The City of Liberty

City Council

Regular Meeting

~ Agenda ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, August 10, 2010 | **6:00 PM** | **City Council Chambers**

THE City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

Attendee Name	Present	Absent	Late	Arrival
Mayor Carl Pickett	¨	¨	¨	
Councilperson Dennis Beasley	¨	¨	¨	
Councilperson Diane Huddleston	¨	¨	¨	
Mayor Pro-Tem Mike McCarty	¨	¨	¨	
Councilperson Al Simonson	¨	¨	¨	
Councilperson Louie Potetz	¨	¨	¨	
Councilperson Frank Jordan	¨	¨	¨	

II. INVOCATION

III. PLEDGE OF ALLEGIANCE

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

V. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

A. Minutes Approval

1. Tuesday, June 22, 2010

2. Monday, July 12, 2010

3. Tuesday, July 13, 2010

4. Wednesday, July 14, 2010

5. Tuesday, July 27, 2010

B. Council Action (ID # 1766)

Consider Ratifying the Liberty Community Development Corporation's Action to Fund a Downtown Analysis and Strategy Program.

- Downtown Analysis & Strategy (PDF)

C. Council Action (ID # 1767)

Consider Approval of Amendment No. 7 to the Agreement Between Brazos Transit District and the City of Liberty.

- Brazos Transit Amendment 2010 (PDF)

D. Resolution (ID # 1768)

Consider a Resolution Approving Participation in the Region 4 Education Service Center Cooperative Purchasing Network and Appointing an Official Representative to Act for the City in All Matters Relating to the Network.

- Region 4 Interlocal Agreement (PDF)

E. Council Action (ID # 1769)

Declare Miscellaneous City Equipment as Surplus Property.

- Surplus Property (PDF)

F. Council Action (ID # 1770)

Consider Approval of an Auctioneer Online Agreement for Sale of Surplus Property.

- Online Auction Agreement (PDF)

VI. REGULAR AGENDA

A. Regular Session

1. Ordinance 2010-17

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of "City of Liberty, Texas General Obligation Refunding Bonds, Series 2010; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, a Deposit Agreement, an Official Statement and All Other Instruments and Procedures Related Thereto.

2. Ordinance 2010-18

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of "City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2010A"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Waterworks and Sewer System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, an Official Statement and All Other Instruments and Procedures Related Thereto.

3. Ordinance (ID # 1773)

Consider Adoption of an Ordinance Repealing and Replacing Ordinance Nos. 964, 965, and 978 Establishing Fees for Security Deposits, Returned Checks, Delinquent Bills, Suspension of Service, and Service Upgrades Charged by the Light & Power Department, Water & Wastewater Department and Solid Waste Department, Creating Procedures for Online Bill

Payment Services, Procedures for the Return of Utility Security Deposits, and Establishing an Exemption from Late Fees for the Disabled and Those 65 Years of Age, and Other Utility Issues Related Thereto.

4. Council Action (ID # 1774)

Consider and Approve a Proposal for Solid Waste Collection and Disposal Services.

- Solid Waste Proposals (PDF)

5. Council Action (ID # 1775)

Consider Ratifying the Liberty Community Development Corporation's Action to Fund Airport Improvements.

- Airport Improvements 2010 (PDF)

6. Council Action (ID # 1776)

Consider Award of Bid for Round 1 Disaster Fund Materials.

- Round 1 Disaster Fund info (PDF)

7. Council Action (ID # 1777)

Consider and Approve Change Order No. 16 for the Humphreys Cultural Center Expansion Project.

- HCC Change Order No. 16 (PDF)

8. Council Action (ID # 1778)

Consider an Appointment to the Liberty Community Development Corporation Board of Directors.

9. Resolution (ID # 1779)

Consider a Resolution Supporting the Transfer of Liberty County from the BeaumontTXDOT District to the Houston TXDOT District.

10. Resolution (ID # 1780)

Consider Approval of a Resolution Approving an Electrical Services Agreement with Boomerang Tube, LLC.

11. Ordinance (ID # 1781)

Consider Approval of an Ordinance Setting a Nominated Resource Industrial Customer Rate.

B. Executive Session

Deliberation Regarding Economic Development Negotiation. Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. Gov. Code §551.086
Deliberation Regarding Real Property. Gov. Code §551.072

1. Discussion of industrial electric rate ordinance and electric service agreement with Boomerang Tube, LLC.

2. Discussion of spur.

C. Reconvene into Regular Session

1. Ordinance 2010-16

Considerapproval of an Ordinance Setting a Nominated Resource Industrial Customer Rate.

2. Resolution 2010-14

Consider Approval of a Resolution Approving an Electrical Services Agreement with Boomerang Tube, LLC.

VII. COUNCIL MEAL

VIII. ADJOURNMENT

A. Motion To: Adjourn

CERTIFICATION

I certify that the attached Notice of Meeting was posted on the bulletin board and in the Message Centers located on the east and west sides of the City Hall Administration Building, located at 1829 Sam Houston on the 6th day of August, 2010 at 1:00 p.m. This notice will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

____
Dianne Tidwell, City Secretary

NOTICE

In compliance with the Americans with Disabilities Act, the City of Liberty will provide reasonable accommodation for persons attending and/or participating in this Council Meeting. To better serve you, requests must be made at least 24 hours prior to the meeting. Contact the City at (936) 336-3684 or by Fax at (936) 336-9846. The building is wheelchair accessible, with parking available, on the west side of the building.

I certify that the attached Notice and Agenda of items to be considered by the City Council was removed by me from the bulletin board at the City Hall on the ________ day of ____________________, 2010.

The City of Liberty
City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, June 22, 2010 | **6:00 PM** | **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

The Meeting was called to order on June 22, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Dennis Beasley	Councilperson	Present	
Diane Huddleston	Councilperson	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Al Simonson	Councilperson	Present	
Louie Potetz	Councilperson	Present	
Frank Jordan	Councilperson	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council.

Police Chief Billy Tidwell presented a "Community Hero Award" to Mr. Joshua Childs. On June 9, 2010, a customer at Wal-Mart had her purse forcefully taken from her, was injured in the process, and the robber fled out the door. Mr. Childs had just driven up, realized what was happening, and without regard for his own health and safety, chased, apprehended and held the robber until the Police arrived. Mayor Pickett thanked Mr. Childs for being a good samaritan.

Mayor Pickett reported on the following:

- Independence Day Celebration sponsored by the City of Liberty to be held on Friday, July 2nd. A program will be held to include a speaker, patriotic music, and fireworks display.
- The TML Annual Conference will be held on October 26-29 in Corpus Christi.
- TML Region XVI Meeting in Dayton, Tx. on Thursday, July 15 at the Dayton Community Center.
- Thanked Fire Chief Fred Collins for the recent Hurricane Preparedness Training held at the City Hall. This event was sponsored by Liberty County Emergency Management and the cities of Liberty and Cleveland Emergency Management.

III. PRESENTATIONS / REPORTS

A. Information Item (ID # 1710)

Financial Report - May 2010

COMMENTS - Current Meeting:

Finance Director Naomi Herrington presented the finance report for the month of May. Ms. Herrington reported that the General Fund revenues were at 65% of the total projected revenues, and expenditures at 67% of total projected expenditures for the year. Ms. Herrington further stated that sales tax collections were down, being at 62.23% of projected figures, and 12.74% below collections this time the previous year.

Ms. Herrington reported that the cash in bank for the General Fund is $100,450. At this time, Ms. Herrington reviewed with Council the various other funds to include, water, electric, and garbage.

Lengthy discussion was held regarding the electric fund, fuel surcharges, SRMPA rebate, regulation and deregulation of electric utilities, and other related topics.

B. Information Item (ID # 1712)

Recycling Report - Councilperson Huddleston

COMMENTS - Current Meeting:

Councilperson Huddleston reported that the most recent recycling event was a huge success, with the truck filling early. Due to the huge response, the city will sponsor another recycling event for sensitive documents in September, 2010.

Councilperson Potetz reminded the public that Potetz Home Center has a roll-off container for cardboard only. Citizens may bring their cardboard and it will be disposed of at no charge.

C. Information Item (ID # 1713)

Central Appraisal District Proposed Budget / FY 2010-2011

COMMENTS - Current Meeting:

City Manager Gary Broz reported that he had given Council information on proposed amendments to the Central Appraisal District's 09-10 operating budget. Mr. Broz further reported that the CAD will have a meeting on Thursday, June 24 at 9 a.m. to consider the use of a portion of their fund balance to reduce long term debt on their office building.

This item was for information purposes only.

ATTACHMENTS:

- CAD Proposed Budget FY 2010-2011 (PDF)

D. Information Item (ID # 1715)

Introduction of the Handicapped Parking Enforcement Program Volunteers.

COMMENTS - Current Meeting:

Police Chief Billy Tidwell reported that a number of years ago the legislature made it possible for citizens to get involved in enforcing handicapped/disabled parking violations.

Chief Tidwell stated that these citizens are able to perform their duties after a background check, have a clean criminal history, and have attended a specified training course. Training included instruction on laws pertaining to parking, how to write citations, testifying in court, confrontation avoidance, and other related topics. Chief Tidwell introduced the following members of the Handicapped Parking Enforcement Program:

Yevonne Farrar	Robert Kneisley	Josh Mitchell
Brenda Dillingham	Faye Cutsinger	Marlene Shane
Donald Leggett	David Edmonds	

Chief Tidwell thanked these volunteers for their service and expressed appreciation to Officer Hugh Bishop for putting together the lesson plan, getting IDs, and conducting the training.

IV. REGULAR AGENDA

A. Regular Session

1. Council Action 2010-60

Consider Approval of a Request by Mike Riley to Hold a Car Show at the Liberty Municipal Park.

COMMENTS - Current Meeting:

Michael Riley was present to address the Council regarding a request for permission to hold a Classic Car Show in the Liberty Municipal Park. Mr. Riley reported that this event would bring in, at least, 200-220 vehicles and generate funds for the local economy. Mr. Riley further stated that the proposed plan is to use the southwest corner of the park, expanding into the park if additional vehicles register for participation. Further discussion included a proposed date of October 16 for the show, registration form to include a liability release, local food vendors, spectators being twice the number of vehicles, future car shows, and other related topics.

Consensus, by Council, was to allow this event to take place at the Liberty Municipal Park.

RESULT:	**NO ACTION TAKEN**

2. Resolution 2010-11

Consider Approval of a Resolution Authorizing Publication of Notice of Intention to Issue Certificates of Obligation.

COMMENTS - Current Meeting:

Mr. Dusty Traylor, RCI, was present to discuss with Council an update of the plan of finance recently discussed by the City's financial advisor, Bob Henderson, RCI. The proposed resolution authorizes the publication of notice of intent to issue certificates of obligation. The Council intends to finance a list of projects from proceeds derived from the sale of Combination Tax and Revenue Certificates of Obligation, in an amount not to exceed $4,900,000. The City will provide for the payment of the certificates from the collection of ad valorem taxes and a pledge of surplus revenues of the City's water and wastewater system. Lengthy discussion was held regarding the following list of projects, financing, rates, and related issues.

The list of projects include:

Water and electric meter replacement

Park maintenance shed

Fleet purchases

Miscellaneous capital items to include:

Citywide technology upgrade

Incode Software / Police Dept.

Records Retention and Codebook legal review services

Miscellaneous Fire Dept. Equipment

Motion was made approve the Resolution.

ATTACHMENTS:

- Financing Timetable COs 2010 (PDF)
- Certificates of Obligation 2010 Work Sheet (XLS)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Frank Jordan, Councilperson
SECONDER:	Dennis Beasley, Councilperson
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

3. Council Action 2010-61

Consider Approval of a Change Order for Costs Associated with the Humphreys Cultural Center Expansion Project.

COMMENTS - Current Meeting:

City Manager Gary Broz reported on a change order for resurfacing of interior walls and beams due to asbestos removal in the lobby area, of the Humphreys Cultural Center. Finance Director Naomi Herrington gave a report on the status of the HCC Expansion Project reviewing the project budget to include the various line items. Ms. Herrington reported that to date, revenues are in the amount of $3,184,950, with the City receiving a $250,000 donation from the Humphreys Foundation upon completion of the project, which will bring total revenues to $3,434,950. Total expenditures, to date, are in the amount of $3,003,899.

Motion was made to approve the change order in the amount of $22 844.

ATTACHMENTS:

- CC Change Order 14 (PDF)
- CC Change Order 15 (PDF)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Diane Huddleston, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

4. Council Action 2010-62

Consider Approval of Dates for Budget Work Sessions.

COMMENTS - Current Meeting:

After brief discussion, Council agreed to meet on July 12th and July 14th for budget work sessions.

ATTACHMENTS:

- Budget Calendar 2010-2011 (PDF)

RESULT:	**NO ACTION TAKEN**

5. Council Action 2010-63

Consider Approval of the Liberty Community Development Corporation's Proposal for Demolition of the Old Mercy Hospital, Located at 521 Travis Street.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the Commissioner Court meeting scheduled for today's date was postponed. Mr. Broz stated that he had received a 10-day reprieve on the demolition of the building, and hoped that shortly the agreement between participating entities would be signed by the school district and the county.

RESULT:	**NO ACTION TAKEN**

6. Council Action 2010-66

Consider Approval of a Downtown Analysis and Strategy Program.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that Council had previously discussed making improvements to the downtown area and introduced Mr. Aaron Farmer with Retail Coach LLC. Mr. Farmer discussed the Downtown and Analysis Strategy Program proposal that will examine Liberty's downtown for physical and market issues and opportunities, and make recommendations to improve the downtown area.

Mr. Farmer further explained that the project consists of Phase I - Assessment which will consist of meeting with local businesses, Chamber of Commerce, etc regarding future potential of the area. Available property, city's land use plan, zoning, and other related issues will be reviewed.

At the end of Phase I, a powerpoint presentation will be made summarizing the Retail Coach market assessment.

Phase II - Recommendations and objectives will be based on Retail Coach analysis and observations. Discussed will be physical improvements and a Facade Enhancement Program, land use and development, code modifications, marketing initiatives, incentives to assist with revitalization, organizational recommendations, and other related issues.

Mr. Farmer explained that this is a three month process at a cost of $12,000 with an option for sketches of physical improvements to the downtown area, or creation of a community gathering place, for an additional $2000. Mr. Broz recommended that if Council approves of the presentation, that he be allowed to make this same presentation to the Liberty Community Development Corporation Board of Directors and request funding for this project.

Council agreed that this is a worthy project and gave direction to Mr. Broz to approach LCDC to request funding for this project.

ATTACHMENTS:

- Downtown Analysis & Strategy (PDF)

RESULT:	**NO ACTION TAKEN**

7. Council Action 2010-64

Consider and Adopt an Agreement for Electrical Service to Boomerang Tube, LLC.

RESULT:	**NO ACTION TAKEN**

8. Ordinance (ID # 1724)

Consider and Adopt an Industrial Electric Rate Ordinance.

RESULT:	**NO ACTION TAKEN**

B. Executive Session

Deliberation Regarding Economic Development Negotiation. Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. 551.086

1. Discussion of industrial electric rate ordinance and electric service agreement with industrial customer.

The Executive Session as described above was not held. There was no Executive Session held as a part of this Council Meeting.

C. Reconvene into Regular Session

1. Ordinance (ID # 1722)

Consider Adoption of an Industrial Electric Rate Ordinance.

RESULT:	**NO ACTION TAKEN**

2. Council Action 2010-65

Consider an Electric Service Agreement with an Industrial Customer.

RESULT:	**NO ACTION TAKEN**

V. COUNCIL MEAL

Council shared an evening meal.

