailed to all parties that are required by law to be notified;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS THAT:

SECTION 1. A Specific Use Permit for the use of a Nursing Home Facility located on 10 acres on the southwest corner of Alamesa and Wasson, more specifically described as Section 12, Block 33 1-S, Big Spring, Howard County, Texas is hereby approved with the following conditions: submission to and acceptance of a landscape plan by the City of Big Spring Public Works Department with preference given to xerascape plans, adherence to the site plan attached as Exhibit A, and approval from Texas Department of Aging and Disability Service for the allotted bed spaces to be used by the facility.

SECTION 2. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the remainder of this ordinance shall not be affected thereby.

SECTION 3. This ordinance shall take effect immediately from and after its publication and passage upon two readings in accordance with the provisions of the Charter of the City of Big Spring and it is accordingly so ordained.

SECTION 4. It is officially found and determined that the meeting at which this ordinance was passed was open to the public as required by law.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the 26th day of June, 2012 with all members present voting "aye" for the passage of same.

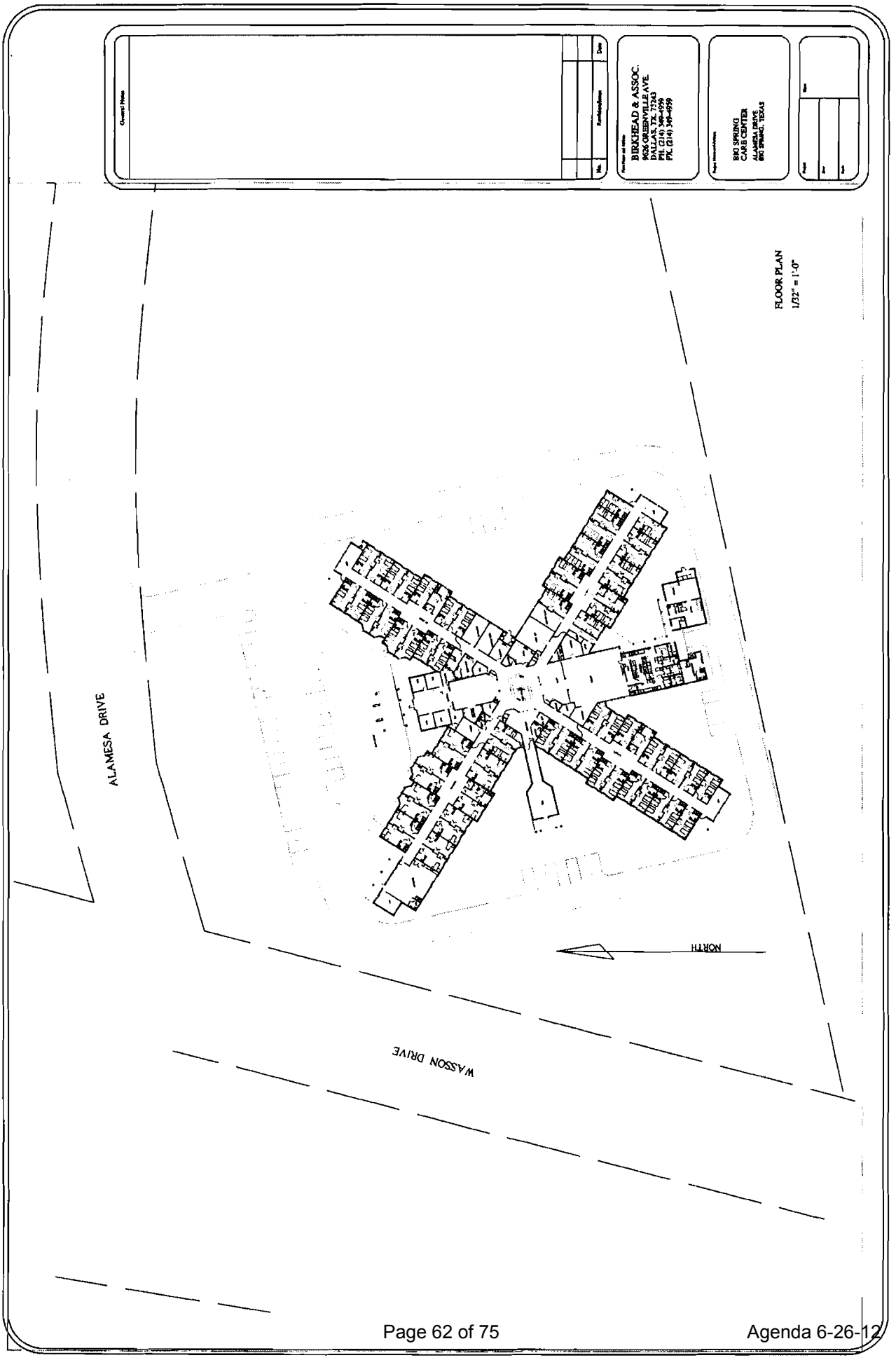
PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the 10th day of July, 2012 with all members present voting "aye" for the passage of same.

