

# CITY COUNCIL AGENDA

City of Big Spring  
Tuesday, July 10, 2012

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, July 10, 2012, at 5:30 p.m. in the City Council Chambers located at 307 East 4<sup>th</sup> 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

## Disposition of Minutes

2. Minutes of the Regular Meeting of June 26, 2012 and Special Meeting of July 2, 2012 4-10 Davis

## Consent Items

3. Final 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 at the Corner of Wasson and Alamesa Described as Section 12, Block 33 1-S, Big Spring, Howard County; Providing for Severability; Providing for Publication 11-13 Darden
4. Acceptance of Convention and Visitors Bureau Committee Minutes for Meeting of May 9, 2012 14-15 Walker
5. Acceptance of McMahon-Wrinkle Airport Development Board Minutes for Meetings of April 19, 2012 and May 24, 2012 16-19 Little

## Other Consent Items

6. Final 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 20-46 Walker

**Routine Business**

7. Vouchers for 06/28/12 \$ 558,605.98 Boyd

**Bids**

8. Award Bids for Backhoes and Mini-Excavator Leases and Authorizing the City Manager or His Designee to Execute Any Necessary Documents 47-48 Medina

**New Business**

9. Approval of a Grant Agreement for a Fuel Pad and Access Turnaround with Texas Department of Transportation and Authorizing the City Manager or His Designee to Execute Any Necessary Documents 49-63 Little
10. Approval to Apply for a FEMA Grant for Firefighter's Assistance Program and Authorizing the City Manager or His Designee to Execute Any Necessary Documents 64-67 Grove
11. Approval of an Agreement for Assessment and Collection of Taxes with Howard County Tax Assessor Collector and Authorizing the Mayor to Execute the Agreement 68-76 Walker

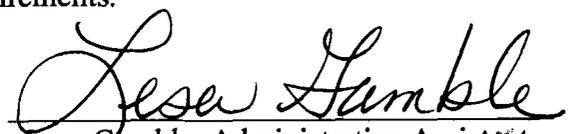
**City Manager's Report**

12. Fuqua

**Council Input**

13. Input Duncan
14. 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, July 6, 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](http://www.mybigspring.com) in accordance with legal requirements.

  
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

July \_\_\_\_\_, 2012 at \_\_\_\_\_ a.m./p.m.

By: \_\_\_\_\_  
City Secretary's Office

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. 4<sup>th</sup>, Big Spring, Texas, at 5:30 p.m., June 26, 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

(Councilmember Boyd was not present at this meeting.)

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**

Councilmember Carrigan gave the invocation and Mayor Duncan led the Pledge of Allegiance to the American and State Flags.

### **PUBLIC HEARING – CONSIDERATION AND DISCUSSION OF A SPECIFIC USE PERMIT FOR 10 ACRES ON SOUTHEAST PORTION OF PROPERTY OF ALAMESA AND WASSON**

Motion was made by Councilmember Carrigan, seconded by Councilmember Fernandez, with all members of the Council voting “aye” to open the public hearing. Todd Darden, Assistant City Manager, explained that the Planning & Zoning Commission approved a specific use permit for a Nursing Home Facility to be constructed on 10 acres on the southeast portion of property at Alamesa and Wasson Road. After a brief discussion and one comment over traffic noise and a screening fence from a citizens that lives close to

the proposed area, it was agreed by the contractor of the project would build a privacy fence. Motion was made by Councilmember Carrigan, seconded by Mayor Pro Tem Olson, with all members of the Council voting “aye” to close the public hearing.

#### **PRESENTATION OF “STAR EMPLOYEE AWARDS”**

Mayor Duncan and Peggy Walker, Finance Director, presented “Star Employee Awards” for July of 2012 to Connie Wood, Staff Accountant for the Finance Department, and Brian Letz, Customer Service Technician for the Water Department.

#### **DISPOSITION OF MINUTES**

##### **MINUTES OF THE REGULAR MEETING OF JUNE 12, 2012**

Motion was made by Councilmember Fernandez, seconded by Councilmember Harbour, with all members of the Council voting “aye” approving minutes of the regular meeting of June 12, 2012.

#### **CONSENT ITEMS**

**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**

**ACCEPTANCE OF HOWARD COUNTY APPRAISAL DISTRICT BOARD OF DIRECTORS MINUTES FOR MEETING OF APRIL 11, 2012 AND MAY 16, 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 resolution and minutes.

#### **ROUTINE BUSINESS**

Mayor Pro Tem Olson reviewed the vouchers. Motion was made by Mayor Pro Tem Olson, seconded by Councilmember Fernandez, with all members of the Council voting “aye” approving vouchers in the amount of \$1,059,271.07 (6/14/12) and \$266,804.43 (6/21/12).

#### **BIDS**

**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**

Motion was made by Councilmember Harbour, seconded by Councilmember Fernandez, with all members of the Council voting “aye” awarding bid to Slaughter & Stanley Construction, Inc. in the amount of \$119,987.50 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.

**AWARD BID FOR CRACK-SEAL OF RUNWAY 6-24 AT THE MCMAHON-WRINKLE AIRPORT USING RAMP FUNDS 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” awarding bid to Tracy Clinkenbeard Jr., Inc. in the amount of \$44,250.00 for the Crack-Seal of Runway 6-24 at the MacMahon-Wrinkle Airport using RAMP funds and authorizing the City Manager or his designee to execute any necessary documents.

**NEW BUSINESS**

**PRESENTATION OF HOWARD COUNTY APPRAISAL DISTRICT PROPOSED 2013 BUDGET**

Ronny Babcock, Howard County Chief Appraiser, presented the Howard County Appraisal District proposed 2013 budget. Motion was made by Councilmember Fernandez, seconded by Mayor Pro Tem Olson, with all members of the Council voting “aye” approving the Howard County Appraisal District proposed 2013 budget.

**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**

Motion was made by Mayor Pro Tem Olson, seconded by Councilmember Fernandez, with all members of the Council voting “aye” approving 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.

**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 SOUTHEAST CORNER OF WASSON AND ALAMESA DESCRIBED AS SECTION 12, BLOCK 22 1-S, BIG SPRING, HOWARD COUNTY; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION**

Motion was made by Mayor Pro Tem Olson, seconded by Councilmember Fernandez, with all members of the Council voting “aye” approving 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 southeast corner of Wasson and Alamesa described as Section 12, Block 22 1-S, Big Spring, Howard County; providing for severability; providing for publication.

**DISCUSSION AND CONSIDERATION OF APPROVAL OF A PERFORMANCE AGREEMENT BETWEEN BIG SPRING ECONOMIC DEVELOPMENT CORPORATION AND TRASPORT HANDLING SPECIALISTS, INC.**

After a brief discussion, motion was by Councilmember McDonald, seconded by Councilmember Fernandez, with all members of the Council voting “aye” approving a performance agreement between Big Spring Economic Development Corporation and Transport Handling Specialists, Inc.

**ACCEPTANCE OF BIG SPRING ECONOMIC DEVELOPMENT CORPORATION BOARD OF DIRECTORS MINUTES FOR REGULAR MEETING OF MAY 15, 2012**

Motion was made by Councilmember Carrigan, seconded by Councilmember Harbour, with all members of the Council voting “aye” accepting the Big Spring Economic Development Corporation Board of Directors minutes for regular meeting of May 15, 2012.

**CITY MANAGER’S REPORT**

Gary Fuqua, City Manager, updated the Council on the 2012 Seal Coat Project. Due to price increases the street department will only seal coat 4.5 miles of streets, however the airpark has funds to seal coat an additional 2.5 miles at the airpark.

Mr. Fuqua also revised the watering schedule for citizens to water for four hours instead of two hours on their scheduled day to water.

**COUNCIL INPUT**

Mayor Duncan announced he was looking forward to Funtastic Fourth and Pops in the Park.

Councilmember Harbour thanked Todd Darden for showing her around District Two.

Councilmember McDonald asked staff to look at seal coating Runnels Street.

**EXECUTIVE SESSIONS**

**ADJOURN INTO EXECUTIVE SESSIONS AT 6:35 P.M. FOR THE FOLLOWING:**

EXECUTIVE SESSION IN ACCORDANCE WITH SECTION 551.071(2) TO CONSULT WITH THE CITY ATTORNEY CONCERNING AN ECONOMIC DEVELOPMENT INCENTIVE TO BOYCE GALVANIZING, LLC

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

RECONVENE INTO REGULAR SESSION TO TAKE ANY NECESSARY ACTION AT 8:00 P.M.

Mayor Duncan announced that the Council will hold a special council session on Monday, July 2, 2012, to expedite an incentive agreement with Boyce Galvanizing, LLC.

**ADJOURN**

Motion was made by Councilmember Carrigan, seconded by Councilmember McDonald, with all members of the Council voting “aye” to adjourn at 8:01 p.m.

CITY OF BIG SPRING, TEXAS

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Tommy Duncan, Mayor

ATTEST:

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Tami L. Davis, Assistant City Secretary

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

The City Council of the City of Big Spring, Texas, met in a special meeting in the City Council Chambers located at 307 E. 4<sup>th</sup>, Big Spring, Texas, at 5:30 p.m., July 2, 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

(Councilmember Boyd was not present at this meeting.)