VI. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 8:14 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Dennis Beasley, Councilperson
AYES:	Pickett, Beasley, Huddleston, McCarty, Simonson, Potetz, Jordan

Carl Pickett, Mayor

ATTEST:

Dianne Tidwell, City Secretary

The City of Liberty

City Council

Work Session

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Monday, July 12, 2010 **6:00 PM** **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

The Meeting was called to order on July 12, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Dennis Beasley	Councilperson	Absent	
Diane Huddleston	Councilperson	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Al Simonson	Councilperson	Present	
Louie Potetz	Councilperson	Present	
Frank Jordan	Councilperson	Present	

II. WORK SESSION

1. Work Session (ID # 1736)

Discussion of Proposed Budget for Fiscal Year 2010 - 2011.

COMMENTS - Current Meeting:

City Manager Gary Broz presented to Council the proposed budget for Fiscal Year 2010-2011. Mr. Broz explained that he was presenting a budget with no increase in the tax rate, no rate increase in the electric, water or sewer costs, no capital outlay, and a balanced General Fund balance of $6,686.082.

Mr. Broz further stated that the budget was in a new format, several departments had been broken out in an effort to find the true costs of each department. There will be a transfer of $65,000 more, than the previous year, from utilities to the General Fund.

Mr. Broz reported that each department was carefully watching overtime, salaries are frozen, and there have been personnel changes to include relocation or non-replacement of open positions. Money had been placed in the electric ($250,000), water ($150,000), and sewer ($150,000) funds dedicated to building reserves in each of these departments.

Further discussion included funds for random drug testing and physicals in each department, upcoming proposals for garbage collection services, new purchasing habits, employee fitness program, new uniform service, credit card services, operational costs of the Humphreys-Burson Theatre for accounting or reimbursement purposes, and various other budget related topics.

III. COUNCIL MEAL

Council shared an evening meal.

IV. ADJOURNMENT

1. Motion To: Adjourn

COMMENTS - Current Meeting:

The work session was closed at 9:21 p.m.

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

The City of Liberty
City Council
Regular Meeting
~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, July 13, 2010 | **6:00 PM** | **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

The Meeting was called to order on July 13, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:05 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Dennis Beasley	Councilperson	Absent	
Diane Huddleston	Councilperson	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Al Simonson	Councilperson	Present	
Louie Potetz	Councilperson	Present	
Frank Jordan	Councilperson	Present	

II. INVOCATION

Mr. Kevin Ladd gave the Invocation.

III. PLEDGE OF ALLEGIANCE

Street Supt. Harvey Joiner led the pledge to the American and Texas flags.

IV. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council.

Ms. Bennie Wells - concerns regarding utility deposits and late payments,
Ms. Loretta Dugat Baldwin - concerns regarding utility deposits, late payments, and issues regarding the upkeep and maintenance of the levee, and
Ms. Connie Paintsil - concerns regarding utility costs, deposits, and programs whereby one can donate to provide assistance to others.

V. CONSENT AGENDA

All consent items listed are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items unless a Council Member so requests, and if such a request is made, the item will be removed from the Consent Agenda and considered in a normal sequence on the agenda.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mike McCarty, Mayor Pro-Tem
SECONDER:	Diane Huddleston, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

A. Minutes Approval

1. Tuesday, June 08, 2010

VI. ITEMS OF INTEREST

A. Information Item (ID # 1748)

Comcast Channel Lineup

COMMENTS - Current Meeting:

City Secretary Dianne Tidwell reported that, in an effort to keep the cities they serve informed, Comcast Cable had sent information regarding revisions to the channel line-up. Ms. Tidwell stated that Comcast will also provide notification of the changes and additions to its customers.

VII. PUBLIC HEARINGS

1. Public Hearing (ID # 1746)

2009 Drinking Water Quality Report

COMMENTS - Current Meeting:

At 6:15 p.m., Mayor Pickett opened the Public Hearing on the 2009 Drinking Water Quality Report. Water/Wastewater Operations Manager Earl McCreight reported that the City's drinking water meets and exceeds all Federal drinking water requirements, therefore, receiving a Superior Quality rating.

Mayor Pickett closed the Public Hearing at 6:16 p.m.

ATTACHMENTS:

- CCR 2010 (PDF)

VIII. REGULAR AGENDA

A. Regular Session

1. Council Action (ID # 1745)

Consider Approval of a Variance Request to Develop a Recreational Vehicle Park to be Located at 1609 Lakeland Drive.

COMMENTS - Current Meeting:

City Manager Gary Bro reported that the Planning & Zoning Commission had received a request for variance to place a recreational vehicle park at 1609 Lakeland Drive. Mr. Broz further reported that this location is a part of the No Recreational Vehicle Park Zone, as addressed in the Recreational Vehicle Ordinance (March, 2009) and that the request for variance was denied by the Commission.

After discussion of the proposed vehicle park and future plans for expansion and the RV ordinance and its requirements, a motion was made based on the Planning & Zoning Commission findings and City staff recommendations that the request for variance be denied.

ATTACHMENTS:

- Blanchard Variance Request (PDF)

RESULT:	**DEFEATED [5 TO 1]**
MOVER:	Frank Jordan, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, Huddleston, McCarty, Simonson, Jordan
NAYS:	Louie Potetz
ABSENT:	Dennis Beasley

2. Council Action 2010-67

Discuss and Take Action, If Deemed Necessary, on the City's Utility Deposit Ordinance.

COMMENTS - Current Meeting:

Mr. Broz explained the City's current utility service and the process by which a customer may be assessed a late fee or a deposit charged back to their account, due to payments not made in a timely manner. If payment is not made by the billing date, there will be a 10% penalty. If a bill is paid late three times in one year, the customer must pay a deposit on their account. Disabled citizens and those 65 years of age may sign up to be exempt from the late fee.

After lengthy discussion of these items, Council consensus was to change the ordinance so that a customer must pay a deposit on their account if they are on the disconnect list twice in a rolling calendar year, instead of three times in one year.

Motion was made to suspend enforcement of the current ordinance, refund those deposits collected within the last 60 days, incorporate if possible, a program by which individuals may donate on their utility bill to help those in need of assistance, and create a new ordinance incorporating the original ordinance and any amendments or related ordinances.

ATTACHMENTS:

- Utility Deposit Ord. (PDF)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mike McCarty, Mayor Pro-Tem
SECONDER:	Frank Jordan, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

3. Council Action 2010-68

Consider Approval of the Liberty Community Development Corporation's Proposal for Demolition of the Old Mercy Hospital, Located at 521 Travis Street.

HISTORY:

07/06/10 **City Council** **MEETING CANCELLED**
Next: 07/13/10

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the Liberty Community Development Corporation had approved a proposal whereby they would purchase the property at 521 Travis Street on which the old Mercy Hospital is located. Purchase price of this property would be $1689 in exchange for title to the property free and clear of any and all taxes owed, thereby taking control of the property. The proposal includes that the LCDC would pay 50% of the demolition cost ($113,500), with Liberty County and the Liberty Independent School District each paying 25%. LCDC, upon selling the property, would recover any additional costs related to the sale before division of the sale proceeds among the three entities.

After brief discussion of the demolition process, a motion was made to approve the purchase as stated.

RESULT:	**APPROVED [5 TO 0]**
MOVER:	Al Simonson, Councilperson
SECONDER:	Diane Huddleston, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz
ABSTAIN:	Frank Jordan
ABSENT:	Dennis Beasley

4. Council Action 2010-69

Consider Approval of March 25 & 26 as Dates for the 2011 Liberty Jubilee.

COMMENTS - Current Meeting:

Motion was made to approve the dates of March 25th and 26th as dates for the 2011 Liberty Jubilee.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mike McCarty, Mayor Pro-Tem
SECONDER:	Frank Jordan, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

5. Council Action 2010-70

Consider an Appointment to the Liberty Community Development Corporation Board of Directors.

COMMENTS - Current Meeting:

This agenda item was passed on.

RESULT:	**NO ACTION TAKEN**

6. Council Action 2010-71

Consider Approval of Advertising for Sale Various Real Properties Owned by the City of Liberty.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the City owned several properties that could be sold and placed back onto the tax roll. The properties discussed were:

1. Beaumont Street Utility Complex - Water & Wastewater Department
2. Tree Top Terrace - Old Neighborhood Sewer Plant - 100 X 120 Lot
3. Old Landfill - Between Hwy. 90 & FM 160 - 40+ Acres
4. Lots on Bowie and Edgewood Sts. - by Drainage Ponds
5. Trinity Street Complex - Street and Maintenance Departments
6. Plymouth Street Right-of-Way - Between Hull State Bank and Subway

Motion was made to move forward with the process to place the listed properties for sale.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Mike McCarty, Mayor Pro-Tem
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

7. Resolution 2010-12

Consider Approval of a Resolution Electing to Participate in the Tax Abatement Program Under Texas Tax Code 312.

COMMENTS - Current Meeting:

Mayor Pickett read the caption of the Resolution into the record as follows:

"A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ELECTING TO PARTICIPATE IN THE TAX ABATEMENT PROGRAM UNDER TEXAS TAX CODE 312."

City Manager Gary Broz stated that this is part of the process that must be followed in order for the City to update its Guidelines and Criteria for Tax Abatement.

Motion was made to approve the Resolution.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Al Simonson, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

8. Resolution 2010-13

Consider Approval of a Resolution Adopting Guidelines and Criteria for Tax Abatement.

COMMENTS - Current Meeting:

Mayor Pickett read the caption of the Resolution into the record as follows:

"A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, ADOPTING GUIDELINES AND CRITERIA FOR TAX ABATEMENT."

Motion was made to approve the Resolution.

ATTACHMENTS:

- Tax Abatement Guidelines and Criteria 2010 (DOC)

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Mike McCarty, Mayor Pro-Tem
SECONDER:	Frank Jordan, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

9. Council Action 2010-72

Consider and Adopt an Agreement for Electrical Service to Boomerang Tube, LLC.

HISTORY:

07/06/10 **City Council** **MEETING CANCELLED**
Next: 07/13/10

COMMENTS - Current Meeting:

This agenda item was passed on.

RESULT:	**NO ACTION TAKEN**

10. Ordinance (ID # 1731)

Consider and Adopt an Industrial Rate Ordinance.

HISTORY:

07/06/10 City Council MEETING CANCELLED
Next: 07/13/10

COMMENTS - Current Meeting:

This agenda item was passed on.

RESULT:	**NO ACTION TAKEN**

11. Council Action 2010-73

Discuss Citizen Response and Take Action, If Any, on Recent Customer Survey Conducted by the City of Liberty.

COMMENTS - Current Meeting:

City Manager Gary Broz reported that the City had recently conducted a survey in order to gather information on citizen concerns regarding various city services.

Discussion was held regarding the various portions of the survey to include customer service, park and library usage, safety issues in the community, recycling, communication, and other matters of importance to the citizens.

RESULT:	**NO ACTION TAKEN**

B. Executive Session

Deliberation Regarding Economic Development Negotiation. Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. 551.086

1. Discussion of industrial electric rate ordinance and electric service agreement with industrial customer.

There was no Executive Session held.

C. Reconvene into Regular Session

There was no Executive Session held.

1. Ordinance (ID # 1733)

Consider Adoption of an Industrial Electric Rate Ordinance.

HISTORY:

07/06/10 City Council MEETING CANCELLED
Next: 07/13/10

2. Council Action (ID # 1734)

Consider an Electric Service Agreement with an Industrial Customer.

HISTORY:

07/06/10 City Council MEETING CANCELLED
Next: 07/13/10

IX. COUNCIL MEAL

Council shared an evening meal.

X. ADJOURNMENT

A. Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 8:30 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Al Simonson, Councilperson
AYES:	Pickett, Huddleston, McCarty, Simonson, Potetz, Jordan
ABSENT:	Dennis Beasley

Carl Pickett, Mayor

ATTEST:

Dianne Tidwell, City Secretary

The City of Liberty
City Council
Work Session
~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Wednesday, July 14, 2010 | **6:00 PM** | **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

The Meeting was called to order on July 14, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:05 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Dennis Beasley	Councilperson	Absent	
Diane Huddleston	Councilperson	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Al Simonson	Councilperson	Absent	
Louie Potetz	Councilperson	Present	
Frank Jordan	Councilperson	Present	

II. WORK SESSION

1. Work Session (ID # 1738)

Discussion of Proposed Budget for Fiscal Year 2010 - 2011.

COMMENTS - Current Meeting:

A budget work session was held for discussion of issues relative to the proposed budget for Fiscal Year 2010-2011. Discussion included review of each of the various funds, current and proposed expenditures and revenues, comparison of residential utility costs, sales tax and property tax rates, electric department transfers, new utility bill format, reserve funds, hotel-motel tax, neighborhood services, proposed certificates of obligation for miscellaneous projects, and other related matters.

III. COUNCIL MEAL

Council shared an evening meal.

IV. ADJOURNMENT

1. Motion To: Adjourn

COMMENTS - Current Meeting:

The work session was closed at 8:05 p.m.

Carl Pickett, Mayor

ATTEST:

Dianne Tidwell, City Secretary

The City of Liberty
City Council

Special Called Meeting

~ Minutes ~

1829 Sam Houston
Liberty, TX 77575
www.cityofliberty.org

Dianne Tidwell
City Secretary
(936) 336-3684

Tuesday, July 27, 2010 **6:00 PM** **City Council Chambers**

The City Council of Liberty, Texas reserves the right to meet in closed session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551 of the Texas Government Code.

I. CALL TO ORDER

The Meeting was called to order on July 27, 2010 at the City Council Chambers, 1829 Sam Houston, Liberty,TX at 6:00 PM by Mayor Carl Pickett.

Attendee Name	Title	Status	Arrived
Carl Pickett	Mayor	Present	
Dennis Beasley	Councilperson	Absent	
Diane Huddleston	Councilperson	Present	
Mike McCarty	Mayor Pro-Tem	Present	
Al Simonson	Councilperson	Absent	
Louie Potetz	Councilperson	Present	
Frank Jordan	Councilperson	Present	

II. ACKNOWLEDGEMENT OF GUESTS AND VISITORS / PUBLIC COMMENT

Mayor Pickett welcomed guests and visitors, opening the floor for public comment to those individuals wishing to address the Council. There were no comments from the audience.

- Mayor Pickett reported the following:
- Work on the Community Garden at the old San Jacinto School on Saturday, July 31,
- Mercy Hospital Demolition in progress,
- Thanked the Liberty Community Development Corporation, Liberty County, and the Liberty Independent School District for their participation in Mercy Hospital Demolition Project, and the
- Upcoming Regular Called Council Meeting, on August 10, 2010.

III. REGULAR AGENDA

A. Regular Session

1. Information Item (ID # 1750)

Discuss Current City Financials.

COMMENTS - Current Meeting:

City Manager Gary Broz reported on the June financials and reviewed the various funds and projected balances through the end of the fiscal year. Mr. Broz further reported that open positions were not being filled, departments are carefully watching overtime, and street repairs are at a minimum.

Finance Director Naomi Herrington reported on a FEMA payment worksheet stating that the City was still due FEMA funds, in the amount of $593,398.20, at the conclusion of the FEMA audit. Upon receipt of these funds they will be placed in the General Fund. Ms. Herrington reported that there are two FEMA project worksheets still open; 1) hangar replacement for the Airport in the amount of $214,576 and 2) the Police Department building repairs in the amount of $296,133.

2. Council Action 2010-76

Consider Approval of Authorization to Proceed with Sale of 2010 Certificates of Obligation.