ATTEST:

Tommy Duncan, Mayor

Tami Davis, Asst. City Secretary

Exhibit A


General Notes
No.
Revisions/Issues
Date
BIRKHEAD & ASSOC.
9606 GREENVILLE AVE.
DALLAS, TX. 75243
PH. (214) 343-0500
FX. (214) 343-0599
BIG SPRING
CARE CENTER
ALAMESA DRIVE
BIG SPRING, TEXAS
FLOOR PLAN
1/32" = 1'-0"
ALAMESA DRIVE
WASSON DRIVE
NORTH

AGREEMENT BETWEEN
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
AND
TRANSPORT HANDLING SPECIALISTS, INC.

This agreement is made and entered into by and between the Big Spring Economic Development Corporation, a Texas non-profit corporation, hereinafter referred to as "EDC" and Transport Handling Specialists, Inc., having a place of business at 1554 Paoli Pike, #179, West Chester, PA 19380, hereinafter referred to as "THS." This Agreement shall become effective upon execution by both Parties.

1. RECITALS

WHEREAS, THS desires to enhance the competitiveness of industrial activity in Big Spring and the development of industrial properties in the Big Spring McMahon Wrinkle Airpark hereinafter referred to as the "Airpark" through the rehabilitation and activation of an existing line of railroad to, and the facilitation of new railway infrastructure within the Airpark under the name Big Spring Rail System; and

WHEREAS, THS desires to operate a common carrier railroad to the Airpark and to facilitate the construction of new railroad facilities to be served by said Big Spring Rail System on certain Leased Property currently under lease from the City of Big Spring; and

WHEREAS, THS desires an economic development incentive to reimburse THS for repairs performed to the existing rail spur which connects the main Union Pacific Rail Line with the Airpark. THS interceded with Union Pacific "UP" on behalf of Co-Ex Pipe Co. to perform improvements and infrastructure upgrades to the leased rail located at the Airpark. UP notified Co-Ex Pipe that the rail spur had been put out of service indefinitely due to the lack of a split-rail derail in the middle of the grade coming from the main line to the Co-Ex facility. THS immediately proceeded to contact and bring in specialists to make the necessary repairs to the track. As a result of THS's quick action Co-Ex Pipe experienced only short production delays due the lack of raw material; and

WHEREAS, THS requests reimbursement from EDC for up to $28,303.00 for the rail repairs necessary to ensure rail service to Co-Ex Pipe, an important Big Spring business, as detailed in Exhibit "A"; and

WHEREAS, EDC is willing to provide such economic development incentive which resulted in restored service to Co-Ex Pipe and will further enhance efforts to develop increased economic activity at the Airpark, provide service to existing customers at the Airpark and facilitate the development of new business entities resulting in the potential for additional job creation and business development;

NOW THEREFORE, in consideration of the mutual agreements, covenants and conditions contained herein, the Parties agree as follows:

2. DEFINITIONS

(a) "Repairs" shall mean all investments by the THS in fixed railway infrastructure above and beyond those maintenance expenditures required to meet UP derail requirements necessary to maintain and provide service to Co-Ex Pipe as evidenced by invoices presented in Exhibit "A".