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**

Cotton Mize gave the invocation and Mayor Duncan led the Pledge of Allegiance to the American and State Flags.

### **NEW BUSINESS**

#### **DISCUSSION AND CONSIDERATION OF APPROVAL OF AN INCENTIVE AGREEMENT BETWEEN BIG SPRING ECONOMIC DEVELOPMENT CORPORATION AND BOYCE GALVANIZING, LLC**

After a brief discussion, motion was made by Councilmember Carrigan, seconded by Mayor Pro Tem Olson, with all members of the Council voting “aye” approving an incentive agreement between Big Spring Economic Development Corporation and Boyce Galvanizing, LLC.

**CITY MANAGER’S REPORT**

Gary Fuqua, City Manager, announced that the Teen Court Board has 2 board member openings.

**COUNCIL INPUT**

Mayor Duncan announced that the Funtastic Fourth had a good turn out and is looking forward to Pops in the Park.

**ADJOURN**

Motion was made by Councilmember McDonald, seconded by Mayor Pro Tem Olson, with all members of the Council voting “aye” to adjourn at 5:40 p.m.

CITY OF BIG SPRING, TEXAS

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Tommy Duncan, Mayor

ATTEST:

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Tami L. Davis, Assistant City Secretary

**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 AT THE 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 at the corner of Wasson and Alamesa; 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 Wasson and Alamesa 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 at the corner of Wasson and Alamesa, 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 xerandscape plans, adherence to the site plan attached as Exhibit A, installation of a privacy fence around property perimeter to act as a sound suppression barrier, 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 26<sup>th</sup> day of June, 2012 with all members present voting "aye" for the passage of same.

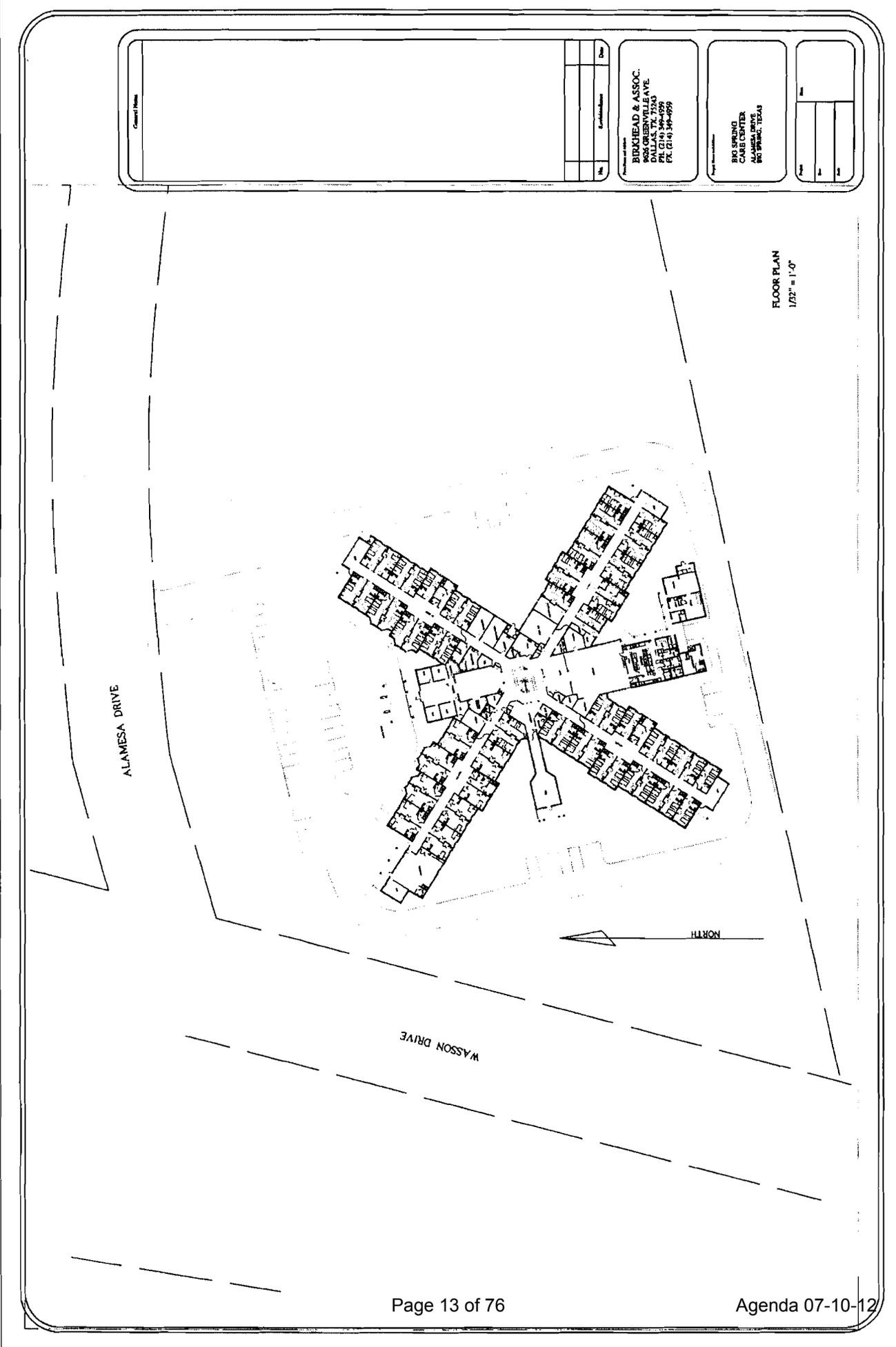
**PASSED AND APPROVED** on second and final reading at a regular meeting of the City Council on the 10<sup>th</sup> day of July, 2012 with all members present voting "aye" for the passage of same.

**ATTEST:**

\_\_\_\_\_  
Tommy Duncan, Mayor

\_\_\_\_\_  
Tami Davis, Asst. City Secretary

Exhibit A



ALAMESA DRIVE

WASSON DRIVE

FLOOR PLAN  
1/2" = 1'-0"

Client Name



BERKHEAD & ASSOC.  
1111 W. WASHINGTON AVE.  
DALLAS, TX 75243  
PH (214) 348-4999  
FX (214) 348-4999

BIG SPRING  
CARE CENTER  
ALAMESA DRIVE  
BIG SPRING, TEXAS


**Convention and Visitors Bureau Committee  
Minutes from Wednesday, May 9, 2012  
City Council Chambers**

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*Present:* Gloria McDonald, Troy Tompkins, Jim Clements, Marcus Fernandez

*Staff:* Debbie Wegman, Devoun Blount

*Absent:* Peggy Walker, Gary Fuqua, Jay Patel

*Guests:* Allan Johnson, Christy Brorman, Roman Holguin - DRA  
Chad Averette-Pops In the Park

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Gloria McDonald called the meeting to order at 4:20 p.m.

**Approval of minutes**

The minutes from the meeting of April 4, 2012 were reviewed. Motion was made by Jim Clements to approve the minutes as written. Motion was seconded by Troy Tompkins and passed unanimously.

**Discussion of Event Funding Requests**

- a. **Funtastic Fourth** The request was presented by members Allan Johnson, Christy Brorman and Ramon Holguin of the Downtown Revitalization Association (DRA). The DRA is requesting funds in the amount of \$12,200.00 for the entertainment stage, sounds, lights and the generator. The committee has requested that the DRA keep track of those vendors and visitors that come from out of town for the event and to also to grow their event with additional sponsors. Motion was made by Troy Tompkins to approve the request for \$12,200.00. Motion was seconded by Jim Clements and passed unanimously.

**Other**

- a. **Discussion of Street Banners** Several examples from three different companies were provided to the committee for viewing. Motion was made by Gloria McDonald for Debbie Wegman to decide which company was the best. Motion was seconded by Troy Tompkins and passed unanimously.

**Financials**

Monthly financials were provided for review.

**CVB Coordinator Report**

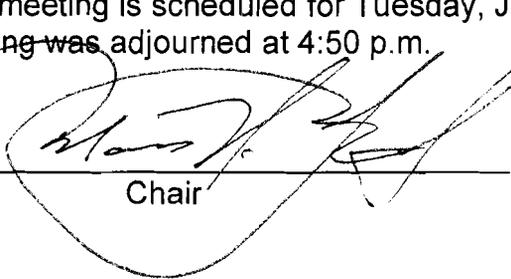
Chad Averette with Pops in the Park was present. At the request of Debbie Wegman the projection screen was taken down at the Ampitheater because it was a distraction and now there is no screen for the video that is shown during Pops in the Park. Chad has been researching different options. Motion was

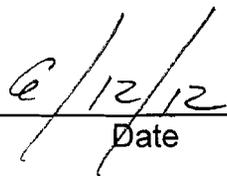
made by Marcus Fernandez to approve a new screen up \$5000.00. The committee felt that the screen should be able to be removed for storage for security and longevity of the screen. Motion was seconded by Troy Tompkins and passed unanimously.