COMMENTS - Current Meeting:

Mr. Dusty Traylor, RBI, was present to discuss with Council the proposed sale of 2010 Certificates of Obligation. Mr. Traylor stated that the plan of finance is a two step plan.

Mr. Traylor explained that part of the plan is the issuance of Certificates of Obligation to re-finance a certain portion of the city's outstanding tax secured debt. The items subject to refinancing are the General Obligation Refunding Bonds Series 2008 and the first set of 2010 Tax Anticipation Notes, in the amount of $3,295,000. Mr. Traylor reviewed these items and the proposed anticipated debt service. Mr. Traylor further explained that the plan of finance was to create a window for new funds to be rolled into the debt service structure, without severe impact on the Interest & Sinking Fund tax rate.

Mr. Traylor reported on the proposed 2010A Certificates of Obligation, in the amount of $4,825,000, and the projected debt service. City Manager Gary Broz reviewed the list of projects for the proposed issuance as follows:

- meter replacement,
- repair on water storage and distribution,
- construction of a park maintenance shed,
- fleet purchases, and
- miscellaneous capital purchases

  citywide technology upgrade

    Police Department software

    Fire Department Life Pack monitors, portable CPA units, and fire hose,

    Records Retention and Codebook Legal Review - City Secretary's Office.

Discussion continued regarding meter change-outs, equipment longevity, expense justification, bond call features, future I & S tax rates, issuing debt now to take advantage of low interest rates and material costs, as these are likely to rise in the very near future.

Motion was made authorize the City Manager to proceed with the sale of 2010 Certificates of Obligation.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Frank Jordan, Councilperson
SECONDER:	Diane Huddleston, Councilperson
AYES:	Pickett, Huddleston, McCarty, Potetz, Jordan
ABSENT:	Dennis Beasley, Al Simonson

3. Council Action 2010-75

Consider and Adopt an Agreement for Electrical Service to Boomerang Tube, LLC.

RESULT:	**NO ACTION TAKEN**

4. Ordinance (ID # 1753)

Consider and Adopt an Industrial Rate Ordinance.

RESULT:	**NO ACTION TAKEN**

B. Executive Session

Deliberation Regarding Economic Development Negotiation. Gov. Code §551.087
Consultation With Attorney. Gov. Code §551.071
Meeting Concerning Municipally Owned Utility. 551.086

1. Discussion of industrial electric rate ordinance and electric service agreement with industrial customer.

At 7:18 p.m., Mayor Pickett closed the open meeting and opened the Executive Session as authorized above.

C. Reconvene into Regular Session

At 8:13 p.m., Mayor Pickett closed the Executive Session and reconvened the open meeting.

1. Ordinance (ID # 1754)

Consider Adoption of an Industrial Electric Rate Ordinance.

RESULT:	**NO ACTION TAKEN**

2. Council Action 2010-74

Consider an Electric Service Agreement with an Industrial Customer.

COMMENTS - Current Meeting:

Motion was made to approve the electric service agreement with Boomerang Tube LLC subject to final negotiations by the City Manager and City Attorney, and authorize the Mayor to execute the agreement.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Frank Jordan, Councilperson
AYES:	Pickett, Huddleston, McCarty, Potetz, Jordan
ABSENT:	Dennis Beasley, Al Simonson

IV. COUNCIL MEAL

Council shared an evening meal.

V. ADJOURNMENT

Motion To: Adjourn

COMMENTS - Current Meeting:

There being no further business before the Council, the meeting was adjourned at 8:15 p.m.

RESULT:	**APPROVED [UNANIMOUS]**
MOVER:	Louie Potetz, Councilperson
SECONDER:	Frank Jordan, Councilperson
AYES:	Pickett, Huddleston, McCarty, Potetz, Jordan
ABSENT:	Dennis Beasley, Al Simonson

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

Minutes Acceptance: Minutes of Jul 27, 2010 6:00 PM (Minutes Approval)

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Downtown Issues

COUNCIL ACTION (ID # 1766)

DOC ID: 1766

Consider Ratifying the Liberty Community Development Corporation's Action to Fund a Downtown Analysis and Strategy Program.

.

Downtown Analysis and Strategy

A PROPOSAL FOR

THE CITY OF LIBERTY, TX

TheRetailCoach.™

ARPIL 28, 2010

TheRetailCoach.™
Retail Recruitment & Development Strategies

NoTES

THIS AGREEMENT is made and entered into as of the _____ day of _______________ 2010, by and between a limited liability entity, The Retail Coach, L.L.C. (hereinafter "TRC") and The City of Liberty, Texas (hereinafter "COL").

WITNESSETH:

WHEREAS, COL is seeking to attract retail and retail development for through the completion of market analysis services and a retail recruitment and development strategy; and

WHEREAS, TRC desires to provide assistance to COL with market research services and the assessment, development and execution of a retail recruitment and development strategy; and

WHEREAS, the parties hereto desire to set forth their mutual understandings and agreements regarding the services to be performed by TRC.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

PROJECT TEAM

With national experience, the TRC team excels in: 1) developing market-based, community-specific approaches to retail recruitment, development and redevelopment strategies; 2) directing retail economic development and community development projects; 3) executing the strategy on behalf of our clients; and 4) equipping and coaching our clients in their ongoing and future retail development efforts.

The directors for this project will be C. Kelly Cofer, CCIM, Sean Garretson, AICP and Aaron Farmer. Mr. Cofer, Mr. Garretson and Mr. Farmer are active coaches to numerous economic development organizations throughout the United States with market research services and comprehensive retail recruitment, development and redevelopment plans that are uniquely market-based and community-driven. Nancy Dees, Director of Communications, will aid Mr. Cofer Mr. Garretson and Mr. Farmer with the development and execution of the strategies developed for this project.

3-month Process
Assessment - Education
Recruit - Educate
Strategies
3-Trips
PP Presentation
SWAT Analysis

PROJECT APPROACH

TRC will closely examine Liberty's downtown for physical and market issues and opportunities, and will make recommendations to improve the downtown.

TRC proposes the following two-phase process for completing our work:

PHASE I: ASSESSMENT

- TRC will meet with public, private and community stakeholders (to be selected by the Client) to gain a better understanding of Liberty's revitalization needs and opportunities.
- TRC will meet individually with businesses and property owners in downtown to gain an understanding of overall market dynamics, current business environment, property availability and market lease and sales prices.
- TRC will review the City's future land use plan, zoning map/code, and land development code.
- TRC will perform a SWOT Analysis specific to the downtown and gateways into the downtown.
- At the end of Phase I, TRC will develop a power point presentation summarizing our market assessment, SWOT analysis, and physical assessment. We will identify main issues to address and opportunities to consider.

PHASE II: ~~ASSESSMENT~~ Recommendation

TRC develops strategies and recommendations based on our analysis and observations, and client feedback from the Phase I presentation. During Phase II TRC will develop strategies and recommendations in the following areas:

Landscape

- Best market opportunities for downtown buildings.
- Any major physical improvements necessary.
- Specific markets (end users, such as tourists, local residents) on which marketing collateral should be focused. How To Attract
- Land use and land development code modifications necessary to accommodate growth in the downtown. Recondition
- Organizational recommendations – which organization (City, Liberty-Dayton Chamber of Commerce, and others) should spearhead downtown revitalization, and appropriate roles for all entities. Who Does What

Sketches

How you can fix it up

Specific Retailers

office

Resident

Complaints Present

Sean Planner for LCRA

Catalyst Project Leverage for Private Sector

- Potential funding mechanisms that may be necessary to put into place to ensure steady funding for marketing and incentives.
- Incentives that should be created to stimulate revitalization (may include façade grant enhancements, streamlined permit processing, and grants to stimulate economic activity).

COMMUNITY VISITS

We will make approximately three (3) trips to Liberty during the project. During trips, we will meet with key public, private and community stakeholders to discuss this project and to ascertain specific information that will help the TRC team in its analyses and retail strategy development.

PROJECT SCHEDULE

San Marcos - Seguin = Downtown Client

The TRC team is available to begin this work immediately upon agreement of terms. We will carry out the work plan within ninety (90) business days upon agreement of terms.

FEES AND EXPENSES

The total fee for completion of this work is $12,000, plus actual expenses. The total cost including expenses will not exceed $14,000.

- $4,000 upon execution of the Agreement;
- $4,000 upon completion of Market and SWOT Analysis; and
- $4,000 upon completion and presentation of final report.

OPTION

TRC also has the ability to provide 2-3 Sketches/Drawings representing physical improvements to streetscapes or buildings, or the creation of a community gathering place in the downtown for an additional fee of $2,000.

Not Much GIS Work Current Uses No Mapping

Private Sector To Understand What It Is Doing or What Direction To Go

IN WITNESS WHEREOF, the parties have executed this agreement as of the ____ day of ____________, 2010.

The Retail Coach, L.L.C.

By: ______________________________________

C. Kelly Cofer, President/CEO

City of Liberty, Texas

By: ______________________________________

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Agreements

COUNCIL ACTION (ID # 1767)

DOC ID: 1767

Consider Approval of Amendment No. 7 to the Agreement Between Brazos Transit District and the City of Liberty.

EXPLANATION:
Attached is a copy of the Brazos Transit Contract. Our current agreement expires on September 1, 2010. Brazos is requesting another 2 year extension. I see no problem granting the extension, but we need to gather some information of their statistics. I will request that the Brazos Transit come before Council to make a presentation on the number of riders, expense, income, and future plans. This needs to take place in the next couple of months.

Gary Broz

.

The District

A Political Subdivision of the Great State of Texas

Providing Rural & Urban Public Transportation in Central & East Texas Since 1974.

ADMINISTRATIVE OFFICE

1759 N. Earl Rudder Frwy
Bryan, Texas 77803

Phone (979) 778-0607
Fax (979) 778-3606

Central Maintenance
Phone (979) 778-4498
Fax (979) 778-2042

REGIONAL OFFICES

Lufkin
1014 N. John Redditt
Lufkin, Texas 75904

Phone (936) 639-3055
Fax (936) 634-3172

Livingston
202 Pan American
Livingston, TX 77351

Phone (936) 327-0192
Fax (936) 327-0194

The Woodlands
701 Westridge
Spring, TX 77380

Phone (281) 363-0882
Fax (281) 292-0696

www.btd.org

July 26, 2010

Mayor Carl Pickett
City of Liberty
1829 Sam Houston
Liberty, Texas 77575

RE: Amendment No. 7
Brazos Transit District

Dear Mayor Pickett:

Enclosed please find two copies of Amendment Number 7 to the Agreement between Brazos Transit District and the City of Liberty. Please sign both copies, retain one for your files and return one copy to my office located at 1759 N. Earl Rudder Freeway in Bryan, Texas 77803.

We look forward to continuing to serve the citizens of the City of Liberty. If you have any questions, please contact Ms. Margie Lucas, Executive Vice President at 979-778-4494.

Kindest Regards,

John McBeth
General Manager

Enclosures

AGREEMENT
Amendment No. 7

STATE OF TEXAS
COUNTY OF BRAZOS

The Contract negotiated and executed on September 27, 1994 by and between Brazos Transit District (BTD) and the CITY OF LIBERTY (Liberty City), is amended to read as follows:

TERM

This agreement shall be for a period of two (2) years, commencing on September 1, 2010 and expiring on August 31, 2012.

Funds received from the city will be used as local share.

All other terms of the original Agreement dated September 27, 1994 are still in effect.

BRAZOS TRANSIT DISTRICT

John M. McBeth
General Manager

July 26, 2010
Date

CITY OF LIBERTY

Carl Pickett
City of Liberty Mayor

Date

AGREEMENT
Amendment No. 7

STATE OF TEXAS
COUNTY OF BRAZOS

The Contract negotiated and executed on September 27, 1994 by and between Brazos Transit District (BTD) and the CITY OF LIBERTY (Liberty City), is amended to read as follows:

TERM

This agreement shall be for a period of two (2) years, commencing on September 1, 2010 and expiring on August 31, 2012.

Funds received from the city will be used as local share.

All other terms of the original Agreement dated September 27, 1994 are still in effect.

BRAZOS TRANSIT DISTRICT	CITY OF LIBERTY
John M. McBeth General Manager	Carl Pickett City of Liberty Mayor
July 26, 2010 Date	Date

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Purchasing

RESOLUTION (ID # 1768)

DOC ID: 1768

Consider a Resolution Approving Participation in the Region 4 Education Service Center Cooperative Purchasing Network and Appointing an Official Representative to Act for the City in All Matters Relating to the Network.

EXPLANATION:
This Resolution and Interlocal Agreement does not cost the City any money to join. We will use it as another tool to shop for goods and services. Our goal is to shop and get the best prices on all the different things the City buys.

Gary Broz

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, LIBERTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BETWEEN THE REGION 4 EDUCATION SERVICE CENTER, WHICH SPONSORS THE COOPERATIVE PURCHASING NETWORK (TCPN), PROVIDING FOR A COOPERATIVE PURCHASING PROGRAM FOR GOODS AND SERVICES; DESIGNATING ________________(NAME AND/OR TITLE), AS OFFICIAL REPRESENTATIVE OF THE CITY OF LIBERTY RELATING TO THE PROGRAM.

WHEREAS, the City Council of the City of Liberty has been presented a proposed Interlocal Agreement by and between the Region 4 Education Service Center, which sponsors The Cooperative Purchasing Network, and the City of Liberty and found to be acceptable and in the best interests of the City of Liberty and its citizens, are hereby in all things approved.

WHEREAS, the City of Liberty of Liberty, Texas, pursuant to the authority granted under Sections 271.101 to 271.012 of the Local Government Code, desires to participate in the described purchasing program sponsored by the Region 4 Education Service Center which is known as the Cooperative Purchasing Network, and in the opinion that participation in this program will be highly beneficial to the taxpayers through the anticipated saving to be realized.

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

SECTION 1. The Terms and conditions of the agreement having been reviewed by the City Council of the City of Liberty and found to be acceptable and in the best interests of the City of Liberty and its citizens are hereby in all things approved.

SECTION 2. ______________________________of the City of Liberty under the direction of the City Council of the City of Liberty is hereby designated to act for the City of Liberty in all matters relating to the Cooperative purchasing Network including the designation of specific contracts in which the City of Liberty desires to participate.

SECTION 3. This resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED THIS THE 10th DAY OF August, 2010.

CITY OF LIBERTY, TEXAS

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

INTERLOCAL AGREEMENT
Region 4 Education Service Center

Contracting Parties

______________________ School District or Public Entity	______________ County-District Number
Region 4 Education Service Center	101 - 950 County-District Number

This agreement is effective ________________and shall be automatically renewed unless either party gives sixty (60) days prior written notice of non-renewal. This agreement may be terminated with or without cause by either party upon (60) days prior written notice, or may also be terminated for cause at anytime upon written notice stating the reason for and effective date of such terminations and after giving the affected party a thirty (30) day period to cure any breach.

Statement of Services to be Performed:

Authority for such services is granted under Government Code, Title 7, Chapter 791 Interlocal Cooperation Contracts, Subchapter B and Subchapter C, and Local Government Code, Title 8, Chapter 271, Subchapter F, Section 271.101 and Section 271.102. The purpose of this cooperative is to obtain substantial savings for member school districts and public entities through volume purchasing.

Role of the Purchasing Cooperative

1. Provide for the organizational and administrative structure of the program.
2. Provide staff time necessary for efficient operation of the program.
3. Receive quantity requests from entities and prepare appropriate tally of quantities.
4. Initiate and implement activities related to the bidding and vendors selection process.
5. Provide members with procedures for ordering, delivery, and billing.