3. AGREEMENT

(a) THS agrees and covenants as follows:

1. THS has made the necessary repairs required by UP to continue rail service to Co-Ex Pipe.

2. THS has made all the repairs evidenced by invoices in Exhibit "A."

3. THS will provide invoices or other documentation from rail contractors and rail suppliers for worked performed and supplies acquired to complete the repairs in a form deemed acceptable to EDC in order to request reimbursement for said expenditures.

4. THS will not knowingly employ any undocumented workers. EDC will not reimburse and THS must repay funds it receives from EDC if THS, Big Spring Rail System, a branch, division, department of them, their officers or employees are convicted of federal immigration violations under 8 U.S.C. Section 1324a(f). THS shall repay the amount of the subsidy received according to the terms of the agreement not later than the 120th day after the date the public agency, state or local taxing jurisdiction or EDC notifies it of the violation.

5. THS agrees and understands that the City Council of the City of Big Spring must approve all programs and expenditures of EDC, and accordingly this Agreement shall not become effective until the City Council has approved this Agreement at a properly noticed City Council meeting.

(b) EDC agrees to:

Reimburse THS up to $28,303.00 upon receipt of acceptable proof of work performed and costs incurred for repairs.

6. DEFAULT

This Agreement shall terminate immediately in the event that THS's lease with the City of Big Spring terminates for any reason, THS abandons the Leased Property or assigns or subleases it to another entity that is not a parent or subsidiary of THS, ceases to utilize the

Leased Property in the manner described above, or relocates operations conducted on the Leased Property or other properties leased by THS at the Airpark to another location.

This agreement is executed in duplicate originals on the dates set forth below.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

By: _____
Justin Myers, President

Date executed: _____

TRANSPORT HANDLING SPECIALISTS, INC.

By: _____

_____
Printed Name and Title

Date executed: _____

Exhibit "A"

RAILWORKS

RailWorks Track Systems - Texas, Inc.
P.O. Box 152[illegible]
Houston, Texas 77220
(713) 672-0200 Fax (713) 672-5[illegible]4

INVOICE

INVOICE DATE	CUSTOMER NO.	INVOICE NUMBER
2/29/2012	TRA120	407-28026-1258
P.O. NUMBER	LOCATION	JOB NO.
	BIG SPRING TEXAS	407-28026
TERMS	MATERIAL TAX CERTIFICATE ON FILE	
NET 30 DAYS		

TO: TRANSLOAD HANDLING SPECIALIST
ATTN: ACCOUNTS PAYABLE
1544 PAL. PIKE #179
WEST CHESTER, PA 19380

****REMIT TO ADDRESS****

REMIT TO: RailWorks Track Systems - Texas, Inc.
39563 TREASURY CENTER
CHICAGO, IL 60694-9600

DESCRIPTION	AMOUNT
RAILROAD TRACK REPAIRS PERFORMED ON FEBRUARY 6-10, 2012 AS DESCRIBED ON THE ATTACHED REPORTS	
6 REPORT ATTACHED	
LABOR	$ [illegible]
EQUIPMENT	2,090.83
	5,130.27
MATERIALS	274.[illegible]
	5,404.[illegible]
PER DIEM 1 MAN GENERAL SUPER @ $127.00 PER DAY FOR TWO DAYS AND 6 MEN $[illegible] PER DAY EACH FOR TWO DAYS (SEE ATTACHED PER DIEM RECAP SHEET)	$ [illegible]
	$ [illegible]
SALES TAX ON LABOR AND EQUIPMENT ($8,130.27 @ 8.25%)	$ [illegible]
TOTAL AMOUNT DUE	$ 10,395.64

Promote Safety ... Every Day!

RAILWORKS

RailWorks Track Systems - Texas, Inc
P. O. Box 15217
Houston, Texas 77220
(713) 673-6208 Fax (713) 672-9614

INVOICE

INVOICE DATE	CUSTOMER NO	INVOICE NUMBER
7/29/2012	TRA129	407-28028-1
P.O. NUMBER	LOCATION	JOB NO
	BIG SPRING TEXAS	407-28028
TERMS	MATERIAL TAX CERTIFICATE	
NET 30 DAYS	ON FILE	