**Members Comments**

This was Gloria McDonald's last CVB committee meeting. The committee thanked her for her service. Marcus Fernandez was named the temporary chair until a new election

Next meeting is scheduled for Tuesday, June 12, 2012  
Meeting was adjourned at 4:50 p.m.

  
\_\_\_\_\_  
Chair

  
\_\_\_\_\_  
Date

**City of Big Spring**  
**Big Spring McMahon-Wrinkle Airport and Industrial Park**  
**Development Board Meeting Minutes**  
**May 24, 2012**

The Big Spring Airport and Industrial Park Development Board met in Special Session at 5:30 p.m., Thursday, May 24, 2012 at the Airport Terminal conference room, 3200 Rickabaugh Drive, Big Spring, Texas. Marc Marchesseault called the meeting to order at 5:30 p.m. with the following members in attendance:

Marc Marchesseault	Paschal Odom
Ned Crandall	Jan Hansen
Willie Rangel	Jim DeVille
Wayne Dawson	

Also in attendance: Jim Little, Airport Director  
Kelly Grant, Director's Assistant  
Orville Spradling, Pilot  
Grant Davidson, Pilot  
Rodney Patridge, A&P Mechanic

**Item # 1**

**Call to Order**

Marc called the meeting to order at 5:30 pm.

**Item # 2**

**Review and approve minutes from April 19, 2012 meeting**

Motion to approve made by Wayne Dawson, seconded by Jan Hansen, with all members voting "aye" for acceptance of the minutes as written.

**Item # 3**

**Big Spring Economic Development Corporation Update**

Terry Wegman updated the board stating that they have been working on several projects recently. The Rail Project is moving along very well. Desert Tanks has over 100 employees at this time and has already met their payroll requirements for the year. The Settles Hotel Project is making a great deal of progress. The upper floors are almost complete, and the hotel should be ready and completely finished by September of this year. Terry also shared some photographs of the progress on the interior work at the hotel.

**Item # 4**

**THS Update**

Jim updated the board stating that THS has leased a locomotive which is currently in California and will be coming in soon. The office renovations are in full swing in the building THS will be using as their operations headquarters at the airpark which is adjacent to the spur. There have been meetings with the City, THS and PSC for possible expansion of the rail system onto the east ramp area of the airport. That will require additional funding which is being sought through Grant Programs with the State.

**Item # 5**

**Airport Terminal Ramp Upgrade Project, Status**

Jim stated that the design and engineering are complete and funding is in place at this time. Once the work begins it will only take a few weeks to complete.

**Item # 6**

**Airport Fuel Tank Farm Project, Status**

Jim stated that this project still coincides with the Ramp Upgrade and has the same status, scheduled to begin shortly and should be completed by September as well. The project is turnkey and will not require tank construction, just purchase and installation as the tanks are already available.

**Item # 7**

**Airport Directors Update**

Jim mentioned the recent addition of twelve new students at the US Flight Academy, who just arrived from India to start their flight school classes. TAMC has vacated the North Hangar, and the USFA has begun their A&P Mechanic operations for maintenance on USFA aircraft. Jim discussed hangar usage and the lack of availability, adding that we are looking to build additional hangars with the help of TxDOT Aviation Grants. The Corporate Hangar is still full, as well as the T-Hangars. There is very little room remaining in the North Hangar at this time. Jim mentioned the recent possibility of bringing fiber cables to the hangars for internet access and the costs associated with that project, including the \$20,000 initial installation charges. The service would provide the businesses with adequate access for business operations in the hangars. While the TFS no longer has any aircraft here on contract, Croman Corp. still has one fire helicopter here, awaiting contract with the TFS. The airport's recent Business After Hours event on Thursday, May 3<sup>rd</sup> was a huge success, with approximately 100 visitors coming out to participate in the event. The Leadership Big Spring class toured the Terminal building on Thursday, May 10<sup>th</sup>. We hope to be a part of the tours from now on for future Leadership classes as well. The Annual Prairie Dog Fly-In is scheduled for Saturday, June 9<sup>th</sup> and planning is already underway. The July 4<sup>th</sup> Pop's In The Park event will be held on July 3<sup>rd</sup> at Comanche Trail Park Amphitheater, with a flyover scheduled for that event. The National Hang Gliding Competitions are scheduled for July 21-28<sup>th</sup>. For Show & Tell, the board viewed a map of the proposed options for the Rail Spur extension, and an example of extreme advertising from a small airport in Pueblo, CO. Jim again mentioned the possibility of having our community send in art work for the TxDOT Aviation Art Calendar. Genevieve from Hangar 25 Air Museum is interested in helping in that cause, by having a children's art session at the Museum this summer.

**Item # 8**

**Leased Building Issues**

Jim again mentioned the fire safety sprinkler system projects for Western Container and John Crane Production Solutions, Inc. Both projects should be getting underway soon. Also, Desert Tanks is looking to construct an additional building on the land they lease next to Building #75 for a tank painting shop.

**Item # 9**

**Airport Safety Committee Report**

Wayne Dawson stated that he has contacted a representative from the Texas Forest Service and hopes to have a fire operations topic and presentation by the TFS for the upcoming Pilot Safety Meeting in August.

**Item # 10**

**Other Events & Activities**

There are no other events or activities at this time.

**Item # 11**

**Board Member Updates**

There are no updates at this time.

**Item # 12**

**Next Meeting Date**

June 21, 2012

**Adjournment: 6:25 p.m.**

  
Approved by Marc Marchesseault, Chairman

June 21, 2012  
Date Approved

**City of Big Spring**  
**Big Spring McMahon-Wrinkle Airport and Industrial Park**  
**Development Board Amended Meeting Minutes**  
**April 19, 2012**

The Big Spring Airport and Industrial Park Development Board met in Regular Session at 5:30 p.m., Thursday, April 19, 2012 at the Airport Terminal conference room, 3200 Rickabaugh Drive, Big Spring, Texas. Marc Marchesseault called the meeting to order at 5:30 p.m. with the following members in attendance:

Marc Marchesseault	Paschal Odom
Ned Crandall	Jan Hansen
Willie Rangel	Jim DeVille

Absent: Wayne Dawson

Also in attendance: Jim Little, Airport Director  
Kelly Grant, Director's Assistant  
Rodney Patridge, A&P Mechanic

**Item # 1**  
**Call to Order**

Marc called the meeting to order at 5:30 pm.

**Item # 2**  
**Review and approve minutes from March 15, 2012 meeting**

Motion to approve made by Paschal Odom, seconded by Ned Crandall, with all members voting "aye" for acceptance of the minutes as written.

**Item # 3**  
**Big Spring Economic Development Corporation Update**  
Terry Wegman was unavailable for an update.

**Item # 4**  
**THS Update**

Jim updated the board stating that THS is working on the formal agreement with UP for use of the spur and they have already purchased a locomotive. The Airpark Maintenance crew has started on the office renovations in the building THS will be using as their operations headquarters at the airpark which is adjacent to the spur.

**Item # 5**  
**TAMC Update**

Jim stated that Len Hobbs will be vacating the building by May 1<sup>st</sup>.

**Item # 6**  
**Airport Terminal Ramp Upgrade Project, Status**

Jim stated that the project design is being worked and the funding is now available. While at the Aviation Conference in Galveston, Jim spoke with officials from both TxDOT and PSC, and the project is moving forward and should be completed by September of this year.

**Item # 7**  
**Airport Fuel Tank Farm Project, Status**

Jim stated that this project coincides with the Ramp Upgrade and has the same status, scheduled to begin shortly and should be completed by September as well.

**Item # 8**  
**Airport Directors Update**

Jim mentioned the roadblocks that have been situated between the Cedar Hill and Airpark Prison units on the East side of the airport on a 30 day trial basis. There have been a number of complaints so far, and the roadblocks are

scheduled to be removed for 30 days to evaluate the impacts on traffic control. Jim gave an overview of the TxDOT Aviation Conference that he and Marc attended in Galveston at the end of March, stating that it was a great event. One of the main points of interest was the establishment of a formal budget for the FAA, versus the "Continuing Resolutions" which have been used 23 times over the past years. There should be no impact on our airport funding. Jim also mentioned the April 17<sup>th</sup> Permian Basin Airport Board Meeting that he attended. The Midland International Airport is now planning to demolish the old hangar similar to the Hangar 25 Air Museum here, due to the recent collapse of the roofing on the Midland hangar. They are also moving forward with their new hangar construction project which has generated an enormous amount of interest with their local pilots and aircraft owners. Jim discussed hangar usage here at our facility, both the lack of availability and some upcoming changes. When TAMC vacates the North Hangar, the USFA will move in and begin their A&P Mechanic operations for maintenance on several of their aircraft. The Guthrie's are out of the Corporate Hangar, and Russ Rutledge has moved in with a Citation II. Partee Aviation also purchased a larger aircraft and the hangar space leases for all of the tenants are in the process of being re-worked according to their respective use. The Texas Forest Service no longer has an aircraft stationed at our facility, but they could return at any time. Croman still has one fire helicopter here, awaiting contract with the TFS. The airport will be hosting a Business After Hours event on Thursday, May 3<sup>rd</sup> from 4:30-6:30 in the evening, showcasing the many airport and industrial park businesses. The National Hang Gliding Competitions are scheduled for July 21-28<sup>th</sup>. The Leadership Big Spring class will be touring the Terminal building and the North Hangar on Thursday, May 10<sup>th</sup>. The Prairie Dog Fly-In is scheduled for Saturday, June 9<sup>th</sup>. Pop's In The Park will be on July 3<sup>rd</sup> with a flyover scheduled for that event. There will not be an EAA Young Eagles event for this year, due to limited availability of aircraft. For Show & Tell, the board viewed a flyer from Galveston Air Museum, a calendar showcasing the TxDOT Aviation youth art contest submissions and winners, and photographs of the old Parachute Building on the airpark, designated at Building #31. The board discussed the buildings dilapidated condition and possibility of demolition vs. repair costs. Jim also mentioned a recent visit we had from some pilots out of Woodward, OK and their conversation about the recent tornadoes in that area and the devastation caused, as well as the sparing of the airport and aircraft stationed there.