Role of the Member School District or Public Entity:

1. Commitment to participate in the program as indicated by an authorized signature in the appropriate space below.
2. Designate a contact person for the cooperative.
3. Commit to purchase products and services that become part of the official products and services list when it is in the best interest of the member entity.
4. Prepare purchase orders issued to the appropriate vendor from the official award list provided by the Purchasing Cooperative.
5. Accept shipments of products ordered from vendors in accordance with standard purchasing procedures.
6. Pay vendors in a timely manner for all goods and services received.

Revised 03/09 (QP134-MEM1 Rev. 1)

Authorization:

Region 4 Education Service Center and The Cooperative Purchasing Network (TCPN) executed a contract to provide cooperative purchasing opportunities to school districts and public entities.

Please send a signed Interlocal Agreement to Region 4 ESC, Attn: TCPN, 7145 W. Tidwell, Houston, TX 77092-2096.

School District or Public Entity

By______________________________
Authorized Signature

____
Title

____
Date

____
Contact Person

____
Title of Contact

____
Street Address

____
City, State Zip

____
Contact's Telephone Number

____
E-mail Address

Region 4 Education Service Center

By______________________________
Authorized Signature

Deputy Director, Financial Services/CFO
Title

____
Date

Jason Wickel - Director-TCPN
Contact Person

(713)-744-6356
Telephone Number

jwickel@tcpn.org
E-mail Address

Revised 03/09 (QP134-MEM1 Rev. 1)

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Surplus Property

COUNCIL ACTION (ID # 1769)

DOC ID: 1769

Declare Miscellaneous City Equipment as Surplus Property.

EXPLANATION:
We are requesting that you declare the attached list of miscellaneous equipment as surplus property, so that the City can sell the items at Public Auction. Most of the items have gone through their usable life. Different areas of the City have been cleaned out and Staff is also cleaning out areas for the move to the Service Center.

Gary Broz

.

AUCTION ITEMS - 2010
PRELIMINARY LIST

Label Makers, Kroy K-225	2	City Hall	
Cell Phones & Accessories	25+	City Hall	
CPU	2	City Hall	
DVD/VCR PLAYER-Recorder	1	City Hall	
Switches, Routers, & Miscellaneous Computer Peripheals		City Hall	
Monitor Stands	3	City Hall	
Lawnmower, Snapper 11.5 hp Riding	1	Electric Department	
A/C Window Unit, 10,000 BTU	1	Electric Department	
Sirens, Air/Emergency	4	Electric Department	
Boat, 14-ft Flat Bottom Aluminum w/8-hp Johnson Outboard Motor	1	Fire Department	Doesn't run
Monitor, Computer, KDS Model VS71	3	Library	
Monitor, Computer, Acer Model 72542E	2	Library	
Monitor, Computer, Gateway Model EV910B	1	Library	
Monitor, Computer, Gateway Model VX720	2	Library	
Monitor, Computer, Viewsonic	1	Library	
CPU, Custom by Kemptech	2	Library	
CPU, Gateway STC Essential 866	1	Library	
Keyboard	1	Library	
Keyboard, KTC Model E05300	2	Library	
Keyboard, Acer Model 6511-TW	1	Library	
Mouse	3	Library	
Server, Ping Techno	1	Library	
Server, Gateway 7400	1	Library	
Paper Cutter	2	Library	
Hole Punch	1	Library	
Binding Machine	1	Library	
Overhead Projector, Portascribe Model G100	1	Library	
Microfiche Reader	1	Library	
Audio Visual Cabinet	1	Library	
Chairs, Yellow Vinyl	4	Library	
Typewriter, IBM Selectric II	1	Library	
Filmstrip, Dukane Micromatic II	1	Library	
Book Display Unit, Orange	1	Library	
Display Cabinets, Glass with Glass Shelves	3	Library	

AUCTION ITEMS - 2010
PRELIMINARY LIST

Tractor, Ford 3600	1	Park	Burnt in fire
Truck, 1990 GMC 1/2 ton	1	Park	
Mower, Bad Boy Zero Radius 27 hp	1	Park	
Fax machine, Brother	2	Park	
Telephone, desktop	1	Park	
Calculator	1	Park	
Keyboard	1	Park	
Computer	1	Park	
Monitor	1	Park	
Stove, Hotpoint	1	Park	
Tractor, John Deere 970	1	Park	Burnt in fire
Bicycle, Red Mongoose	1	Police	
Bicycle, White/Gray Mongoose	1	Police	
Bicycle, Purple 10-speed Huffy Titanium, Girls	1	Police	
Bicycle, Blue Mongoose	1	Police	
Bike, Blue/Silver Next Power Climber Sports	1	Police	
Speaker Set, Computer	2	Police	
Printer, HP Deskjet	2	Police	
Printer, Okidata	1	Police	
Phone Switch Box	2	Police	
Battery Back Up, APC	2	Police	
Dictaphone	1	Police	
Alarm Box	1	Police	
Keyboards	3	Police	
Radio Console, Motorola	1	Police	
Monitors, Computer	4	Police	
Recorder, Ultrak	1	Police	
Switch boxes for Ultrak Recorder	2	Police	
Sink, Iron	1	Public Works Service Center	
Doors, Wood 94.5x23.75x1.75	3	Public Works Service Center	
Doors, Wood 94.5x30.75x1.75	4	Public Works Service Center	
Bathroom Stall Partition Pieces	14	Public Works Service Center	
Desk, Metal w/wood top, 48x30x60	1	Public Works Service Center	
Desk, Wood, 32.5x51x58	1	Public Works Service Center	

AUCTION ITEMS - 2010
PRELIMINARY LIST

Desk, Metal, 28x22x60	1	Public Works Service Center	
Desk, Wood, 29x30x60	2	Public Works Service Center	
Book Case, Wood, 16x16x60	1	Public Works Service Center	
Door (Half), 49x36x1.5	1	Public Works Service Center	
Air Vent, 14x44	1	Public Works Service Center	
A/C Vents, 14x14	3	Public Works Service Center	
Shelf, Metal, 14x44	1	Public Works Service Center	
Fan, Exhaust, Electric 32x24x24.5	1	Public Works Service Center	
Book Case, Wood, 36x24x4	2	Public Works Service Center	
Speakers, 100-Watt Sunn, 26x13x13	2	Public Works Service Center	
Microphone Set	1	Public Works Service Center	
Sound System, Taft, 45x20.5x22	1	Public Works Service Center	
Light Fixtures, Feed Thru	26	Public Works Service Center	
Dell Monitors	12	Public Works Service Center	
Dell CPU	11	Public Works Service Center	
Keyboard & Mouse	10	Public Works Service Center	Check qty
Light Fixtures w/ 4 bulbs, 8-foot	4	Public Works Service Center	
Light Fixtures w/2 bulbs, 4-foot	5	Public Works Service Center	
Phone Booth	1	Public Works Service Center	
Freezer, Commercial	1	Public Works Service Center	
Auger, Gas-Powered w/2 attachments	1	Street	
Sheep Roller, 8-ft Double Drum Pull-Behind	1	Street	
Mower, Snapper 20" Push	1	Street	
Mosquito Mister, Curtis Dyna-Fog ULV w/9-hp Honda Motor	1	Street	
Truck, 1995 Chevrolet S-10	1	Trinity Warehouse	
Truck, 1978 F-350 4-door	1	Trinity Warehouse	
Truck, 1990 Chevrolet	1	Trinity Warehouse	
Dump Truck, 1984 GMC 6000	1	Trinity Warehouse	
Mower, Craftsman 42" Riding	1	Trinity Warehouse	
Mower, Snapper 30" Riding	1	Trinity Warehouse	
Generator, Detroit	1	Trinity Warehouse	
Winch, Pierce 10541 6,000-lb	1	Trinity Warehouse	
Generator, Onan, small 25KVA	1	Trinity Warehouse	
Wet Vac, Dayton	1	Trinity Warehouse	

AUCTION ITEMS - 2010
PRELIMINARY LIST

Air Compressor, Speedaire Portable	1	Trinity Warehouse	
Jacks, Air-Powered, Bumper Style	2	Trinity Warehouse	
AC Cabinet, Snap On, 2-Door	1	Trinity Warehouse	
Cabinet on Wheels, 2-Door Black	1	Trinity Warehouse	
Port-a-Power and Attachments	1	Trinity Warehouse	
Jaws of Life, Battery Powered	1	Trinity Warehouse	Ask Fred
Air Compressor, Air Tech	1	Trinity Warehouse	
Pressure Washer, Leeson Electric Powered	1	Trinity Warehouse	
Squirrel Cage Blower	1	Trinity Warehouse	
Stencil Machine	1	Trinity Warehouse	
Antifreeze Recycling Machine	1	Trinity Warehouse	
Sink, Double Stainless Steel	1	Trinity Warehouse	
Battery Voltage/Load Tester, AVR Snap On	1	Trinity Warehouse	
Generator, portable	1	Trinity Warehouse	
Desk, Metal Small with 4 drawers	1	Trinity Warehouse	
Table, Small Wood with 2 drawers -- white	1	Trinity Warehouse	
Desk, Wood	1	Trinity Warehouse	Chain Sharpener
Oil Filters, #92860	2	Trinity Warehouse	
Hyrdaulic Filters, 92712	2	Trinity Warehouse	

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Agreements

COUNCIL ACTION (ID # 1770)

DOC ID: 1770

Consider Approval of an Auctioneer Online Agreement for Sale of Surplus Property.

EXPLANATION:
See the attached copy of an online auction contract for auction services. It has been proven that online auctions are more productive and bring in more bidders. An onsite auction will have 100-150 prospective bidders; an online auction has 20,000-25,000 prospective bidders. The mentioned company is from Tomball and has a proven record of online auctions for cities, schools, and counties. The commission is 20%, and they take care of the details. We are asking for your approval to get the contract executed.

Gary Broz

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ONLINE AUCTION CONTRACT
AUCTIONEER CONDUCTS ASSET TRACKING

This Online Auction Contract (the "Contract") is made and entered into this 21st day of July 2010 and will conclude on the 20th day of July 2011, between the City of Liberty, Texas (the "Seller") and Lemons Auctioneers, L.L.P. d/b/a Online Pros, (the "Auctioneer").

WITNESSETH:

Seller hereby employs Auctioneer to sell the surplus assets designated by Seller at an online auction at Seller's appointed auction locations.

AUCTIONEER AGREES TO SELL SURPLUS ASSETS DESIGNATED BY SELLER (THE "MERCHANDISE") UPON THE TERMS AND CONDITIONS SET FORTH BELOW:

1. The merchandise shall be sold online on an appointed day, date, and time, and shall be available for preview on an appointed day, date, and time and place. All merchandise shall be sold "AS IS" and "WHERE IS" to the highest bidder, and without warranty except for warranty of title to the merchandise, and shall be auctioned WITHOUT MINIMUMS, RESERVES, OR CONFIRMATIONS, unless otherwise agreed to in writing by Seller and Auctioneer. Seller warrants and represents to Auctioneer that Seller has good title to the merchandise and that all such merchandise is free of any liens, claims or encumbrances.

2. Seller shall designate those items to be sold by Auctioneer not later than 10 days prior to the scheduled auction date. Seller may add additional merchandise to the auction at any time. Merchandise may not be deleted from the auction unless agreed upon by both parties

3. Seller shall pay Auctioneer a TCPN contract discount commission rate equal to eighteen percent (18%) of the gross proceeds of the sale of all merchandise. Auctioneer will submit a two percent (2%) administrative fee to TCPN for each online auction conducted.

4. Auctioneer agrees to promote the sale of the merchandise by e-mail, web analytics, mailers, facsimile transmissions or use of personal contacts. The type of promotion to be used shall be determined by Auctioneer in its sole discretion at Sellers expense. All newspaper advertising shall be discussed between Seller and Auctioneer before any such placement. Auctioneer shall also place Seller's listing in the first available auction brochure after the date of execution of this Contract and on Auctioneer's Website at www.lemonsauctioneers.com or www.onlinepros.com.

5. Seller shall be responsible for placing all merchandise in the assigned auction areas. Auctioneer shall supply experienced staff to conduct asset tracking and take digital photographs of all merchandise at least 5 days prior to the date of the online auction.

6. Seller assumes all risk of loss. Auctioneer shall not be responsible, under any circumstances, for any loss, theft, or damage to the merchandise, either at its present location or at the appointed auction locations, whether before, during, or after said auction.

7. Auctioneer shall approve all online bidders, manage the online auction for ten (10) consecutive days, receive, manage and disburse all payments, and coordinate with Seller regarding all pickups and checkouts.

8. Proceeds shall be payable by cash, major credit card, E-Processing, Cashier's Check or Money Order. Auctioneer shall also offer the option of making payments in cash at its offices located at 1011 Inwood Street, Tomball, Texas. Seller shall not be charged a fee for sales that are paid through Auctioneer's E-Processing credit card service center. All online bidders are required to submit a One Hundred Dollar ($100) refundable deposit upon registering online for the auction. Auctioneer will not be responsible for nonpayment of purchase amounts due from purchasers; however, Auctioneer shall make diligent attempts to collect all monies due to Seller from the proceeds of the auction.

9. Seller understands that if the scheduled auction is canceled by Seller, the uncollected advertising shall be reimbursed to Auctioneer, upon presentation to Seller of Auctioneer's valid invoices.

10. Auctioneer shall not be responsible for removal of any auction items.

11. Seller understands that Auctioneer shall deposit all auction proceeds into an Escrow Account located at Woodforest National Bank in Tomball, Texas. Auctioneer is licensed and regulated by the Texas Department of Licensing and Regulation. A license issued by said Department does not imply approval or endorsement of Auctioneer by the State of Texas. If there are unresolved complaints, they can be made by mail to the Texas Department of Licensing and Regulation, P.O. Box 12157, Austin, Texas 78711, or by calling (512) 463-2906.

12. The proceeds from the auction shall be delivered to Seller not later than fifteen (15) working days following the sale date. Auctioneer's commission and approved newspaper advertising fees shall be deducted from the gross proceeds of the auction.

13. Auctioneer shall remit to the Texas Comptroller of Public Accounts all sales taxes collected from purchasers that are due and payable to the State of Texas. Auctioneer shall account for noncollection of sales tax to persons or entities holding valid tax exemption or resale certificates.

14. Auctioneer shall furnish to Seller an itemized statement of all auction proceeds. Such statement shall include the lot number and description of all merchandise, the amount collected, and a final accounting of all transactions.

15. Auctioneer shall be responsible for all vehicle and bus title transfers and documentation. Auctioneer shall charge the purchaser of each vehicle a $20.00 title preparation fee for each unit purchased.

16. Auctioneer shall issue any and all Bills of Sale.

17. Merchandise removal shall be on appointed days, dates, and times. All merchandise not removed by the appointed date shall be considered abandoned and Seller may dispose of said merchandise at its sole discretion.

18. Any controversy or claim arising out of or relating to this Contract shall be settled by binding arbitration in accordance with the commercial arbitration rules of the American Arbitration Association. Any such controversy or claim shall be arbitrated on an individual basis, and shall not be consolidated in any arbitration with any claim or controversy of any other party. The arbitration shall be conducted in Houston, Harris County, Texas, and judgment on the arbitration award may be entered into any court having jurisdiction thereof. Auctioneer may seek any interim or preliminary relief from a court of competent jurisdiction in Texas necessary to protect the rights or property of Auctioneer pending the completion of arbitration. The parties stipulate and agree that venue for any dispute shall be in Harris County, Texas.

19. This Contract may be terminated by either party upon written notice to the other party given not less than thirty (30) days prior to the auction date.

20. All notice required or permitted to be given to Seller or Auctioneer pursuant to this Contract shall be in writing and sent by certified mail, return receipt requested to the address shown below each parties signature. Any party may change its address for notice in the manner provided above.