TO: TRANSLOAD HANDLING SPECIALIST
ATTN: ACCOUNTS PAYABLE
1554 PAOLI PIKE #179
WEST CHESTER, PA 19380

******REMIT TO ADDRESS******

REMIT TO: RailWorks Track Systems - Texas, Inc
39553 TREASURY CENTER
CHICAGO, IL 60694-9500

DESCRIPTION	AMOUNT
RAILROAD TOOLS DELIVERED ON 02-04-2012 AS DESCRIBED ON THE ATTACHED REPORT	
1. REPORT ATTACHED	
RAILROAD TOOLS	$ [illegible]
SALES TAX @ .8.25%	$ 41.[illegible]
TOTAL AMOUNT DUE:	$ 548.6[illegible]

"keep 'em on track"

INVOICE DATE: 2/13/12 INVOICE NUMBER: BSR 002-12

RAILROAD RHODES TRACK SERVICES, INC.

INVOICE

Invoice To:

Company Name: QEM

Attention: Mr. Ron Bowes

Address: 1554 Paoli Pike #179

City: West Chester

State: PA

Zip: 19380

DATE (s)	DESCRIPTION OF SERVICES	AMOUNT
2/9/2012 to 2/11/2012	Travel to Big Spring, TX, installation of split switch derail	
	Southwest Airlines round trip Panama City, Fl. To Midland, TX	$602.50
	Personal veh. round trip mileage, Dothan, AL to Panama City, FL airport	$96.40
	Airport parking	$27.00
	To increase production time, at job site lunch for work crew	$47.22
	Tractor Supply Co., hardware for split sw. installation	$26.75
	2 days vehicle renta	$63.31
	Rental vehicle fuel	$24.85
	Meals	$73.75
	3 days travel and services	$1,800.00
	2 nights Big Spring, TX Hampton Inn direct bill to QEM.	
	TOTAL	$2,761.78

Payment - 30 day net from invoice date.

Please reference Invoice Number on payment.

Please submit payment to:

Railroad Rhodes Track Services, Inc
314 Wicklow Drive
Dothan, AL 36303

Railroad Rhodes Track Services, Inc. EIN# 80-0430031

Invoice Submitted via:	In Person	U.S. Mail	FAX	E-mail
				X

Thank you for your business

"keep 'em on track"

RAILWORKS®

RailWorks Track Systems , Inc.
P. O. Box 15217
Houston, Texas 77220
(713) 673 6208 Fax (713) 672-9614

INVOICE

INVOICE DATE	CUSTOMER NO.	INVOICE NUMBER
5/9/2012	TRA120	407-28028-1418
P.O. NUMBER	LOCATION	JOB NO.
RON BOWES	BIG SPRING TEXAS	407-28028
TERMS	MATERIAL TAX CERTIFICATE	
NET 30 DAYS	ON FILE	

TO: TRANSPORT HANDLING SPECIALIST, INC
ATTN: ACCOUNTS PAYABLE
1554 PAILI PIKE #179
WEST CHESTER, PA 19380

****REMIT TO ADDRESS****

REMIT TO: RailWorks Track Systems, Inc.
39553 TREASURY CENTER
CHICAGO, IL 60694-9500

DESCRIPTION	AMOUNT
RAILROAD TRACK REPAIRS PERFORMED IN APRIL 2012 PER OUR PROPOSAL LETTER DATED APRIL 24, 2012 FOR A LUMP SUM AS FOLLOWS	
REF: STRAIGHT RAIL LAST SWITCH	
LABOR AND EQUIPMENT	$ 7,714.46
MATERIALS	261.00
	7,975.46
SALES TAX ON LABOR AND EQUIPMENT ($7,714.46 @ .8.25%)	$ 636.44
TOTAL AMOUNT DUE:	**$ 8,611.90**

RailWorks Track Systems – Texas, Inc.
PO Box 7128
Fort Worth, TX 76111
214.604.8401
Fax 254.576.3100

Date: 5-12-12

Ron Bowes – Chief Operating Officer
Transport Handling Specialists, Inc.
1554 Paoli Pike, #179
West Chester, PA 19380

Phone: 610 701-0629
E-mail: RBowes@thsrail.com
Fax: 601 701-0659

Reference: Sliding DeRail

In response to the above referenced inquiry, RailWorks Track Systems – Texas, Inc. (RailWorks) proposes to furnish labor, equipment and material (except for those items furnished by the owner) necessary to complete the above referenced project for total lump sum price of: $ 2,985.66

LABOR AND EQUIPMENT	$ 2,938.78
MATERIALS	$ 46.88
TOTAL (Taxes excluded)	**$ 2,985.66**

See ATTACHMENT **A** for Scope *of Work and Clarifications*. **ATTACHMENT B**, our *Standard Terms and Conditions*, is included with this proposal or is on file with your company, which in either case should be considered part of this proposal.