#### **Item # 9**

##### **Leased Building Issues**

Jim again mentioned the fire safety sprinkler system projects for Western Container and John Crane Production Solutions, Inc. Both projects should be getting underway soon.

#### **Item # 10**

##### **Airport Safety Committee Report**

Wayne Dawson was unavailable for an update, but Marc mentioned the upcoming Pilot Safety Meeting, stating that John Boatright from the FAA Safety Team will be here to give the presentation on Sport Pilot flying and related information. There will be a cookout during the meeting and attendees will be eligible for WINGS credits.

#### **Item # 11**

##### **Other Events & Activities**

There are no other events or activities at this time.

#### **Item # 12**

##### **Board Member Updates**

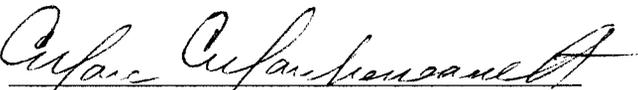
There are no updates at this time.

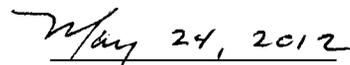
#### **Item # 13**

##### **Next Meeting Date**

May 24, 2012

**Adjournment: 7:05 p.m.**

  
Approved by Marc Marchesseault, Chairman

  
Date Approved



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 Certificates. 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  CITY OF BIG SPRING, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION SERIES 2012	PRINCIPAL AMOUNT \$ _____
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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)  
City Secretary

\_\_\_\_\_  
(signature)  
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 in 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:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(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 purposes 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 26<sup>th</sup> 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 10<sup>th</sup> day of July, 2012, with all members present voting “aye” for passage of same.

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TOMMY DUNCAN, Mayor  
City of Big Spring, Texas

(CITY SEAL)

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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.

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## ***Purchasing and Material Control Memorandum***

**To:** Honorable Mayor, City Council, City Manager  
**From:** Paul Sotelo, Purchasing Agent  
**Date:** July 10, 2012  
**Subject:** Request for Bid Award for Backhoe Lease Agreement

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Recently, the City of Big Spring received two (2) bids for a new Backhoe Lease Agreement through Buyboard. We are looking to downsize from six (6) backhoes to five (5), but then add a mini-excavator to our fleet. This will reduce the overall cost of the lease and give us access to a piece of equipment for applications where a backhoe is not able to function. A bid tabulation sheet has been prepared and is attached to this memo for your consideration in making this award.

**Recommendation:** The staff recommends that the bid be awarded to Warren Cat for the amount of \$60,606.60 per year for a five (5) year lease agreement on backhoes, and \$6,329.40 per year for a five (5) year lease agreement for a mini-excavator for a total of \$66,936.00 per year.

**Note:** Currently, we are paying \$68,000.04 on our fleet of backhoes. This new lease agreement would represent \$1,064.04 in cost savings per year as well as upgrade our existing fleet with new equipment.

**Backhoe Lease Comparison  
CAT v. Volvo  
July 2, 2012**

<b><u>CAT</u></b>				
<b><u>Qty</u></b>	<b><u>Description</u></b>	<b><u>Unit Cost (per month)</u></b>	<b><u>Total Cost (per month)</u></b>	<b><u>Total Cost (per year)</u></b>
5	Extenda hoes	\$ 1,010.11	\$ 5,050.55	\$ 60,606.60
1	Mini-Excavator	\$ 527.45	\$ 527.45	\$ 6,329.40
<b><u>Volvo</u></b>				
5	Extenda hoes	\$ 2,066.50	\$ 10,332.50	\$ 123,990.00
1	Mini-Excavator	N/A	N/A	N/A

**TEXAS DEPARTMENT OF TRANSPORTATION**

**GRANT AGREEMENT**

(State Assisted Airport Development Grant)

TxDOT CSJ No.: 1208BIGAP  
TxDOT Project No.: AP BIG SPRING 3  
TxDOT Contract No. : 2XXAV067  
Commission Approval: February 23, 2012

**Part I - Identification of the Project**

TO: The City of Big Spring, Texas

FROM: The State of Texas, acting through the Texas Department of Transportation

This Agreement is made and entered into by and between the Texas Department of Transportation, (hereinafter referred to as the "State"), for and on behalf of the State of Texas, and the City of Big Spring, Texas, hereinafter referred to as the "Sponsor").

The Sponsor desires to sponsor a project for the development of a public aviation facility, known or to be designated as the Airport under V.T.C.A., Transportation Code, Title 3, Chapters 21-22, et seq.(Vernon and Vernon Supp.).

The project is described as follows: to design and construct a fueling pad and access turnaround at the Big Spring McMahon-Wrinkle Airport.

The Sponsor applies for a grant for financial assistance for the project described above.

The parties, by this Agreement, do fix their respective responsibilities with reference to each other and with reference to the accomplishment of said project.

NOW, for and in consideration of the benefits which will accrue to the parties by virtue of the completion of the project, IT IS MUTUALLY COVENANTED AND AGREED as follows:

**Part II - Offer of Financial Assistance**

1. It is estimated that approximately \$80,000(Amount A) of the project costs will be eligible for financial assistance, and that financial assistance will be for ninety percent (90%) of the eligible project costs. Project costs eligible for financial assistance shall be determined by the State. It is estimated that the Sponsor's share of the eligible project

costs will be approximately \$8,000 (Amount B) and the State's financial assistance share of eligible project costs will be approximately \$72,000 (Amount C). Financial assistance is subject to the availability of state funds.

This grant should not be construed as block grant funds for the Sponsor, but as a grant for funding of the scope items as listed on page one of this agreement. It is the intent of the Agent to provide funding to complete the approved work items of this grant and not to amend the scope of work to include items outside of the current determined needs of this project. Scope of work may be amended as necessary to fulfill the unforeseen needs of this specific development project within the spirit of the approved scope, subject to the availability of state, federal, and/or local funds.

2. If there is an overrun in the eligible project costs, the State may increase the grant to cover the amount of overrun not to exceed the statutory twenty-five (25%) percent limitation, and will advise the Sponsor by amendment of the increase. Upon receipt of the aforementioned amendment, the maximum obligation of the State is adjusted to the amount specified and the Sponsor will remit their share of the increased grant amount.

Participation in additional state eligible costs may require approval by the Texas Transportation Commission. The State will not authorize expenditures in excess of the dollar amounts identified in this Agreement and any amendments, without the consent of the Sponsor.

3. Should estimated eligible project costs as determined following the receipt of construction bids for the project, exceed the amount shown above (Amount A), the Sponsor may request the State to void this Agreement, whereupon the State shall agree to void this Agreement upon the satisfaction of the following conditions:
  - a. the Sponsor's request to the State to void the Agreement shall be in writing and dated; and
  - b. if required by the State, the Sponsor shall reimburse the State for funds expended on this project and Sponsor shall assume the responsibility for any future State expenses for contracted services or materials related to the project for which a contract had been executed prior to the Sponsor's request to void the Agreement. Sponsor funds held by the State may be retained until this requirement is satisfied; and
  - c. failure on the part of the Sponsor to comply with the conditions of this paragraph shall constitute a breach of this Agreement.
4. Upon satisfaction of the conditions specified in Paragraph II-3 above, the State shall declare this Agreement null and void, and this Agreement shall have no force and effect, except that unexpended or unencumbered monies actually deposited by the Sponsor and

held with the State for project purposes shall be returned to the Sponsor within a reasonable time.

5. The Sponsor specifically agrees that it shall pay any project costs which exceed the amount of financial participation agreed to by the State. It is further agreed that the Sponsor will reimburse the State for any payment or payments made by the State which are in excess of the percentage of financial assistance (Amount C) as stated in Paragraph II-1.
6. Sponsor, by accepting this Agreement certifies and, upon request, shall furnish proof to the State that it has sufficient funds to meet its share of the costs as stated. The Sponsor grants to the State the right to audit any books and records of the Sponsor to verify said funds. In addition, the Sponsor shall disclose the source of all funds for the project and its ability to finance and operate the project.
7. Monthly grant agreement payments to the Sponsor may be authorized upon application to the State. Payments of the State's share of the allowable project costs will be made in proportion to the amount of the project satisfactorily completed at the time of the payment application.