It is understood by Seller that, upon execution of this Contract, Auctioneer shall commence to perform all services set out herein.

THE FOLLOWING INDIVIDUALS SHALL BE RESPONSIBLE FOR REPRESENTING SELLER:

CITY OF LIBERTY

By: ______________________ By: ______________________

Name: ______________________ Name: ______________________

Title: ______________________ Title: ______________________

Address: ______________________ Address: ______________________

Date: ______________________ Date: ______________________

THE FOLLOWING INDIVIDUALS SHALL BE RESPONSIBLE FOR REPRESENTING AUCTIONEER:

LEMONS AUCTIONEER, LLP D/B/A/ONLINE PROS

By: ______________________ By: ______________________

Name: Lori Lemons – Campbell Name: Jacquelyn Lemons-Shillingburg

Title: Co-Owner/General Manager #7341 Title: Co-Owner/Operations Manager #12437

Address: 1011 Inwood Street Tomball, Texas 77375 Address: 1011 Inwood Street Tomball, Texas 77375

Date: 7/21/10 Date: 07-21-10

4

CITY OF LIBERTY/ONLINE AUCTION CONTRACT/7/21/10

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Certificates of Obligation

ORDINANCE (ID # 1771) DOC ID: 1771 B

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of "City of Liberty, Texas General Obligation Refunding Bonds, Series 2010; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, a Deposit Agreement, an Official Statement and All Other Instruments and Procedures Related Thereto.

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $3,115,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE CONTRACT, A DEPOSIT AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

DATE OF APPROVAL: AUGUST 10, 2010

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ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $3,115,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2010"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE CONTRACT, A DEPOSIT AGREEMENT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

THE STATE OF TEXAS §
COUNTY OF LIBERTY §
CITY OF LIBERTY §

WHEREAS, the **CITY OF LIBERTY, TEXAS** (the "***City***") in Liberty County, Texas, is a political subdivision of the State of Texas operating as a home-rule city pursuant to the Texas Local Government Code and its City Charter which was initially approved by the qualified voters of the City on May 6, 1958, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on May 10, 2008; and

WHEREAS, among numerous series of bonds and certificates of obligation of the City which are secured by the full faith and credit of the City and a pledge by the City to levy ad valorem taxes sufficient to pay principal of and interest on such bonds or certificates of obligation as they become due, there are specifically outstanding the following series of obligations:

*City of Liberty, Texas General Obligation Refunding Bonds, Series 1998, dated January 1, 1998, maturing on March 1 in the years 2012 and 2014, currently outstanding in the principal amount of $2,405,000 (the "**Series 1998 Bonds**")*; and

*City of Liberty, Texas Tax Anticipation Note, Series 2010, dated January 1, 2010, maturing on March 1, 2013, currently outstanding in the principal amount of $975,000 (the "**Series 2010 Tax Note**")*; and

WHEREAS, the City now desires to refund all of the outstanding Series 1998 Bonds and Series 2010 Tax Note, which obligations are referred to collectively herein as the "***Refunded Obligations***" and are more specifically described as maturing in the years and in the respective principal amounts (aggregating *$3,380,000* in principal amount) and bearing interest as shown in the following tables:

CITY OF LIBERTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 1998				
MATURITY (MARCH 1)	**PRINCIPAL AMOUNT MATURING IN YEAR ($)**	**PRINCIPAL AMOUNT BEING REFUNDED ($)**	**STATED INTEREST RATE (%)**	**CUSIP NO. (531286)**
2012	1,145,000	1,145,000	5.00	HC9
***	***	***	***	***
2014	1,260,000	1,260,000	5.00	HD7
Totals	2,405,000	2,405,000	***	***

CITY OF LIBERTY, TEXAS TAX ANTICIPATION NOTE, SERIES 2010			
MATURITY (MARCH 1)	**PRINCIPAL AMOUNT MATURING IN YEAR ($)**	**PRINCIPAL AMOUNT BEING REFUNDED ($)**	**STATED INTEREST RATE (%)**
2013	975,000	975,000	4.00
Totals	975,000	975,000	***

WHEREAS, all of the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("***Chapter 1207***"), authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations, or with another trust company or commercial bank that does not act as a depository for the City, in an amount sufficient to provide for the payment and/or redemption of the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Obligations; and

WHEREAS, Chapter 1207 (specifically Section 1207.062, Texas Government Code) further authorizes the City to enter into an escrow agreement with (i) any paying agent for the Refunded Obligations, or (ii) another trust company or commercial bank that does not act as a depository for the Board and is named in the proceedings authorizing such escrow agreement, with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the City and such paying agent, trust company or commercial bank may agree; provided that such deposits may be invested and reinvested in direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, which mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or redemption of the Refunded Obligations; and

WHEREAS, *The Bank of New York Mellon Trust Company, N.A.* is the paying agent for the 1998 Bonds, and the Deposit Agreement hereinafter authorized, under which *The Bank of New York Mellon Trust Company, N.A.* will serve as the initial Deposit Agent, constitutes an escrow agreement of the kind authorized and permitted by Chapter 1207; and

WHEREAS, the City Council of the City hereby finds and declares a public purpose and deems it advisable and in the best interests of the City to issue a series of bonds (defined in Section 2 hereof as the "Bonds") to pay costs of issuance and refund the Refunded Obligations in order to achieve a restructuring of the City's general obligation debt service requirements; and

WHEREAS, such restructuring will result in a gross debt service savings of *$60,487.50* and a net present value debt service savings of *$144,746.97*, in each case after taking into account a contribution from the City in the amount of *$300,000.00*; and

WHEREAS, the Bonds hereinafter authorized and designated are to be issued and delivered pursuant to Chapter 1207, Texas Government Code; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

SECTION 1. AMOUNT AND PURPOSE OF THE BONDS. General obligation bonds of the City are hereby authorized to be issued and delivered in the aggregate principal amount of ***$3,115,000 FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING OBLIGATIONS PAYABLE IN WHOLE OR IN PART FROM AD VALOREM TAXATION, AND TO PAY FOR COSTS OF ISSUANCE***.

SECTION 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND

MATURITIES OF BONDS. (a) Each Bond issued pursuant to this Ordinance shall be designated: "***CITY OF LIBERTY, TEXAS GENERAL OBLIGATION REFUNDING BOND, SERIES 2010***" (a "***Bond***" and collectively, the "***Bonds***") and initially there shall be issued, sold and delivered hereunder one fully registered bond, without interest coupons, dated as of August 15, 2010, with Bonds issued in replacement thereof being in the denomination of $5,000 or any integral multiple thereof, and with Bonds issued and delivered in substitution for the Initial Bond being numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Bond being payable to the initial purchaser designated in Section 12 hereof), or to the registered assignee or assignees of said bond or any portion or portions thereof (in each case, the "***Registered Owner***").

(b) The Bonds shall mature on March 1 in each of the years and in the respective principal amounts as set forth below:

YEAR OF MATURITY	PRINCIPAL AMOUNT ($)	YEAR OF MATURITY	PRINCIPAL AMOUNT ($)
2011	545,000	2014	500,000
2012	550,000	2015	510,000
2013	490,000	2016	520,000

SECTION 3. INTEREST. (a) The Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in this Ordinance to their respective dates of maturity at the rates per annum as set forth below:

YEAR OF MATURITY	INTEREST RATE (%)	YEAR OF MATURITY	INTEREST RATE (%)
2011	2.000	2014	2.000
2012	2.000	2015	2.000
2013	2.000	2016	3.000

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF BONDS set forth in this Ordinance.

SECTION 4. CHARACTERISTICS OF THE BONDS. *(a) Registration, Transfer, and Exchange; Authentication*. The City shall keep or cause to be kept at the designated corporate trust or commercial banking office (initially located in Dallas, Texas) of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "***Paying Agent/Registrar***") books or records for the registration of the transfer and exchange of the Bonds (the "***Registration Books***"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds 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. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The City 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 Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BOND set forth in this Ordinance. Registration of assignments, transfers and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D of Chapter 1201, Texas Government Code, the duty of transfer and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which 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 Bonds and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) the principal of and interest on the Bonds shall be payable, and (vii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the

FORM OF BOND set forth in this Ordinance. The Initial Bond is not required to be, and shall not be, authenticated by the Paying Agent/ Registrar, but on each substitute Bond issued in exchange for the Initial Bond 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 BOND. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Bond delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF BOND below, 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 Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) Substitute Paying Agent/Registrar. The City covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the City 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 Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity and shall be an entity registered with the Securities and Exchange Commission. The City 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 City 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 Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, 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) Book-Entry Only System for Bonds. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified in Section 12 herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("***DTC***"), and except as provided in subsection (i) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any 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 transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the Ordinance 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 City's obligations with respect to payment of principal of and interest on the Bonds 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 Bond certificate evidencing the obligation of the City 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.

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

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

letter of the City to DTC.

(h) *DTC Letter of Representation*. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation, if necessary, with DTC establishing the book-entry only system with respect to the Bonds.

(i) *Delivery of Initial Bond*. On the closing date, one Initial Bond representing the entire principal amount of the Bonds and, payable in stated installments to the initial registered owner named in Section 12 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Bonds, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to the initial registered owner or its designee one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity.

SECTION 5. FORM OF BONDS. The form of the Bonds, 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 only to the Bonds 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.

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FORM OF BOND

R-1 **UNITED STATES OF AMERICA** **PRINCIPAL AMOUNT**

STATE OF TEXAS
COUNTY OF LIBERTY
CITY OF LIBERTY, TEXAS **$__________**
GENERAL OBLIGATION REFUNDING BOND
SERIES 2010

INTEREST RATE	MATURITY DATE	DATE OF SERIES	CUSIP NO.
____%	**March 1, 20__**	**August 15, 2010**	**_______**

REGISTERED OWNER:

PRINCIPAL AMOUNT: **DOLLARS**

ON THE MATURITY DATE specified above, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "***Registered Owner***") the Principal Amount set forth above, and to pay interest thereon from August 15, 2010, at the Interest Rate per annum specified above, on March 1, 2011 and semiannually on each September 1 and March 1 thereafter to the Maturity Date specified above; except that if this Bond 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 Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity at the designated corporate trust or commercial banking office (initially located in Dallas, Texas) of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, which is the "***Paying Agent/Registrar***" for this Bond. The payment of interest on this Bond 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 City required by the ordinance authorizing the issuance of the Bonds (the "***Bond 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 fifteen day of the month next 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 City. 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 Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Registered Owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE FOR ANY PAYMENT DUE on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the designated 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 which 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 BOND IS ONE OF A SERIES OF BONDS dated as of August 15, 2010, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of *$3,115,000* ***FOR THE PURPOSE OF PROVIDING FUNDS TO REFUND A PORTION OF THE CITY'S OUTSTANDING OBLIGATIONS PAYABLE IN WHOLE OR IN PART FROM AD VALOREM TAXATION, AND TO PAY FOR COSTS OF ISSUANCE***.

THIS BOND IS NOT SUBJECT TO REDEMPTION PRIOR TO STATED MATURITY.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Bond Ordinance, this Bond 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 amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond 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 Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond 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 Bond 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 Bond or portion thereof will be paid by the City. 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 or exchange of a Bond during the period commencing with the close of business on any Record Date immediately preceding a principal or interest payment date for such Bond and ending with the opening of business on the next following principal or interest payment date.

WHENEVER THE BENEFICIAL OWNERSHIP of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT ANY PAYING AGENT/REGISTRAR for the Bonds is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the Bond 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 Bonds.

IT IS HEREBY CERTIFIED, RECITED, AND COVENANTED that this Bond 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 Bond have been performed, existed, and been done in accordance with law; that this Bond is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits provided by law.

THE CITY HAS RESERVED THE RIGHT TO AMEND the Bond 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 Bonds.

BY BECOMING THE REGISTERED OWNER of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the City, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the City.

IN WITNESS WHEREOF, the City has caused this Bond to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and has caused the official seal of the City to be duly impressed, or placed in facsimile, on this Bond.

(facsimile signature) (facsimile signature)

City Secretary, City of Liberty, Texas Mayor [Pro-Tem], City of Liberty, Texas

(SEAL)

FORM OF REGISTRATION CERTIFICATE OF
THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____________

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

Witness my signature and seal this

____

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

FORM OF STATEMENT RELATING TO BOND INSURANCE

STATEMENT RELATING TO BOND INSURANCE

[To come from Bond Insurer, if any]

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond 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 Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which 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

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
Dallas, Texas
Paying Agent/Registrar

By________________________________
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to

____
/_____________________________/____
___

(Assignee's Social Security or Taxpayer Identification) (Print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints ____

attorney to register the transfer of the within Bond 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 a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

INITIAL BOND INSERTIONS

The Initial Bond shall be in the form set forth above except that:

(A) Immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from August 15, 2010 at the respective Interest Rates per annum specified below, payable on March 1, 2011, and semiannually on each September 1 and March 1 thereafter to the respective Maturity Dates specified below. The respective Maturity Dates, Principal Installments and Interest Rates for this Bond are set forth in the following schedule:

MATURITY DATE (MARCH 1)	PRINCIPAL INSTALLMENT	INTEREST RATE

[Insert information from Sections 2 and 3 above]

(C) The Initial Bond shall be numbered "T-1."

SECTION 6. INTEREST AND SINKING FUND; TAX LEVY. A special "***Interest and Sinking Fund***" is hereby created and shall be established and maintained by the City at an official depository bank of the City. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and the principal of said Bonds. Immediately after the issuance and delivery of the Bonds, all accrued interest on the Bonds, together with any premium on the Bonds that is not used by the City to pay costs of issuance in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended, shall be deposited to the credit of the Interest and Sinking Fund. In addition, all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. For each fiscal year while any of the Bonds or interest thereon are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance 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 the City for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund created by this Ordinance. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

SECTION 7. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in each Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date on which such funds will be needed. Income and profits from such investments shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on proceeds which are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

SECTION 8. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "***Defeased Bond***") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City 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 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds 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 (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Bonds.

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

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

SECTION 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the City 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 Bond, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond 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 Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

SECTION 10. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS; AND OTHER MATTERS. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 Bonds 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 Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City) and the assigned CUSIP numbers may, at the option of the City, be printed on the Bonds 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 Bonds. If bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

SECTION 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (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 City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the Refunded Obligations or the projects financed or refinanced therewith (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 of the Bonds or the Refunded Obligations or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the City, 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 Bonds, 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 Bonds or the Refunded Obligations or the projects financed or refinanced 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" which 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 which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (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 which would otherwise result in the Bonds 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 Bonds 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 Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

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

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.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 Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds 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); and

(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 Bonds) 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 Bonds 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.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "***Rebate Fund***" is hereby established by the City 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 bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City 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 Bonds. It is the understanding of the City 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 which modify or expand provisions of the Code, as applicable to the Bonds, the City 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 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City 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 Bonds under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager or the Finance Director of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "***Project***") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City 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 City covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. 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 City 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.