We propose to commence work on this project within 5 working days after notice to proceed and receipt of a formal purchase order. Also, we propose to complete this work within 1 working day thereafter, barring inclement weather, and contingent upon receipt of material. Overtime, shift and/or weekend work is included.

This proposal shall remain firm for your acceptance for a period of 30 days and will then be subject to review.

We appreciate the opportunity to present this proposal for your consideration and trust that it will meet with your requirements. However, should it fall short of your requirements or further information is needed, please contact RailWorks at your earliest convenience to discuss.

Sincerely,
RailWorks Track Systems – Texas, Inc.

Herb Young
Area Manager

Accepted By (If Applicable sign & return):

_____

Date: _____

Quotation

A & K Railroad Materials, Inc.

10555 LAKE FOREST BLVD. SUITE 7K
NEW ORLEANS, LA 70127

Phone: (504)246-7081 Fax: (504)246-7082 Email: ptheriot@akrailroad.com

Quotation No. QS-12-06406-2
Date Quoted 5/10/2012
Your Reference:
Customer Acct No

Buyer: PAUL'S NEW CUSTOMERS

Ship To: PAUL'S NEW CUSTOMERS
BIG SPRING RAIL
BIG SPRING, TX 79720

Requested By: RON BOWES
E-mail: rabowes@hotmail.com
Phone:
Fax:
Cell Phone:
Tax Exempt #:

We thank you for your inquiry and are pleased to quote as follows:

Quantity	Unit	DESCRIPTION	Unit Price	Price	Ship Via
1.00	EA	DERAIL RELAY SLIDING 6 DOUBLE-END HBX WCH	1,570.00	1,570.00	LTL
1.00	EA	SWITCH STANDS NEW HRS-100 HIGH 18" PURPLE D 9' 1" ROD BOLT 15/16" JAW	1,201.00	1,201.00	LTL

Sales Balance	Total Discount	Freight Charges	Sales Tax	Total	
2,771.00	0.00	0.00	228.61	2,999.61	USD

Prices in material/transportation shall be subject to change without notice

CONDITIONS: All material quoted is to the conditions on the reverse side or attached sheet. All material quoted is subject to prior sale.
Due to drastic variances in fuel prices we reserve the right to re-quote & adjust freight rates at time of shipment as necessary.

TERMS
SHIPMENT All in stock unless noted
F.O.B.

QUOTED BY _____
Paul Theriot
Southern Sales Manager

The opportunity of quoting is appreciated and we hope that we may be favored with your order
Visit our Website at www.AKrailroad.com

Minutes of the Board of Director's Regular Meeting
BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
Tuesday, May 15, 2012
5:15 p.m.
Offices of the Big Spring Economic Development Corporation
215 West Third Street
Big Spring, Texas

The Regular Meeting of the Board of Directors of the Big Spring Economic Development Corporation was called to order at 5:20 p.m. Tuesday, May 15, 2012 in the offices of the Big Spring Economic Development Corporation with Mr. Myers, presiding. The following notice was sent on May 11, 2012 to all Directors, the news media, and duly posted on May 11, 2012, by Teresa Darden in compliance with the Open Meeting's Act by posting it on the outside door of the Big Spring Economic Development Corporation and on the inside and outside of City Hall.

"The Board of Directors of the Big Spring Economic Development Corporation will hold a Regular Board Meeting on Tuesday, May 15, 2012 at 5:15 p.m. in the offices of the Big Spring Economic Development Corporation, 215 West Third Street, Big Spring, Texas. The purpose of the meeting is: Howard College Grant Quarterly Update for Workforce Training; Action on Minutes of the April 17, 2012 Regular Meeting; Action to Approve April Financials; Action to Approve April Investment Reports; Directors Report; Public Comment; Board Comment; and Adjourn".