### **PART III - Sponsor Responsibilities**

1. In accepting the Agreement, the Sponsor guarantees that:
  - a. it will comply with Attachment A, Certification of Airport Fund, attached and made a part of this Agreement; and
  - b. it will comply with Attachment B, Certification of Airport Property Interest, attached and made a part of this Agreement; and
  - c. it will comply with the Attachment C, Certification of State Single Audit Requirements, attached and made a part of this Agreement; and
  - d. it will, in the operation of the facility, comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State of Texas in connection with the Agreement; and
  - e. the Airport or navigational facility which is the subject of this Agreement shall be controlled for a period of at least 20 years, and improvements made or acquired under this project shall be operated, repaired and maintained in a safe and serviceable manner for the useful life of the improvements, not to exceed 20 years; and
  - f. consistent with safety and security requirements, it shall make the airport or air

navigational facility available to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes and shall provide adequate public access during the period of this Agreement; and

- g. it shall not grant or permit anyone to exercise an exclusive right for the conduct of aeronautical activity on or about an airport landing area. Aeronautical activities include, but are not limited to scheduled airline flights, charter flights, flight instruction, aircraft sales, rental and repair, sale of aviation petroleum products and aerial applications. The landing area consists of runways or landing strips, taxiways, parking aprons, roads, airport lighting and navigational aids; and
- h. it shall not permit non-aeronautical use of airport facilities without prior approval of the State; and
- i. it shall not enter into any agreement nor permit any aircraft to gain direct ground access to the sponsor's airport from private property adjacent to or in the immediate area of the airport. Further, Sponsor shall not allow aircraft direct ground access to private property. Sponsor shall be subject to this prohibition, commonly known as a "through-the-fence operation," unless an exception is granted in writing by the State due to extreme circumstances; and
- j. it will acquire all property interest identified as needed for the purposes of this project and comply with all applicable state and federal laws, rules, regulations, procedures, covenants and assurances required by the State of Texas in the acquisition of such property interest; and that airport property identified within the scope of this project and Attorney's Certificate of Property Interests shall be pledged to airport use and shall not be removed from such use without prior written approval of the State; and
- k. the Sponsor shall submit to the State annual statements of airport revenues and expenses; and
- l. all fees collected for the use of an airport or navigational facility constructed with funds provided under the program shall be reasonable and nondiscriminatory. The proceeds of such fees shall be used solely for the development, operation and maintenance of the airport or navigational facility. Sponsor shall not be required to pledge income received from the mineral estate to airport use unless state and/or federal funds were used to acquire the mineral estate of airport lands or any interest therein; and
- m. an Airport Fund shall be established by resolution, order or ordinance in the treasury of the Sponsor, or evidence of the prior creation of an existing airport fund or a properly executed copy of the resolution, order, or ordinance creating such a fund, shall be submitted to the State. Such fund may be an account as part

of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernable from other types of monies identified in the fund as a whole. All fees, charges, rents, and money from any source derived from airport operations must be deposited in said Airport Fund and shall not be diverted to the general revenue fund or any other revenue fund of the Sponsor for any purposes other than operation of the airport. All expenditures from the Airport Fund shall be solely for airport purposes. Sponsor shall be ineligible for a subsequent grant or loan by the State unless, prior to such subsequent approval of a grant or loan, Sponsor has complied with the requirements of this subparagraph; and

- n. the Sponsor shall operate runway lighting at least at low intensity from sunset to sunrise; and
- o. insofar as it is reasonable and within its power, Sponsor shall adopt and enforce zoning regulations to restrict the height of structures and use of land adjacent to or in the immediate vicinity of the airport to heights and activities compatible with normal airport operations as provided in Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Sponsor shall also acquire and retain avigation easements or other property interests in or rights to use of land or airspace, unless Sponsor can show that acquisition and retention of such interest will be impractical or will result in undue hardship to Sponsor. Sponsor shall be ineligible for a subsequent grant or loan by the State unless Sponsor has, prior to such subsequent approval of a grant or loan, adopted and passed an airport hazard zoning ordinance or order approved by the State; and
- p. it will provide upon request of the State, and the engineering or planning consultant, copies of any maps, plans, or reports of the project site, applicable to or affecting the above project; and
- q. after reasonable notice, it will permit the State and any consultants and contractors associated with this project, access to the project site, and will obtain permission for the State, consultants and contractors associated with this project, to enter private property for purposes related to this project.
- r. all development of an airport constructed with program funds shall be consistent with the Airport Layout Plan approved by the State and maintained by the Sponsor. A reproducible copy of such plan, and all subsequent modifications, shall be filed with the State for approval; and
- s. Construction shall be completed within one year from the execution of this agreement. Failure to do so will constitute just cause for termination of the obligations of the State of Texas by the State, unless at the Sponsor's request, the State grants additional time in writing.

- t. Carry out and complete the project without undue delay and in accordance with the plans and specifications which are submitted to and approved by the staff. The State has the option to withhold the payment of any State funds unless the plans and specifications have been completed and approved by the State.
2. The Sponsor certifies to the State that it will have acquired clear title in fee simple to all property upon which construction work is to be performed, or have acquired a leasehold on such property for a term of not less than 20 years, prior to the advertisement for bids for such construction or procurement of facilities that are part of the above project, and within the timeframe of the project, a sufficient interest (easement or otherwise) in any other property interest which may be part of the project.
3. The Sponsor, to the extent of its legal authority to do so, shall save harmless the State, the State's agents, employees or contractors from all claims and liability due to activities of the Sponsor, the Sponsor's agents or employees performed under this agreement. The Sponsor, to the extent of its legal authority to do so, shall also save harmless the State, the State's agents, employees or contractors from any and all expenses, including attorney fees which might be incurred by the State in litigation or otherwise resisting said claim or liabilities which might be imposed on the State as the result of such activities by the Sponsor, the Sponsor's agents or employees.
4. The Sponsor's acceptance of this Offer and ratification and adoption of the Agreement incorporated shall be evidenced by execution of this instrument by the Sponsor, as provided, and the Agreement shall comprise a contract, constituting the obligations and rights of the State of Texas and the Sponsor with respect to the accomplishment of the project and the operation and maintenance of the airport. Such Agreement shall become effective upon execution of this instrument and shall remain in full force and effect for a period of at least 20 years.
5. The Sponsor and not the State shall, for all purposes, be the "Sponsor" of the project. Sponsor agrees to assume responsibility for operation of the facility in compliance with all applicable state and federal requirements including any statutes, rules, regulations, assurances, procedures or any other directives before, during and after the completion of this project.
6. The Sponsor by execution of this grant certifies that it has implemented, or will implement during this project, an effective airport pavement maintenance-management program and it assures that it will use such program during the period of this Agreement. It will provide upon written request such reports on pavement condition and pavement management programs as the State determines may be useful. Failure to comply with this condition may make the Sponsor ineligible for future grants.
7. The Sponsor shall have on file with the State a current and approved Attorney's

Certificate of Airport Property Interests and Exhibit A property map.

8. The Sponsor agrees to assume the responsibility to assure that all aspects of the grant and project are done in compliance with all applicable state and federal requirements including any statutes, rules, regulations, assurances, procedures or any other directives, except as otherwise specifically provided.
9. The Sponsor shall submit to the State the following:
  - a. siting study for review and approval; and
  - b. documentation of official designation of the consultant selection committee, evaluation criteria, scoring matrix and consultant ranking; and
  - c. if property acquisition is funded under this grant, documentation of the professional service contracts (e.g. surveyor and appraisal), and negotiation and settlement agreements; and
  - d. prior to entering into professional services contract: copies of the independent engineering fee analysis and negotiation summary; and
  - e. advance notification of the project pre-design meeting; and
  - f. notification of design option selected; and
  - g. preliminary design plans; and
  - h. prior to advertising for construction: contract documents including drawings, specifications, bid documents, and draft construction contract to TxDOT; and
  - i. prior to construction contract award: bid tabulation and recommendation of award; and
  - j. following execution: copy of the construction contract; and
  - k. advance notification of pre-construction meeting; and
  - l. prior to execution: construction change orders and supplemental agreements; and
  - m. advance notification of the final inspection date.

## **PART IV- State Responsibilities**

1. Responsibility of the State shall include, if appropriate, but not be limited to:
  - a. certification of the consultant selection procedures; and
  - b. certification of the construction contractor selection procedures; and approval of costs for construction prior to contract being executed; and
  - c. receive, review, approve and process Sponsor's reimbursement requests for approved services and materials supplied in accordance with approved contracts. no more than once a month; and
  - d. review of project plans, specifications and construction; coordinate and conduct progress and final inspections; and
  - e. review and approve record drawings.