(f) Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (i) that during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than $30,000,000 of "qualified tax-exempt bonds" being issued; (ii) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the City (or any subordinate entities) will not exceed $30,000,000; and (iii) that the City will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 12. SALE AND DELIVERY OF BONDS. The Bonds are hereby authorized to be sold and shall be delivered to **SOUTHWEST SECURITIES, INC.** (the "***Underwriter***") at a price equal to ***$3,168,873.15*** (which amount is equal to par, plus net original issue premium of *$72,874.65*, and less Underwriter's discount of *$19,001.50*), plus accrued interest to date of delivery, all pursuant to the terms and provisions of a Purchase Contract in substantially the form attached hereto as *Exhibit B* which the Mayor or Mayor-Pro Tem is hereby authorized and directed to execute and deliver. The City will deliver to the Underwriter an Initial Bond in the aggregate principal amount of *$3,115,000* payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Bonds shall initially be registered in the name of **SOUTHWEST SECURITIES, INC.**

SECTION 13. APPROVAL OF OFFICIAL STATEMENT. The City Council hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Bonds 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 for the Bonds, dated August 5, 2010, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

SECTION 14. APPROVAL OF DEPOSIT AGREEMENT; REFUNDING OF REFUNDED OBLIGATIONS. Concurrently with the initial delivery of the Bonds the City shall deposit an amount from the proceeds from the sale of the Bonds and other available funds of the City, if required, with **THE BANK OF NEW YORK TRUST COMPANY, N.A.**, as "***Deposit Agent***," sufficient to provide for the refunding of the Refunded Obligations, all in accordance with Chapter 1207. Attached hereto as *Exhibit E* is a Deposit Agreement between the City and the Deposit Agent, which is hereby approved in substantially final form, and the Mayor or Mayor Pro-Tem and City Secretary of the City are hereby authorized, for and on behalf of the City, to approve any changes in the Deposit Agreement from the form attached hereto and to execute the Deposit Agreement in final form.

SECTION 15. NOTICES OF REDEMPTION AND DEFEASANCE OF REFUNDED OBLIGATIONS. There is attached to this Ordinance as *Exhibits D-1* and *D-2* and made a part hereof for all purposes, a *NOTICE OF REDEMPTION* with respect to the Series 1998 Bonds and Series 2010 Tax Note being refunded pursuant to this Ordinance and included herein as Refunded Obligations. The Series 1998 Bonds and the Series 2010 Tax Note are hereby called for redemption on the “Redemption Date” set forth in the respective *NOTICE OF REDEMPTION*. As soon as practicable after the adoption of this Ordinance, a copy each such *NOTICE* shall be (i) published one time in the Texas Bond Reporter or such other financial newspaper or journal of general circulation among securities dealers published in the State of Texas, (ii) posted with the MSRB through the EMMA system, and (iii) sent to all registered owners of the respective Refunded Obligations by first class mail postage prepaid, addressed to such registered owners at their respective addresses shown on the registration books of the paying agent/registrar for the Refunded Obligations.

SECTION 16. MUNICIPAL BOND INSURANCE POLICY. On the date of delivery of the Bonds, the City will obtain from Assured Guaranty Municipal Corp. (the "***Insurer***") a municipal bond insurance policy in support of the Bonds. The City approves the insurance of the Bonds by the Insurer and the payment of such premium and covenants to comply with all terms of the insurance commitment attached hereto as *Exhibit E*, which terms are hereby adopted.

SECTION 17. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro-Tem, City Secretary, City Manager and Finance Director of the City, and all other officers, employees, and agents of the City, 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 under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, the Official Statement, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Finance Director, City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the Bonds by the Attorney General's office. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Finance Director of the City is further authorized to pay to the Attorney General of Texas prior to the delivery of the Bonds, for the Attorney General's review of the transcript of proceedings related to the Bonds, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

SECTION 18. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Bonds, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may, with prior written notice to the Insurer but without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Insurer and the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of the Insurer and all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Bond over any other Bond, (ii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Insurer at the address shown on *Exhibit E* attached hereto and to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Insurer and the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Insurer and the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 19. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City and the registered owners of the Bonds.

SECTION 20. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"***EMMA***" means the Electronic Municipal Market Access system being established by the MSRB.

"***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. The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2010, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Ordinance being the information described in *Exhibit B* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit B* hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

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

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) Material Event Notices. The City shall notify the MSRB through EMMA in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

G. Modifications to rights of holders of the Bonds;

H. Certificate of Obligation calls;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Bonds; and

K. Rating changes.

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

(d) *Limitations, Disclaimers, and Amendments*. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 8 of this Ordinance that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, 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 City 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 City'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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OF OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS 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.

No default by the City 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 City under federal and state securities laws.

The provisions of this Section may be amended by the City 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 City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (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 21. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the ad valorem taxes granted by the City under Section 6 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or surplus revenues granted by the City under Section 6 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

SECTION 22. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Bonds, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Bonds shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance. Notwithstanding the foregoing, the Insurer shall have the right to direct all remedies upon an event of default, and the Insurer shall be recognized as the registered owner of the Bonds for the purposes of exercising all rights and privileges available to the Holders.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

SECTION 23. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

SECTION 24. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 25. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

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PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS AT A REGULAR MEETING HELD ON THE 10TH DAY OF AUGUST, 2010, AT WHICH MEETING A QUORUM WAS PRESENT.

____
Mayor, City of Liberty, Texas

ATTEST:

____
City Secretary
City of Liberty, Texas

(City Seal)

** ** ** ** **

[EXECUTION PAGE TO THE BOND ORDINANCE]

EXHIBIT A

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT OF PROCEEDINGS.

EXHIBIT B

THE PURCHASE CONTRACT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT OF PROCEEDINGS.

EXHIBIT C

THE DEPOSIT AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT OF PROCEEDINGS.

EXHIBIT D-1

NOTICE OF REDEMPTION

To the Holders of the
CITY OF LIBERTY, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 1998
(Maturing on March 1 in the years 2012 and 2014)

NOTICE IS HEREBY GIVEN that the City of Liberty, Texas (the "***City***"), in Liberty County, Texas, has called for redemption at par on **October 11, 2010** (the "***Redemption Date***") the following maturities of the City's outstanding **GENERAL OBLIGATION REFUNDING BONDS, 1998,** dated January 1, 1998 (the "***Refunded Obligations***"), ***at the Redemption Price equal to 100% of par plus accrued interest to the Redemption Date.***

CITY OF LIBERTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 1998				
MATURITY (MARCH 1)	**PRINCIPAL AMOUNT MATURING IN YEAR ($)**	**PRINCIPAL AMOUNT BEING REFUNDED ($)**	**STATED INTEREST RATE (%)**	**CUSIP NO. (531286)**
2012	1,145,000	1,145,000	5.00	HC9
***	***	***	***	***
2014	1,260,000	1,260,000	5.00	HD7
Totals	2,405,000	2,405,000	***	***

The Refunded Obligations shall be redeemed and shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after the Redemption Date.

NOTICE IS FURTHER GIVEN THAT the Refunded Obligations will be payable at and should be submitted either in person or by certified mail to the following address:

First Class/Registered/Certified Mail: Bank of New York Mellon Trust Company, N.A. Institutional Trust Services P.O. Box 2320 Dallas, Texas 75221-2320

By Overnight or Courier: Bank of New York Mellon Trust Company, N.A. Institutional Trust Services 2001 Bryan Street, 9th Floor Dallas, Texas 75201

By Hand: Bank of New York MellonTrust Company, N.A. GIS Unit Trust Window 4 New York Plaza, 1st Floor New York, New York 10004

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

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* THE ABOVE REFERENCED CUSIP NUMBERS ARE PROVIDED FOR THE CONVENIENCE OF THE HOLDERS. NEITHER THE PAYING AGENT NOR THE CITY ARE RESPONSIBLE FOR ANY ERROR OF ANY NATURE RELATING TO THE CUSIP NUMBERS.

EXHIBIT D-2

NOTICE OF REDEMPTION

To the Holders of the
CITY OF LIBERTY, TEXAS
TAX ANTICIPATION NOTE, SERIES 2010

NOTICE IS HEREBY GIVEN that the City of Liberty, Texas (the "***City***"), in Liberty County, Texas, has called for redemption at par on **September 17, 2010** (the "***Redemption Date***") all of the City's outstanding **TAX ANTICIPATION NOTE, SERIES 2010,** dated January 1, 2010 (the "***Refunded Obligations***"), ***at the Redemption Price equal to 100% of par plus accrued interest to the Redemption Date.***

CITY OF LIBERTY, TEXAS TAX ANTICIPATION NOTE, SERIES 2010			
MATURITY (MARCH 1)	**PRINCIPAL AMOUNT MATURING IN YEAR ($)**	**PRINCIPAL AMOUNT BEING REFUNDED ($)**	**STATED INTEREST RATE (%)**
2013	975,000	975,000	4.00
Totals	975,000	975,000	***

The Refunded Obligations shall be redeemed and shall become due and payable on the Redemption Date, and the interest thereon shall cease to accrue from and after the Redemption Date.

NOTICE IS FURTHER GIVEN THAT the Refunded Obligations will be payable at and should be submitted either in person or by certified mail to the following address:

First Liberty National Bank
1900 Sam Houston
Liberty, Texas 77557

To avoid a backup withholding tax required by Section 3406 of the Internal Revenue Code of 1986, holders must submit a properly completed IRS Form W-9.

EXHIBIT E

AGM INSURANCE COMMITMENT

EXHIBIT F

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 21 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City 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:

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.

2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 5 and 7 through 12, and Appendix C.

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 1 above.

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Certificates of Obligation

ORDINANCE (ID # 1772) DOC ID: 1772 B

Consider Adoption of an Ordinance Authorizing the Issuance, Sale and Delivery of "City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation, Series 2010A"; Securing the Payment Thereof by Authorizing the Levy of an Annual Ad Valorem Tax and a Pledge of Certain Surplus Revenues of the City's Waterworks and Sewer System; and Approving and Authorizing the Execution of a Paying Agent/Registrar Agreement, a Purchase Contract, an Official Statement and All Other Instruments and Procedures Related Thereto.

ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $4,705,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010A"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

DATE OF APPROVAL: AUGUST 10, 2010

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ORDINANCE AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF $4,705,000 IN AGGREGATE PRINCIPAL AMOUNT OF "CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010A"; SECURING THE PAYMENT THEREOF BY AUTHORIZING THE LEVY OF AN ANNUAL AD VALOREM TAX AND A PLEDGE OF CERTAIN SURPLUS REVENUES OF THE CITY'S WATERWORKS AND SEWER SYSTEM; AND APPROVING AND AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, A PURCHASE CONTRACT, AN OFFICIAL STATEMENT AND ALL OTHER INSTRUMENTS AND PROCEDURES RELATED THERETO

THE STATE OF TEXAS
COUNTY OF LIBERTY
CITY OF LIBERTY

WHEREAS, the **CITY OF LIBERTY, TEXAS** (the "***City***") in Liberty County, Texas, is a political subdivision of the State of Texas operating as a home-rule city pursuant to the Texas

Local Government Code and its City Charter which was initially approved by the qualified voters of the City on May 6, 1958, and which has been amended from time to time, with the most recent amendments being approved by the qualified voters of the City on May 10, 2008; and

WHEREAS, the City Council of the City hereby determines that it is necessary and desirable to (i) construct and equip various extensions, improvements and additions to the City's Electric System and the City's Waterworks and Sewer System, including but not limited to new electric and water meters, a new water storage tank, and water distribution line extensions; (ii) purchase vehicles for various City departments, including but not limited to six automobiles, a pickup truck, two dump trunks, and a utility vehicle; (iii) construct a maintenance shed to be used primarily by the Parks Department; (iv) acquire other equipment and capital items for various City departments including but not limited to city-wide technology upgrades (hardware and software), and public safety and other equipment for the Fire Department, and (v) pay professional services related to auditing and implementing changes to the City's record retention system and legal services related to reviewing existing ordinances and implementing updating procedures (collectively, the "***Projects***"); and

WHEREAS, the City Council of the City intends to finance the Projects from proceeds derived from the sale of Certificates of Obligation issued by the City pursuant to Sections 271.041 - 271.065, Texas Local Government Code, as amended; and

WHEREAS, on June 22, 2010, the City Council adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation to finance the Projects; and

WHEREAS, said notice was duly published in *The Vindicator*, which is a newspaper of general circulation in the City in its issues of July, 1, 2010, and July 8, 2010; and

WHEREAS, the City received no petition signed by at least five percent of the qualified electors of the City protesting the issuance of Certificates of Obligation described in the notice; and

WHEREAS, it is considered to be in the best interest of the City that said interest bearing Certificates of Obligation be issued; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code;

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

Section 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION. The certificate of obligation or certificates of obligation of the City further described in Section 2 of this Ordinance and referred to herein as the "Certificates of Obligation" are hereby authorized to be issued and delivered in the aggregate principal amount of ***$4,705,000 FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL***

OBLIGATIONS TO BE INCURRED TO (I) CONSTRUCT AND EQUIP VARIOUS EXTENSIONS, IMPROVEMENTS AND ADDITIONS TO THE CITY'S ELECTRIC SYSTEM AND THE CITY'S WATERWORKS AND SEWER SYSTEM, INCLUDING BUT NOT LIMITED TO NEW ELECTRIC AND WATER METERS, A NEW WATER STORAGE TANK, AND WATER DISTRIBUTION LINE EXTENSIONS; (II) PURCHASE VEHICLES FOR VARIOUS CITY DEPARTMENTS, INCLUDING BUT NOT LIMITED TO SIX AUTOMOBILES, A PICKUP TRUCK, TWO DUMP TRUNKS, AND A UTILITY VEHICLE; (III) CONSTRUCT A MAINTENANCE SHED TO BE USED PRIMARILY BY THE PARKS DEPARTMENT; (IV) ACQUIRE OTHER EQUIPMENT AND CAPITAL ITEMS FOR VARIOUS CITY DEPARTMENTS INCLUDING BUT NOT LIMITED TO CITY-WIDE TECHNOLOGY UPGRADES (HARDWARE AND SOFTWARE), AND PUBLIC SAFETY AND OTHER EQUIPMENT FOR THE FIRE DEPARTMENT, AND (V) PAY PROFESSIONAL SERVICES RELATED TO AUDITING AND IMPLEMENTING CHANGES TO THE CITY'S RECORD RETENTION SYSTEM AND LEGAL SERVICES RELATED TO REVIEWING EXISTING ORDINANCES AND IMPLEMENTING UPDATING PROCEDURES, AND TO PAY COSTS OF ISSUANCE.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF THE CERTIFICATES OF OBLIGATION. Each certificate of obligation issued pursuant to and for the purpose described in Section 1 of this Ordinance shall be designated: **CITY OF LIBERTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2010A**, and initially there shall be issued, sold and delivered hereunder one fully registered certificate of obligation, without interest coupons, dated August 15, 2010, in the aggregate principal amount of ***$4,705,000***, numbered T-1 (the "***Initial Certificate of Obligation***"), with certificates of obligation issued in replacement thereof being in the denomination of $5,000 or any integral multiple thereof and numbered consecutively from R-1 upward, all payable to the initial registered owner thereof (with the Initial Certificate of Obligation being payable to the initial purchaser designated in Section 16 hereof), or to the registered assignee or assignees of said certificates of obligation or any portion or portions thereof (in each case, the "***Registered Owner***"), and the certificates of obligation shall mature and be payable serially on ***March 1*** in each of the years and in the principal amounts, respectively, as set forth in the following schedule:

YEAR OF MATURITY	PRINCIPAL AMOUNT ($)	YEAR OF MATURITY	PRINCIPAL AMOUNT ($)
2012	120,000	2022	280,000
2013	110,000	2023	290,000
2014	105,000	2024	295,000
2015	105,000	2025	310,000
2016	105,000	2026	325,000
2017	230,000	2027	335,000
2018	230,000	2028	355,000
2019	245,000	2029	365,000
2020	255,000	2030	380,000
2021	265,000	***	***

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

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Section 3. INTEREST. The Certificates of Obligation shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance to their respective dates of maturity or prior redemption at the following rates per annum:

YEAR OF MATURITY	**INTEREST RATE (%)**	**YEAR OF MATURITY**	**INTEREST RATE (%)**
2012	2.000	2022	4.000
2013	2.000	2023	4.000
2014	2.000	2024	4.000
2015	2.000	2025	4.000
2016	3.000	2026	4.000
2017	3.000	2027	4.000
2018	4.000	2028	4.000
2019	4.000	2029	4.000
2020	4.000	2030	4.000
2021	4.000	***	***

Said interest shall be payable in the manner provided and on the dates stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance.