Directors Present:
Mr. Justin Myers
Mr. Rodney Bomar
Mr. Scott MacKenzie
Mr. Jim DePauw

Directors Absent:
Dr. Keith Ledford

Staff Present:
Mr. Terry Wegman
Mrs. Teresa Darden

Guests:
Miklos Szabo
Amanda Moreno
Tommy Duncan

AGENDA ITEM # 1 – Call to Order/Invocation and Pledge:

Mr. Myers called the meeting to order at 5:20 p.m. Mr. Myers led the invocation and pledge.

AGENDA ITEM #2- Howard College Grant Quarterly Update for Workforce Training:

Mr. Jimmy Hobdy gave the 2012 first quarterly update on the Howard College Grant for Workforce Training. Mr. Hobdy explained that programs have continued to be a great success. Along with the core training classes, HC has developed a NCCER accredited course. Total number of course students enrolled in the program in January was 77 students enrolled in 118 different courses. Howard College has been very pleased with the participation from the area High Schools as well as local business. Howard College is planning to launch Green Construction Technology in the Fall of 2012

AGENDA ITEM # 3- Action to Approve Minutes of the April 17, 2012 Regular Meeting:

Mr. Myers presented the minutes of the April 17, 2012 Regular Meeting. Motion to accept the minutes for the April 17, 2012 Regular Meeting was made by Mr. DePauw seconded by Mr. Bomar. The motion passed 4 to 0 with all members present voting "aye" in favor of the motion.

ACTION ITEM #4- Action on April Financials:

Mr. Bomar presented the April Financials. Motion to approve the April Financials was made by Mr. DePauw seconded by Mr. Myers. The motion passed 4 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #5- Action to Approve April Investment Report:

Mr.Bomar presented the April Investment Report. Motion to approve the April Investment Report was made by Mr. DePauw seconded by Mr. Myers. The motion passed 4 to 0 with all members present voting "aye" in favor of the motion.

AGENDA ITEM #6- Directors Report

Mr. Wegman discussed various projects including: Transport Handling Specialists have signed the interchange/service agreement with Union Pacific, they are waiting on a shipping number in order to transport the locomotive to Big Spring, Parkhill Smith and Cooper have become involved with the Airpark rail design and the grant, MOU is pending between EDC and THS until meeting with prospective company. Health Center has received a grant to fund the dental clinic, optometry and pharmacy. A permanent MD will be arriving this summer and visits have reached a level that will require a permanent nurse practitioner. Local business expansion is still pending. Desert Tanks has had amazing growth. In June of 2011, they had 19 employees, total employment 126 including Lubbock, 79 new Big Spring hires of which 76 live in Howard County, base payroll is $172,231+$200,000=$372,231 Qtr. Required to receive 100% note credit, 1st Qtr payroll= $635,737 in Howard County. PCCA has turned in payroll reports and have met terms. EDC is still waiting on CeRame-Kote's payroll reports. Wind technology related business is looking for a facility to do a test project. Permian Basin Region is collaborating to obtain wage and labor data for the region. This would help not only

existing businesses but new businesses that may need to know competitive wages. The Type B election passed on May 12, 2012 and the EDC will continue to provide the best economic development opportunities.
Mr. Wegman advised the board of past and upcoming meetings that include: TEDC Spring Meeting was April 18-20, TxDot Public Hearing 5-15-12 concerning the reliever route, AWEA Show is June 3-6, Terry will be on vacation June 18-22 and the next Board Meeting is June 19th.

AGENDA ITEM #7- Public Comments
None

AGENDA ITEM # 8- Board Comments
None

AGENDA ITEM # 9- Adjourn
Mr. Myers asked for a motion to adjourn.
Motion by Mr. Myers, seconded by Mr. DePauw. The motion passed 4 to 0 with all members present voting "aye" in favor of the motion.
Meeting adjourned at 6:00 pm on May 15, 2012

Mr. Myers, President

ATTEST:

Mr. DePauw, Board Member