## **PART V - Recitals**

1. This Agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party. Furthermore, the State shall not be a party to any other contract or commitment which the Sponsor may enter into or assume, or have entered into or have assumed, in regard to the above project.
2. This Agreement is subject to the applicable provisions of the V.T.C.A. Transportation Code, Title 3, Chapters 21-22, et seq., (Vernon and Vernon Supp.), and the Airport Zoning Act, Tex. Loc. Govt. Code Ann. Sections 241.001 et seq. (Vernon and Vernon Supp.). Failure to comply with the terms of this Agreement or with the aforementioned rules and statutes shall be considered a breach of this contract and will allow the State to pursue the remedies for breach as stated below.
  - a. Of primary importance to the State is compliance with the terms and conditions of this Agreement. If, however, after all reasonable attempts to require compliance have failed, the State finds that Sponsor is unwilling and/or unable to comply with any of the terms and conditions of this Agreement, the State, may pursue any of the following remedies: (1) require a refund of any financial assistance money expended to the Agreement, (2) deny Sponsor's future requests for aid, (3) request the Attorney General to bring suit seeking reimbursement of any financial assistance money expended on the project pursuant to the Agreement herein, provided however, these remedies shall not limit the State's authority to enforce

its rules, regulations or orders as otherwise provided by law, (4) declare this Agreement null and void, or (5) any other remedy available at law or in equity.

- b. Venue for resolution by a court of competent jurisdiction of any dispute arising under the terms of this Agreement, or for enforcement of any of the provisions of this Agreement, is specifically set by Agreement of the parties in Travis County, Texas.
3. The State reserves the right to amend or withdraw this Agreement at any time prior to acceptance by the Sponsor. The acceptance period cannot be greater than 30 days after issuance unless extended by the State.
4. This Agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
5. All commitments by the Sponsor and the State hereunder are subject to constitutional and statutory limitations and restrictions binding upon the Sponsor and the State (including Sections 5 and 7 of Article 11 of the Texas Constitution, if applicable) and to the availability of funds which lawfully may be applied.
6. The state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the contract or indirectly through a subcontract under the contract. Acceptance of funds directly under the contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.



**Part VII - Acceptance of the State**

Executed by and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs and grants heretofore approved and authorized by the Texas Transportation Commission.

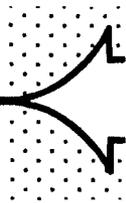
STATE OF TEXAS  
TEXAS DEPARTMENT OF TRANSPORTATION

By: \_\_\_\_\_

Date: \_\_\_\_\_

**CERTIFICATION OF AIRPORT FUND**

The Sponsor does certify that the Airport Fund has been established for the Sponsor, and that all fees, charges, rents, and money from any source derived from airport operations will be deposited for the benefit of the Airport Fund and will not be diverted for other general revenue fund expenditures or any other special fund of the Sponsor and that all expenditures from the Fund will be solely for airport purposes. Such fund may be an account as part of another fund, but must be accounted for in such a manner that all revenues, expenses, retained earnings, and balances in the account are discernible from other types of moneys identified in the fund as a whole.



The Sponsor has caused this to be duly executed in its name, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

The City of Big Spring, Texas  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

ATTACHMENT B

**CERTIFICATION OF AIRPORT PROPERTY INTERESTS**

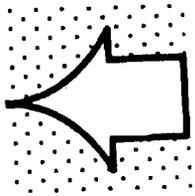
By signature below, the Sponsor does certify that the airport property, as reflected on the property map and attorney certificate dated May 24, 2012 and on file with TxDOT Aviation Division, remains unchanged and is an accurate reflection of the property owned and/or controlled for the Big Spring McMahon-Wrinkle Airport.

City of Big Spring, Texas  
(Sponsor)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

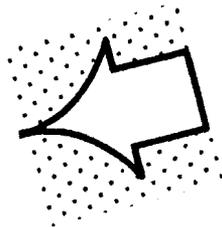


ATTACHMENT C

**Certification of State Single Audit Requirements**

I, \_\_\_\_\_, do certify that the City of Big Spring will comply with all requirements  
of  
(Designated Representative)

the State Single Audit Act if the city/county spends more than \$500,000 in any funding sources during this fiscal year. And in following those requirements the City of Big Spring will submit the report to the audit division of the Texas Department of Transportation. If your entity did not meet the threshold of \$500,000.00 in expenditures, please submit a letter indicating that your entity is not required to have an audit performed for FY \_\_\_\_.



\_\_\_\_\_  
Signature of Designated Representative

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



# Texas Department of Transportation

AVIATION DIVISION  
125 E. 11TH STREET • AUSTIN, TEXAS 78701-2483 • 512/416-4500 • FAX 512/416-4510

June 29, 2012

Mr. Jim Little  
Airpark Director, City of Big Spring  
3200 Rickabaugh Dr. West  
Big Spring, Texas 79720

TxDOT CSJ: 1208BIGAP

Dear Mr. Little:

Enclosed are several documents that must be completed by the City of Big Spring in order to initiate the airport development project for the Big Spring McMahon-Wrinkle Airport. Please review the instructions in this transmittal letter for completing the documents **and return the documents not later than July 13, 2012**. We are most pleased to provide any assistance possible to help complete this project in a timely manner.

Enclosed are two copies of the Airport Project Participation Agreement (APPA) between the City of Big Spring, as airport sponsor, and the Texas Department of Transportation, Aviation Division, as your agent for this project.

We request that you proceed as expeditiously as possible to execute the Agreement and complete the certifications. It will be necessary for your attorney to endorse your acceptance of the Agreement to assure that it has been accepted in accordance with local laws. Both copies of the Agreement should have original signatures for acceptance. Please return both copies of the fully signed Agreements to the Aviation Division. We will return an executed copy to you for your records.

Texas Department of Transportation - Aviation Division  
125 E. 11th St.  
Austin, Texas 78701-2483.

If you have questions concerning the enclosed documents, please contact **Becky Vick** at 1-800-687-4568. The Texas Department of Transportation looks forward to working with you on this important project for your community.

Respectfully,

David S. Fulton  
Director

cc: Lauren Garduno, P.E., Abilene District Engineer

# CITY OF BIG SPRING FIRE DEPARTMENT

**Applicant Information** 1401 Apron Drive (432) 264-2303  
Big Spring, Texas 79720

EMW-2012-FO-00086  
Originally submitted on 06/18/2012 by Richard Grove (Userid: rgrove0172)

**Contact Information:**

Address: 1401 Apron  
City: Big Spring  
State: Texas  
Zip: 79720  
Day Phone: 4322642302  
Evening Phone: 4329356172  
Cell Phone:  
Email: fireems@ci.big-spring.tx.us

**Application number is EMW-2012-FO-00086**

* Organization Name	Big Spring Fire Department
* Type of Applicant	Fire Department/Fire District
* Type of Jurisdiction Served	City
If other, please enter the type of Jurisdiction	
* <u>Employer Identification Number</u>	75-6000462
* What is your organization's <u>DUNS Number</u> ?	959748450 (call 1-866-705-5711 to get a DUNS number)
<b>Headquarters or Main Station Physical Address</b>	
* Physical Address 1	1401 Apron Drive
Physical Address 2	
* City	Big Spring
* State	Texas
* Zip	79720 - 7806 <u>Need help for ZIP+4?</u>
<b>Mailing Address</b>	
* Mailing Address 1	1401 Apron Drive
Mailing Address 2	
* City	Big Spring
* State	Texas
* Zip	79720 - 7806 <u>Need help for ZIP+4?</u>
* Please describe all grants that you have received from DHS, for example, 2008 AFG grant for a vehicle or 2010 HSGP grant for exercises. (Enter N/A if Not Applicable).	

N/A

**Account Information**

* Type of bank account	Checking
* Bank routing number - <u>9 digit</u> number on the bottom left hand corner of your check	111302370

*CITY OF BIG SPRING FIRE DEPARTMENT*

\*Your account number 1401 Apron Drive 9509089 (432) 264-2303

Additional Information Big Spring, Texas 79720

\* For this fiscal year (Federal) is your organization receiving Federal funding from any other grant program that may duplicate the purpose and/or scope of this grant request? No

\* If awarded the AFG grant, will your organization expend more than \$500,000 in Federal funds during your organization's fiscal year in which this AFG grant was awarded? No

\* Is the applicant delinquent on any Federal debt? No

If you answered yes to any of the additional questions above, please provide an explanation in the space provided below:

**Budget**Budget Object Class

a. Personnel	\$ 0
b. Fringe Benefits	\$ 0
c. Travel	\$ 0
d. Equipment	\$ 126,000
e. Supplies	\$ 0
f. Contractual	\$ 0
g. Construction	\$ 0
h. Other	\$ 0
i. Indirect Charges	\$ 0
j. State Taxes	\$ 0

## Federal and Applicant Share

Federal Share	\$ 113,400
Applicant Share	\$ 12,600
Federal Rate Sharing (%)	90/10

\* Non-Federal Resources (The combined Non-Federal Resources must equal the Applicant Share of \$ 12,600)

a. Applicant	\$ 12,600
b. State	\$ 0
c. Local	\$ 0
d. Other Sources	\$ 0

If you entered a value in Other Sources other than zero (0), include your explanation below. You can use this space to provide information on the project, cost share match, or if you have an indirect cost agreement with a federal agency.