Section 4. CHARACTERISTICS OF THE CERTIFICATES OF OBLIGATION; APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. *(a) Registration, Transfer, and Exchange; Authentication.* The City shall keep or cause to be kept at the designated corporate trust or commercial banking office (currently located in Dallas, Texas) of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.** (the "***Paying Agent/Registrar***"), books or records for the registration of the transfer and exchange of the Certificates of Obligation (the "***Registration Books***"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided. Attached hereto as *Exhibit A* is a copy of the Paying Agent/Registrar Agreement between the City and the Paying Agent/Registrar which is hereby approved in substantially final form, and the Mayor, Mayor Pro-Tem and City Secretary of the City are hereby authorized to execute the Paying Agent/Registrar Agreement and approve any changes in the final form thereof.

The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Certificate of Obligation to which payments with respect to the Certificates of Obligation 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. To the extent possible and under reasonable circumstances, all transfers of Certificates of Obligation shall be made within three business days after request and presentation thereof. The City 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 Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Certificate of Obligation or Certificates of Obligation shall be paid as provided in the FORM CERTIFICATE OF OBLIGATION set forth in this Ordinance. Registration of assignments, transfers and exchanges of Certificates of Obligation shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. Each substitute Certificate of Obligation shall bear a letter and/or number to distinguish it from each other Certificate of Obligation.

Except as provided in (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate of Obligation, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Certificate of Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates of Obligation and Certificates of Obligation surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing transfer and exchange of any Certificate of Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates of Obligation in the manner prescribed herein, and said Certificates of Obligation shall be of type composition printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, and particularly Subchapter D and Section 1201.067 thereof, the duty of transfer and exchange of Certificates of Obligation as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the transferred and exchanged Certificate of Obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates of Obligation which 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 of Obligation and Interest.* The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates of Obligation, all as provided in this Ordinance. The Paying Agent/ Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates of Obligation.

(c) *In General.* The Certificates of Obligation (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates of Obligation 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 City at least 50 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be exchanged for other Certificates of Obligation, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) shall be payable as to principal and interest, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates of Obligation, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE OF OBLIGATION set forth in this Ordinance. The Initial Certificate of Obligation is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate of Obligation issued in exchange for the Initial Certificate of Obligation 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 OF OBLIGATION. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate of Obligation delivered on the closing date (as further described in subparagraph (i) below) shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in the FORM OF CERTIFICATE OF OBLIGATION below, manually executed by the Comptroller of Public Accounts of the State of Texas or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate of Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) *Substitute Paying Agent/Registrar*. The City covenants with the registered owners of the Certificates of Obligation that at all times while the Certificates of Obligation are outstanding the City 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 of Obligation under this Ordinance. The City 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 City 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 of Obligation, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Certificates of Obligation, 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) *<u>Book-Entry Only System for Certificates of Obligation</u>*. The Certificates of Obligation issued in exchange for the Certificates of Obligation initially issued to the purchaser specified in Section 16 herein shall be initially issued in the form of a separate single fully registered Certificate of Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate of Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("***DTC***"), and except as provided in subsection (i) hereof, all of the outstanding Certificates of Obligation shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates of Obligation registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any 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 transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates of Obligation. Without limiting the immediately preceding sentence, the City 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 of Obligation, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of the Certificates of Obligation, as shown on the Registration Books, of any notice with respect to the Certificates of Obligation, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Certificates of Obligation, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates of Obligation. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate of Obligation is registered in the Registration Books as the absolute owner of such Certificate of Obligation for the purpose of payment of principal and interest with respect to such Certificate of Obligation, for the purpose of registering transfers with respect to such Certificate of Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates of Obligation 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 City's obligations with respect to payment of principal of and interest on the Certificates of Obligation 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 of Obligation certificate evidencing the obligation of the City 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.

(f) *Successor Securities Depository; Transfers Outside Book-Entry Only Systems*. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates of Obligation that they be able to obtain certificated Certificates of Obligation, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates of Obligation to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates of Obligation and transfer one or more separate Certificates of Obligation to DTC Participants having Certificates of Obligation credited to their DTC accounts. In such event, the Certificates of Obligation 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 of Obligation shall designate, in accordance with the provisions of this Ordinance.

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

(h) *DTC Letter of Representation*. The officers of the City are herein authorized for and on behalf of the City and as officers of the City to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Certificates of Obligation.

(i) *Delivery of Initial Certificate of Obligation*. On the closing date, one Initial Certificate of Obligation representing the entire principal amount of the respective series of Certificates of Obligation, payable in stated installments to the initial registered owner named in Section 16 of this Ordinance or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro-Tem and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the initial purchaser or its designee. Upon payment for the Initial Certificate of Obligation, the Paying Agent/Registrar shall cancel the Initial Certificate of Obligation and deliver to the initial registered owner or its designee one registered definitive Certificate of Obligation for each year of maturity of the Certificates of Obligation, in the aggregate principal amount of all of the Certificates of Obligation for such maturity.

Section 5. FORM OF CERTIFICATE OF OBLIGATION. The form of the Certificates of Obligation, 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 only to the Certificates of Obligation 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.

FORM OF CERTIFICATE OF OBLIGATION

R- **PRINCIPAL AMOUNT $__________**

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF LIBERTY
CITY OF LIBERTY, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2010A

INTEREST RATE	MATURITY DATE	DATE OF SERIES	CUSIP NO.
____%	March 1, 20__	August 15, 2010	_______

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), being a political subdivision and home-rule municipality of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "***Registered Owner***"), the Principal Amount specified above, and to pay interest thereon (calculated on the basis of a 360-day year of twelve 30-day months) from August 15, 2010, at the Interest Rate per annum specified above, payable on March 1, 2011, and semiannually on each March 1 and September 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except that if this Certificate of Obligation 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 of Obligation or Certificates of Obligation, if any, for which this Certificate of Obligation is being exchanged is due but has not been paid, then this Certificate of Obligation shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate of Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate of Obligation shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate of Obligation at maturity or upon the date fixed for redemption prior to maturity, at the designated corporate trust or commercial banking office (currently located in Dallas, Texas) of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, which is the "***Paying Agent/Registrar***" for this Certificate of Obligation. The payment of interest on this Certificate of Obligation shall be made by the Paying Agent/Registrar to the

Registered Owner hereof on each interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required by the Ordinance authorizing the issuance of this Certificate of Obligation (the "***Ordinance***") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check 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 15th day of the month next preceding each such date (the ***"Record Date***") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "***Special Payment Date***" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Registered Owner appearing on the Registration Books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. Any accrued interest due upon the redemption of this Certificate of Obligation prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate of Obligation for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar (unless the redemption date is a regularly scheduled interest payment date, in which case accrued interest on such redeemed Certificates of Obligation shall be payable in the regular manner described above). The City covenants with the Registered Owner of this Certificate of Obligation that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate of Obligation it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates of Obligation, when due.

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

THIS CERTIFICATE OF OBLIGATION is one of a series of Certificates of Obligation dated as of August 15, 2010, authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of ***$4,705,000 FOR THE PURPOSE OF PAYING, IN WHOLE OR IN PART, CONTRACTUAL OBLIGATIONS TO BE INCURRED TO (I) CONSTRUCT AND EQUIP VARIOUS EXTENSIONS, IMPROVEMENTS AND ADDITIONS TO THE CITY'S ELECTRIC SYSTEM AND THE CITY'S WATERWORKS AND SEWER SYSTEM, INCLUDING BUT NOT LIMITED TO NEW ELECTRIC AND WATER METERS, A NEW WATER STORAGE TANK, AND WATER DISTRIBUTION LINE EXTENSIONS; (II) PURCHASE VEHICLES FOR VARIOUS CITY***

DEPARTMENTS, INCLUDING BUT NOT LIMITED TO SIX AUTOMOBILES, A PICKUP TRUCK, TWO DUMP TRUNKS, AND A UTILITY VEHICLE; (III) CONSTRUCT A MAINTENANCE SHED TO BE USED PRIMARILY BY THE PARKS DEPARTMENT; (IV) ACQUIRE OTHER EQUIPMENT AND CAPITAL ITEMS FOR VARIOUS CITY DEPARTMENTS INCLUDING BUT NOT LIMITED TO CITY-WIDE TECHNOLOGY UPGRADES (HARDWARE AND SOFTWARE), AND PUBLIC SAFETY AND OTHER EQUIPMENT FOR THE FIRE DEPARTMENT, AND (V) PAY PROFESSIONAL SERVICES RELATED TO AUDITING AND IMPLEMENTING CHANGES TO THE CITY'S RECORD RETENTION SYSTEM AND LEGAL SERVICES RELATED TO REVIEWING EXISTING ORDINANCES AND IMPLEMENTING UPDATING PROCEDURES, AND TO PAY COSTS OF ISSUANCE.

ON MARCH 1, 2020, or on any date thereafter, the Certificates of Obligation of this Series maturing on and after March 1, 2021, may be redeemed prior to their scheduled maturities, at the option of the City, with funds derived from any available and lawful source, as a whole, or in part (provided that a portion of a Certificate of Obligation may be redeemed only in an integral multiple of $5,000), at the redemption price of the principal amount of Certificates of Obligation called for redemption, plus accrued interest thereon to the date fixed for redemption. The City shall determine the maturity or maturities, and the principal amount of Certificates of Obligation within each maturity, to be redeemed. If less than all Certificates of Obligation of a maturity are to be redeemed, the particular Certificates of Obligation to be redeemed shall be selected by the Paying Agent/Registrar at random and by lot.

AT LEAST 30 DAYS prior to the date fixed for any redemption of Certificates of Obligation 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 to the Registered Owner of each Certificate of Obligation to be redeemed at its address as it appeared on the Registration Books maintained by the Paying Agent/Registrar on the day such notice of redemption is mailed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Registered Owner. The notice may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date, or (2) that the City retains the right to rescind such notice at any time prior to the scheduled redemption date if the City delivers a certificate of an authorized representative to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and optional redemption shall be of no effect if such moneys are not so deposited or if the notice is so rescinded. 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 of Obligation or portions thereof which are to be so redeemed. If such written notice of redemption is mailed (and not rescinded), and if due provision for such payment is made, all as provided above, the Certificates of Obligation or portions thereof which 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 of Obligation shall be redeemed a substitute Certificate of Obligation or Certificates of Obligation 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 an 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 City, all as provided in the Ordinance.

ALL CERTIFICATES OF OBLIGATION OF THIS SERIES are issuable solely as fully registered Certificates of Obligation, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Ordinance, this Certificate of Obligation, may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred and exchanged for a like aggregate principal amount of fully registered Certificates of Obligation, 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 of Obligation to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Certificate of Obligation 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 of Obligation 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 of Obligation or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate of Obligation 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 of Obligation 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 transferring and exchanging any Certificate of Obligation or portion thereof shall be paid by the City, but any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer 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 or exchange 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.

WHENEVER THE BENEFICIAL OWNERSHIP of this Certificate of Obligation is determined by a book entry at a securities depository for the Certificates of Obligation, the foregoing requirements of holding, delivering or transferring this Certificate of Obligation shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Certificates of Obligation is changed by the City, resigns, or otherwise ceases to act as such, the City has covenanted in the 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 of Obligation.

IT IS HEREBY certified, recited, and covenanted that this Certificate of Obligation 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 of Obligation have been performed, existed, and been done in accordance with law; that this Certificate of Obligation is a general obligation of the City, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate of Obligation, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the City, and have been pledged for such payment, within the limits prescribed by law and that this Certificate of Obligation is additionally secured by a lien on and pledge of Surplus Revenues received by the City from the ownership and operation of the City's Waterworks and Sewer System, all as provided in the Ordinance authorizing the Certificates of Obligation.

THE CITY also has reserved the right to amend the 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 of Obligation.

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

IN WITNESS WHEREOF, the City has caused this Certificate of Obligation to be signed with the manual or facsimile signature of the Mayor or Mayor Pro-Tem of the City, and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate of Obligation.

Countersigned:

(facsimile signature)	(facsimile signature)
City Secretary, City of Liberty, Texas	Mayor [Pro-Tem], City of Liberty, Texas

(CITY SEAL)

FORM OF REGISTRATION CERTIFICATE
OF THE COMPTROLLER OF PUBLIC ACCOUNTS:

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____________

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

Witness my signature and seal this

(COMPTROLLER'S SEAL)

____
Comptroller of Public Accounts
of the State of Texas

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate of Obligation 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 of Obligation has been issued under the provisions of the Ordinance described in the text of this Certificate of Obligation; and that this Certificate of Obligation has been issued in exchange for a certificate of obligation or certificates of obligation, or a portion of a certificate of obligation or certificates of obligation of a series which 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

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.
Dallas, Texas
Paying Agent/Registrar

By ________________________________
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Certificate of Obligation, or duly authorized representative or attorney thereof, hereby sells, assigns and transfers this Certificate of Obligation and all rights hereunder unto ____ __________________________

/________________________/____

(Assignee's Social Security or Taxpayer Identification Number) (Please print or typewrite Assignee's name and address, including zip code)

____

and hereby irrevocably constitutes and appoints ____ attorney to transfer the registration of this Certificate of Obligation on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: __________________

Signature Guaranteed:

____

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

____

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

INITIAL CERTIFICATE OF OBLIGATION INSERTIONS

The Initial Certificate of Obligation shall be in the form set forth above except that:

(A) Immediately under the name of the Certificate of Obligation, the headings "INTEREST RATE" and "MATURITY DATE" shall be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) The first paragraph shall be deleted and the following shall be inserted:

"ON THE RESPECTIVE MATURITY DATES specified below, the ***CITY OF LIBERTY, TEXAS*** (the "***City***"), 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***"), the respective Principal Installments specified below, and to pay interest thereon (calculated on the basis of a 360-day year composed of twelve 30-day months) from August 15, 2010, at the respective Interest Rates per annum specified below, payable on March 1, 2011, and semiannually on each March 1 and September 1 thereafter to the respective Maturity Dates specified below, or the date of redemption prior to maturity. The respective Maturity Dates, Principal Installments and Interest Rates for this Certificate of Obligation are set forth in the following schedule:

MATURITY DATE (MARCH 1)	**PRINCIPAL INSTALLMENT**	**INTEREST RATE**	**MATURITY DATE (MARCH 1)**	**PRINCIPAL INSTALLMENT**	**INTEREST RATE**

[Insert principal and interest information from Sections 2 and 3 above]"

(C) The Initial Certificate of Obligation shall be numbered "T-1."