**Total Budget** **\$ 126,000**

**Request Details**

The activities for program **Operations and Safety** are listed in the table below.

Activity	Number of Entries	Total Cost	Additional Funding	Action
Equipment	0	\$ 0	\$ 0	<a href="#">View Details</a>
Modify Facilities	0	\$ 0	\$ 0	<a href="#">View Details</a>
Personal Protective Equipment	3	\$ 126,000	\$ 0	<a href="#">View Details</a> <a href="#">View Additional Funding Narratives</a>
Training	0	\$ 0	\$ 0	<a href="#">View Details</a>
Wellness and Fitness Programs	0	\$ 0	\$ 0	<a href="#">View Details</a>
* Total Funding for all EMS requested in this application			\$0	
Grant-writing fee associated with the preparation of this request.			\$0	

AGREEMENT FOR THE ASSESSMENT AND COLLECTION OF TAXES

STATE OF TEXAS :  
KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF HOWARD :

This agreement entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Big Spring Independent School District (hereinafter referred to as BSISD), City of Big Spring (hereinafter referred to as City), Howard County Junior College District (hereinafter referred to as College), Forsan Independent School District (hereinafter referred to as FISD), Coahoma Independent School District (hereinafter referred to as CISD), and the County of Howard (hereinafter referred to as the County), all of Howard County, Texas.

WHEREAS BSISD, City, College, FISD, and CISD are Taxing Units (hereinafter sometimes referred to as Taxing Units) located within the "County" and

WHEREAS BSISD, City, College, FISD, and CISD are desirous of contracting with the County to provide all services necessary for the assessment and collection of property taxes for the Taxing Units; and

WHEREAS, the County is able and wiling to perform said tax assessment and collection services and is desirous of contracting with the Taxing Units to provide said services;

NOW THEREFORE, the parties hereto agree as follows:

A.

The County, acting by and through its duly authorized officers, does hereby agree to perform all tax assessment and collection services pursuant to Chapters 26, 31, 32, 33, and 34 of the Property Tax Code for the Benefit of the Taxing Units for the term of this agreement save and except those functions which must be performed by each Taxing Units' governing body.

B.

1. The term of this agreement shall be for a period of two years, beginning on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

2. Any party to this agreement may terminate its interest in this agreement by giving at least 90 days written notice to the other parties.

3. Whenever notice of any kind is authorized or required to be made by one party or the other under the terms hereof, such notice shall be given by United States registered or certified mail, postage prepaid, return receipt requested and addressed to the other party as set out below, or to such other address as may hereafter be designated in writing:

COUNTY  
County Judge  
Howard County Courthouse  
Big Spring, Texas 79720

BSISD  
President  
Big Spring Independent School District  
Board of Trustees  
Big Spring, Texas 79720

CITY

City Mayor  
City of Big Spring  
Big Spring, Texas 79720

COLLEGE

President  
Howard County Junior College District  
Board of Trustees  
Big Spring, Texas 79720

FISD

President  
Forsan Independent School District  
Board of Trustees  
Forsan, Texas 79733

CISD

President  
Coahoma Independent School District  
Board of Trustees  
Coahoma, Texas 79511

4. The County agrees to assume responsibility for the collection of all property taxes owing to each Taxing Unit, including:

- a. Taxes assessed that have not become delinquent;
- b. Delinquent Taxes;
- c. Statutory penalty and interest associated with delinquent taxes.

County shall not accept payment of taxes for any single Tax Unit for any tax year unless County also proportionately collects taxes owed for that tax year to all Units for which County collects taxes. Provided, however notwithstanding the foregoing, if a taxpayer is unable to pay one time all delinquent taxes owed for a tax year to Taxing Units for which County collects taxes, County shall accept partial delinquent tax payments from that taxpayer and apportion such partial payment proportionately among all Taxing Units.

5. The County shall have the responsibility of promulgating and producing all notices, statements, and forms necessary for the provision of assessment and collection services.

6. The County shall have the responsibility of providing an attorney or attorneys for any and all legal representation that may become necessary for the effective collection of delinquent taxes owed to the Taxing Units. The County Tax Assessor-Collector and County Tax Assessor-Collector's deputies shall provide said attorney or attorneys with all records and assistance in a timely manner deemed necessary by said attorney(s) for collection of delinquent taxes. Each Taxing Unit shall pay its portion of the fees owed to such attorney, based upon the amount of delinquent taxes collected by the attorney for that Unit.

7. The County shall advise each Unit of all cases when investigation reveals taxpayers to be financially unable to pay their delinquent taxes.

8. The Howard County Tax Assessor Collector shall annually calculate a tax rate for each Unit according to the provisions of Texas Property Tax Code Article 26.04. It is the intent and understanding of all parties to this contract that Texas Property Tax Code Article 26.04(c) confers a ministerial (clerical) duty upon the designated official, in this case, the Howard County Tax Assessor Collector that is, the Howard County Tax Assessor Collector shall calculate the tax rate without discretion, strictly in accordance with the instructions of each applicable Unit. It is the further intent and understanding of all parties to this contract that each respective Unit possesses the sole power to exercise its discretion under Section 26.04. Should injunctive relief be sought to stop the imposition of

a particular year's tax plan, the Unit agrees to hold the county harmless for its action in preparing the Section 26.04 notice. Each Unit shall designate the office or employee who shall publish the tax rate and the other information required to be published by Article 26.04 of the Tax code.

9. Each year the County Tax Assessor Collector shall prepare a proposed budget for the operation of the County Tax Assessor Collector's office for the assessment and collection of taxes for the following fiscal year of the County (September 1 through August 31) and shall submit copies to each Taxing Unit before March 15. The Tax Assessor Collector shall include in the budget a list showing each proposed position, the proposed salary for the position, all the benefits proposed for the position, each proposed capital expenditure, and an estimate of the amount of the budget that will be allocated to each Taxing Unit.

10. a. The County commissioners shall hold a public hearing to consider the budget. The secretary of the County Commissioners shall deliver to the presiding officer of the governing body of each Taxing Unit for whom the County assesses and collects taxes, not later than the 10<sup>th</sup> day before the date of the hearing, a written notice of the date, time, and place fixed for the hearing. The County Commissioners shall complete their hearings, make any amendments to the proposed budget they desire, and finally approve a budget before June 15. If the governing body of any taxing entity objects to said budget, it shall adopt a resolution disapproving said budget and file the resolution with the secretary of the County Commissioner's prior to the County's final approval of same. Any new or amended budget shall also be subject to the foregoing approval procedure.

b. The County Commissioners may amend the approved budget at any time, but the secretary of the County Commissioners must deliver a written copy of a proposed amendment to the presiding officer of each governing body for whom the County assesses and collects taxes not later than the 30<sup>th</sup> day before the date County Commissioners act on it.

11. Each Taxing Unit for whom the County assesses and collects taxes, including Howard County, is allocated and will bear a portion of the Tax Assessor Collector's budget.

Fifty percent (50%) of the Tax Assessor collector's budget shall be allocated among the Taxing Units in the proportion that each Taxing Unit's total dollar amount of property taxes imposed in the county for the tax year in which the budget proposal is prepared, bears to the total dollar amount of property taxes imposed in the County by all Taxing Units for whom the County assesses and collects taxes for that year.

Fifty percent (50%) of the Tax Assessor Collector's budget shall be allocated among the Taxing Units in the proportion that the number of parcels in the County upon which each Taxing Unit imposes property taxes for the tax year in which the budget proposal is prepared, bears to the aggregate number of parcels in the County upon which all Taxing Units impose property taxes for the year.

In other words, fifty percent (50%) of the Tax Assessor Collector's budget shall be allocated on a tax dollar basis and fifty percent (50%) on a tax parcel basis.

12. a. Each Taxing Unit shall pay its allocation in twelve equal payments to be made at the end of each calendar month and first payment shall be made before November 1 of the year in which the budget takes effect. A payment is delinquent if not paid on the date it is due. A delinquent payment incurs a penalty of 5 percent (5%) of the amount of the payment and accrues interest at an annual rate of 10 percent (10%). If the budget is amended, any change in the amount of a Unit's allocation is apportioned among the payments remaining.

b. Payments shall be made to a depository designated by the County Commissioners.

13. Notwithstanding the foregoing allocation and payments, within sixty (60) days of the end of each contract year (the contract year is the period from October 1 through September 30) the County shall re-calculate costs for assessing and collecting taxes on the following basis and shall furnish a written copy of the re-calculation and the audit described below to each Tax Unit.

a. Each Taxing Unit for whom the County assesses and collects taxes, including Howard County,

shall be allocated a portion of the amount of actual audited expenditures (based on an audit performed by an independent auditor who is a C.P.A.) to assess and collect taxes for the County's budget year ending just before the end of said contract year equal to the proportion that the total dollar amount of all property taxes, including penalty and interest, for all tax years actually collected during the contract year by the County for the Unit bears to the sum of the total dollar amount of all property taxes, including penalty and interest, for all tax years actually collected during the contract year by the County for all Taxing Units for whom the County assessed and collects taxes.

b. If any Tax Unit's portion of the expenditures, as determined under Paragraph 13A, is less than the payment already made by that Tax Unit pursuant to Paragraph 12 above, then the County shall refund the difference to that Tax Unit within ten (10) days of computing and allocation in Paragraph 12; if any Tax Units' portion of the expenditures, as determined under Paragraph 12a, is more than said payment, then that Tax Unit shall pay the difference to County within ten (10) days after that Tax Unit receives from County a written copy of said reallocation.

14. The County agrees to remit to each Tax Unit the tax monies collected between October 1 and February 15 by the County on behalf of the Unit within ten (10) working days of the day on which said taxes monies are collected.

Between February 16 and September 30 remittance shall be made within two (2) working days of the day on which said tax monies are collected. All tax monies collected by the County on behalf of the Unit shall be deposited on a daily basis in the County's interest bearing account as provided by the County's depository. To reduce collection fees cost, interest earned on said account will be paid to County and applied to the expenses of the Tax Assessor Collector's office. Reports of collections made in the months of October through January shall be on the twenty-fifth (25th) day of the month following the month that is the subject of the report. Reports of collections made in all other months are due on the fifteenth (15th) day of the month following the month that is the subject of the report, as required by Section 31.10(a) of the Property Tax Code. The County shall prepare and submit to each Unit an annual report made under oath accounting for all tax monies of each Unit collected or delinquent on property tax by each Unit during the preceding twelve (12) month period. Annual reports shall be due on the sixteenth (16th) day following the last day of each Unit's fiscal year, as required by Section 31.10(b) of the Property Tax Code.

15. County understands and agrees that Taxing Units are relying on the County's covenant herein to remit all tax monies to the Units on a timely basis and that the Tax Units would not enter into this contract without said covenants. If County fails to remit any tax monies to the Units within the time limits specified above, then County shall pay to the respective Unit as compensation and difference between the interest each Unit could have earned on said tax monies if said tax monies had been remitted to the invested by such Unit within the time limits specified above and any interest paid to such Unit pursuant to Paragraph 14 above.

The interest that such Unit could have earned shall be deemed to be the interest that the Unit could have earned on said tax monies at the highest rate of interest provided in such Unit's contract with its depository.

16. In addition to any other reports and records which county is herein required to furnish Units and any other notices County is required to prepare and mail, County shall furnish each respective Unit at the time shown on Exhibits A, the reports and prepare and mail the notices shown on Exhibit A which is attached hereto and incorporated by reference as if repeated verbatim.

17. At the request of any person, the County Tax Assessor Collector shall issue a tax certificate showing the amount of delinquent taxes, penalties, and interest due a Taxing Unit which is a party to this contract on a property according to the Unit's current tax records. The collector shall charge a fee of \$10.00 for each certificate issued. Provided, however, the collector shall be authorized to issue one combined certificate. Fees shall be retained by the County to help defray collection fees.

18. Bonds in the amount set by each Taxing Unit will be furnished by each representative Unit. Said bonds shall cover the County Tax Assessor Collector and all deputies and shall comply with the provision of 6.29 of the Texas Property Tax Code. The premium for each bond shall be budgeted and said by each entity to which the bond is payable. The County Tax Assessor Collector shall adopt and follow strict internal controls in carrying out the provisions of this contract.

19. The County Tax Assessor Collector shall prepare and mail annual tax statements by October 1 or as soon thereafter as practicable, but in any event no later than October 15.

20. Each party to this agreement shall appoint at least one elected or administrative official to serve on an unofficial "Tax Liaison Committee" which shall meet from time to time (approximately quarterly) to receive periodic reports from the Howard County Tax Assessor Collector and the delinquent tax attorney(s) and to relay the information gained at such meetings to their respective governing bodies. All items regarding this contract requiring input from the Taxing Units shall be presented to this committee and then referred to each Taxing Unit's governing body for consideration.

21. The Units and the County all understand and agree that this agreement constitutes the entire agreement between the parties and shall not be amended or modified by written instrument signed by all parties.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

ACCEPTED:

COUNTY OF HOWARD

By: \_\_\_\_\_  
County Judge

ACCEPTED:

BIG SPRING INDEPENDENT SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Trustees

ACCEPTED:

CITY OF BIG SPRING

By: \_\_\_\_\_  
Mayor

ACCEPTED:

HOWARD COUNTY JUNIOR COLLEGE DISTRICT

By: \_\_\_\_\_  
President of the Board of Trustees

ACCEPTED:

FORSAN INDEPENDENT SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Trustees

ACCEPTED:

COAHOMA INDEPENDENT SCHOOL DISTRICT

By: \_\_\_\_\_  
President of the Board of Trustees

JOINT TAX COLLECTION

CONTRACT INFORMATION

BIG SPRING INDEPENDENT SCHOOL DISTRICT  
FORSAN INDEPENDENT SCHOOL DISTRICT  
AND COAHOMA INDEPENDENT SCHOOL DISTRICT

REPORTS AND/OR CALCULATIONS AND PROCEDURES REQUIRED OF THE  
TAX COLLECTION OFFICE

Annual Report of Property Values

Report to State Comptroller Regarding Bank Franchise Tax Information

Calculation of Effective Tax Rate

Monthly Report to Governing Bodies:

Current Collections per month beginning each September  
Delinquent Collections per month  
Total Collections per month  
Percentage of roll collected with comparative data for comparable prior year monthly dates

Annual Report to Governing Bodies:

Cumulative tax collection data for the year shown on the monthly report

Monthly Report to Administration:

Year to date Recap reporting:

Each year outstanding taxes are owing  
Original tax owing at beginning of year  
Adjustments  
Adjusted Tax  
Taxes paid  
Discounts  
Penalty and interest  
Costs  
Collections  
Uncollected Tax

Deposit information

Deposits should be made to either or both the General Fund (Local Maintenance) and/or interest and Sinking as required by law. Adequate deposit information should be supplied so that taxes can be properly credited to the records of each school district.

Other Reports and Procedures as may be required:

State and local requirements change periodically and these changes should be mutually accomplished between parties to the contract.

Report of Value Lost due to Freezes

Report for State Survey of Delinquent Property Taxes

Delinquent Tax Statement for all Tax Years Delinquent

Tax Assessor Collector shall present to each School Board on September 1 of each year, a printed, certified, current tax roll.

Immediately after June 30 of each year, the Tax Assessor Collector shall report to each School Board the amount of current taxes remaining unpaid and going to the delinquent tax roll. The Tax Assessor Collector shall update this report on August 31 of each year.

JOINT TAX COLLECTION  
HOWARD COUNTY JUNIOR COLLEGE DISTRICT

REPORTS, CALCULATIONS AND PROCEDURES REQUIRED OF THE  
TAX COLLECTION OFFICE

Monthly Reports:

- Current collections each month
- Delinquent collections each month
- Collections of penalties, interest each month
- Error listing each month
- Adjustments to tax roll, including values affecting real and personal property
- Supplemental adjustments (additions)

Quarterly Reports:

- Outstanding delinquent taxes by year
- Outstanding current taxes
- Delinquent tax records in readable computer form, a minimum of four times a year or at the request of the

College

Annual:

- Cumulative tax collection data for the year as shown on the monthly report
- Tax roll for each tax year prepared and submitted to the College within twenty (20) days or receiving notice of tax rate from College as provided in 26.09 of Texas Property Tax Code for approval, including taxpayer name, tax amount, appraisal value
- Tax Code for approval, including taxpayer name, tax amount, appraised value
- Calculation of effective tax rate as required by law
- Delinquent tax statements for all tax years delinquent
- Annual tax statements shall be prepared and mailed by October 1 each year but in any event no later than

October 15

- Other reports require by law or requested by Taxing Unit

JOINT TAX COLLECTIONS

CITY OF BIG SPRING

REPORTS, CALCULATIONS AND PROCEDURES REQUIRED OF THE  
TAX COLLECTION OFFICE

Monthly Reports:

- Current collections each month
- Delinquent collections each month
- Collections of penalties, interest each month
- Error Listing each month
- Adjustments to tax roll, including values affecting real and personal property
- Supplemental adjustments (additions)

Quarterly Reports:

- Outstanding delinquent taxes by year
- Outstanding current taxes
- Delinquent tax records in readable computer form, a minimum of four times a year at the request of the City

Daily:

Detail listing of collections on behalf of Taxing Unit, including account number, statement (receipt) number and amount of taxes paid

Annual:

- Cumulative tax collections data for the year as shown on the monthly report
- Tax roll each tax year prepared and submitted to City Council within twenty (20) days of receiving notice of tax rate from City as provided in 26.09 of Texas Property Tax Code for approval , including taxpayer name, tax amount, appraised value
- Calculation of effective tax rate as required by law
- Delinquent tax statements for all years delinquent
- Annual tax statements shall be prepared and mailed by October 1 each year but in any event no later than October 15
- Other reports required by law or requested by Taxing Unit