Section 6. INTEREST AND SINKING FUND; TAX LEVY. A special Interest and Sinking Fund for the Certificates of Obligation (the "***Interest and Sinking Fund***") is hereby created solely for the benefit of the Certificates of Obligation, and the Interest and Sinking Fund shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates of Obligation. All ad valorem taxes levied and collected for and on account of the Certificates of Obligation shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which, together with "Surplus Revenues" with respect to the Certificates of Obligation (as described in Section 7 below) budgeted to pay principal and interest coming due during such fiscal year, will be sufficient to raise and produce the money required to pay the interest on the Certificates of Obligation as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates of Obligation as such principal matures (but never less than 2% of the original principal amount of the Certificates of Obligation as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowance 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 the City for each year while any of the Certificates of Obligation or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the respective Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates of Obligation, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 7. SURPLUS REVENUES. Pursuant to Section 271.052, Texas Local Government Code, as amended, and Chapter 1502, Texas Government Code, as amended, the Certificates of Obligation additionally shall be payable from and secured by surplus revenues derived by the City from the City's Waterworks and Sewer System remaining after (a) payment of all amounts constituting operation and maintenance expenses of said Waterworks and Sewer System, and (b) payment of all debt service, reserve, and other requirements and amounts required to be paid under all ordinances heretofore or hereafter authorizing (i) all bonds and (ii) all other obligations not on a parity with the Certificates of Obligation, which are payable from and secured by any Waterworks and Sewer System revenues, and (c) payment of all amounts payable from any Waterworks and Sewer System revenues pursuant to contracts heretofore or hereafter entered into by the City in accordance with law (the "***Surplus Revenues***"). If for any reason the City fails to deposit ad valorem taxes levied pursuant to Section 6 hereof to the credit of the Interest and Sinking Fund in an amount sufficient to pay, when due, the principal of and interest on the Certificates of Obligations, then Surplus Revenues may be deposited to the credit of the Interest and Sinking Fund and used to pay such principal and/or interest. The City reserves, and shall have, the right to issue bonds and other obligations not on a parity with the Certificates of Obligation, and to enter into contracts, in accordance with applicable laws, to be payable from and secured by any Waterworks and Sewer System revenues.

Section 8. CONSTRUCTION FUND. There is hereby created and established in the depository of the City, a fund to be called the *City of Liberty, Texas Combination Tax and Revenue Certificates of Obligation (Series 2010A) Construction Fund* (herein called the "***Construction Fund***"). Proceeds from the sale and delivery of the Certificates of Obligation (other than proceeds representing accrued interest on the Certificates of Obligation and any premium on the Certificates of Obligation that is not used by the City to pay costs of issuance in accordance with the provisions of Section 1201.042(d), Texas Government Code, as amended, which shall be deposited in the Interest and Sinking Fund) shall be deposited in the Construction Fund. Money in the Construction Fund shall be subject to disbursements by the City for payment of all costs incurred in carrying out the purpose for which the Certificates of Obligation are issued, including but not limited to costs for construction, engineering, architecture, financing, financial consultants and legal services related to the projects being financed with proceeds of the Certificates of Obligation and the issuance of the Certificates of Obligation. All funds remaining on deposit in the Construction Fund upon completion of the projects being financed with the proceeds from the Certificates of Obligation, if any, shall be transferred to the Interest and Sinking Fund.

Section 9. INVESTMENTS. Funds on deposit in the Interest and Sinking Fund and the Construction Fund shall be secured by the depository bank of the City in the manner and to the extent required by law to secure other public funds of the City and may be invested from time to time in any investment authorized by applicable law, including but not limited to the Public Funds Investment Act (Chapter 2256, Texas Government Code), and the City's investment policy adopted in accordance with the provisions of the Public Funds Investment Act; provided, however, that investments purchased for and held in the Interest and Sinking Fund shall have a final maturity no later than the next principal or interest payment date for which such funds are required, and investments purchased for and held in the Construction Fund shall have a final maturity of not later than the date the City reasonably expects the funds from such investments will be required to pay costs of the projects for which the Certificates of Obligation were issued.

Income and profits from such investments shall be deposited in the respective Fund which holds such investments; however, any such income and profits from investments in the Construction Fund may be withdrawn by the City and deposited in the Interest and Sinking Fund to pay all or a portion of the interest next coming due on the Certificates of Obligation. It is further provided, however, that any interest earnings on Certificate of Obligation proceeds which are required to be rebated to the United States of America pursuant to Section 14 hereof in order to prevent the Certificates of Obligation from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 10. EMPOWERED. The City Manager and Finance Director are hereby ordered to do any and all things necessary to accomplish the transfer of monies to the Interest and Sinking Fund of this issue in ample time to pay such items of principal and interest.

Section 11. DEFEASANCE OF THE CERTIFICATES OF OBLIGATION. *(a) Defeasance*. Any Certificate of Obligation and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "***Defeased Certificate of Obligation***") 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 of Obligation, 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 City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates of Obligation shall have become due and payable. At such time as a Certificate of Obligation shall be deemed to be a Defeased Certificate of Obligation hereunder, as aforesaid, such Certificate of Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues 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 of Obligation that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates of Obligation for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates of Obligation 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) Investment of Funds in Defeasance Securities. Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City 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 of Obligation and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the

City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates of Obligation 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 (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates of Obligation, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) *Definition of Defeasance Securities*. The term "***Defeasance Securities***" means (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of the purchase thereof are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date on the date the governing body of the City adopts or approves the proceedings authorizing the financial arrangements are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iv) any other then authorized securities or obligations under applicable state law that may be used to defease obligations such as the Certificates of Obligation.

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

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

Section 12. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES OF OBLIGATION. *(a)* *Replacement Certificates of Obligation*. In the event any outstanding Certificate of Obligation is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new certificate of obligation of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Certificate of Obligation, in replacement for such Certificate of Obligation in the manner hereinafter provided.

(b) *Application for Replacement Certificates of Obligation*. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Certificates of Obligation shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Certificate of Obligation, the registered owner applying for a replacement certificate of obligation shall furnish to the City 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 of Obligation, the registered owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Certificate of Obligation, as the case may be. In every case of damage or mutilation of a Certificate of Obligation, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate of Obligation so damaged or mutilated.

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

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

(e) *Authority for Issuing Replacement Certificates of Obligation*. In accordance with Chapter 1201, Texas Government Code, as amended, this Section of this Ordinance shall constitute authority for the issuance of any such replacement certificate of obligation without necessity of further action by the governing body of the City or any other body or person, and the duty of the replacement of such certificates of obligations is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates of Obligation in the form and manner and with the effect, as provided in Section 4(a) of this Ordinance for Certificates of Obligation issued in exchange for other Certificates of Obligation.

Section 13. CUSTODY, APPROVAL, AND REGISTRATION OF THE CERTIFICATES OF OBLIGATION; BOND COUNSEL'S OPINION, BOND INSURANCE, AND CUSIP NUMBERS. The Mayor or Mayor Pro-Tem of the City is hereby authorized to have control of the Certificates of Obligation initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates of Obligation 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 of Obligation 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 of Obligation, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel (with an appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary of the City), a statement regarding the issuance of a municipal bond insurance policy to secure payment of debt service on the Certificates of Obligation, if any, and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates of Obligation 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 of Obligation.

Section 14. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE CERTIFICATES OF OBLIGATION. *(a)* Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates of Obligation as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (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 City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates of Obligation or the projects financed therewith (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 of the Certificates of Obligation or the projects financed therewith are so used, such amounts, whether or not received by the City, 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 of Obligation, 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 of Obligation 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" which 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 which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Certificates of Obligation (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 which would otherwise result in the Certificates of Obligation 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 of Obligation 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 of Obligation, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates of Obligation, other than investment property acquired with --

(A) proceeds of the Certificates of Obligation invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Certificates of Obligation are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section l.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 of Obligation;

(7) to otherwise restrict the use of the proceeds of the Certificates of Obligation or amounts treated as proceeds of the Certificates of Obligation, as may be necessary, so that the Certificates of Obligation 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 of Obligation) 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 of Obligation 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 of Obligation will be used solely for new money projects.

(b) *Rebate Fund*. In order to facilitate compliance with the above covenant (8), a "***Rebate Fund***" is hereby established by the City 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 bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) *Proceeds*. The City 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 of Obligation. It is the understanding of the City 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 which modify or expand provisions of the Code, as applicable to the Certificates of Obligation, the City 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 of Obligation under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates of Obligation, the City 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 of Obligation under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the Mayor, the City Manager or the Finance Director of the City to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates of Obligation.

(d) *Allocation of, and Limitation on, Expenditures for the Projects*. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance (collectively referred to herein as the "***Projects***") on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates of Obligation, or (2) the date the Certificates of Obligation are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates of Obligation. For purposes hereof, the City 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 Projects*. The City covenants that the property constituting the Projects financed or refinanced with the proceeds of the Certificates of Obligation will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City 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 of Obligation. 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 City 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.

(f) *Designation as Qualified Tax-Exempt Obligations*. The City hereby designates the Certificates of Obligation as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants and warrants the following: (i) that during the calendar year in which the Certificates of Obligation are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which

when aggregated with the Certificates of Obligation, will result in more than $30,000,000 of "qualified tax-exempt bonds" being issued; (ii) that the City reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Certificates of Obligation are issued, by the City (or any subordinate entities) will not exceed $30,000,000; and (iii) that the City will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Certificates of Obligation will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 15. CONTINUING DISCLOSURE UNDERTAKING.

(a) *Definitions*. As used in this Section, the following terms have the meanings ascribed to such terms below:

"***EMMA***" means the Electronic Municipal Market Access system being established by the MSRB.

"***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.* The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2010, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by this Ordinance being the information described in *Exhibit B* hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in *Exhibit B* hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

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

The financial information and operating data to be provided pursuant to this paragraph (b) may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB through EMMA or filed with the SEC.

(c) *Material Event Notices*. The City shall notify the MSRB through EMMA in a timely manner, of any of the following events with respect to the Certificates of Obligation, if such event is material within the meaning of the federal securities laws:

A. Principal and interest payment delinquencies;

B. Non-payment related defaults;

C. Unscheduled draws on debt service reserves reflecting financial difficulties;

D. Unscheduled draws on credit enhancements reflecting financial difficulties;

E. Substitution of credit or liquidity providers, or their failure to perform;

F. Adverse tax opinions or events affecting the tax-exempt status of the Certificates of Obligation;

G. Modifications to rights of holders of the Certificates of Obligation;

H. Redemption calls;

I. Defeasances;

J. Release, substitution, or sale of property securing repayment of the Certificates of Obligation; and

K. Rating changes.

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

(d) *Limitations, Disclaimers, and Amendments*. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates of Obligation within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 11 of this Ordinance that causes Certificates of Obligation no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates of Obligation, 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 City 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 City'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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates of Obligation at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OF OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS 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.

No default by the City 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 City under federal and state securities laws.

The provisions of this Section may be amended by the City 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 City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates of Obligation in the primary offering of the Certificates of Obligation 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 holders 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 of Obligation consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates of Obligation. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates of Obligation in the primary offering of the Certificates of Obligation. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (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 16. SALE AND DELIVERY OF THE CERTIFICATES OF OBLIGATION. The Certificates of Obligation are hereby initially sold and shall be delivered to **SOUTHWEST SECURITIES, INC.** (the "***Underwriter***"), at a price of ***$4,826,487.25*** (which amount is equal to par, plus a net original issue premium of ***$156,021.95***, and less Underwriter's discount of ***$34,534.70***), plus accrued interest on the Certificates of Obligation from August 15, 2010, to the date of initial delivery thereof, all pursuant to the terms and provisions of a Purchase Contract in substantially the form attached hereto as *Exhibit C* which the Mayor or Mayor Pro-Tem of the City is hereby authorized to execute and deliver, and which the City Secretary is hereby authorized to attest. The City will deliver to the Underwriter an Initial Certificate of Obligation in the aggregate principal amount of *$4,705,000* payable in principal installments on the dates and in the principal amounts shown in Section 2 hereof, and bearing interest at the rates for each respective maturity as shown in Section 3 hereof. The Initial Certificate of Obligation shall be registered in the name of **SOUTHWEST SECURITIES, INC.**

Section 17. APPROVAL OF OFFICIAL STATEMENT. The City hereby approves the form and content of the Official Statement relating to the Certificates of Obligation and any addenda, supplement, or amendment thereto, and approves the distribution of the Official Statement in the reoffering of the Certificates of Obligation 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 for the Certificates of Obligation, dated August 5, 2010, prior to the date hereof is hereby ratified and confirmed. The City Council finds and determines that the Preliminary Official Statement and the Official Statement were and are "deemed final" as of each of their respective dates within the meaning, and for the purpose, of Rule 15c2-12 promulgated under authority granted by the Federal Securities and Exchange Act of 1934.

Section 18. MUNICIPAL BOND INSURANCE POLICY. On the date of delivery of the Certificates of Obligation, the City will obtain from Assured Guaranty Municipal Corp. (the "***Insurer***") a municipal bond insurance policy in support of the Certificates of Obligation. The City approves the insurance of the Bonds by the Insurer and the payment of such premium and covenants to comply with all terms of the insurance commitment attached hereto as *Exhibit D*, which terms are hereby adopted.

Section 19. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The Mayor, Mayor Pro-Tem, City Secretary, City Manager and Finance Director of the City, and all other officers, employees, and agents of the City, 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 under the corporate seal and on behalf of the City all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates of Obligation, the sale of the Certificates of Obligation, the Official Statement, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Certificates of Obligation, the Mayor, Mayor Pro-Tem, City Secretary, City Manager, Finance Director, City Attorney and Bond Counsel are hereby authorized and directed to approve any technical changes or correction to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy any requirements of the provider of a municipal bond insurance policy, if any, or (iii) obtain the approval of the

Certificates of Obligation by the Attorney General's office. In case any officer whose signature shall appear on any Certificate of Obligation shall cease to be such officer before the delivery of such Certificate of Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. The Finance Director of the City is further authorized to pay to the Attorney General of Texas prior to the delivery of the Certificates of Obligation, for the Attorney General's review of the transcript of proceedings related to the Certificates of Obligation, the amount required pursuant to Section 1202.004, Texas Government Code, as amended.

Section 20. ORDINANCE A CONTRACT; AMENDMENTS. This Ordinance shall constitute a contract with the Registered Owners of the Certificates of Obligation, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Certificate of Obligation remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Registered Owners, amend, change, or modify this Ordinance as may be required (i) by the provisions hereof, (ii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iii) in connection with any other change which is not to the prejudice of the Registered Owners. The City may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates of Obligation, reduce the principal amount thereof or the rate of interest thereon, (ii) give any preference to any Certificate of Obligation over any other Certificate of Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Certificates of Obligation required for consent to any such amendment, change, modification, or rescission. Whenever the City shall desire to make any amendment or addition to or rescission of this Ordinance requiring consent of the Registered Owners, the City shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to the Registered Owners at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the City shall receive an instrument or instruments in writing executed by the Registered Owners of a majority in aggregate principal amount of the Certificates of Obligation then outstanding affected by any such amendment, addition, or rescission requiring the consent of the Registered Owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Registered Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 21. SECURITY INTEREST. Chapter 1208, Texas Government Code, applies to the issuance of the Certificates of Obligation and the pledge of the ad valorem taxes and Surplus Revenues granted by the City under Sections 6 and 7 of this Ordinance, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates of Obligation are outstanding and unpaid such that the pledge of the ad valorem taxes or Surplus Revenues granted by the City under Sections 6 and 7 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Certificates of Obligation the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

Section 22. REMEDIES IN EVENT OF DEFAULT. In addition to all the rights and remedies provided by the laws of the State of Texas, it is specifically covenanted and agreed particularly that in the event the City (i) defaults in the payment of the principal, premium, if any, or interest on the Certificates of Obligation, (ii) defaults in the deposits and credits required to be made to the Interest and Sinking Fund, or (iii) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Ordinance and the continuation thereof for 30 days after the City has received written notice of such defaults, the Holders of any of the Certificates of Obligation shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in this Ordinance.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedy herein provided shall be cumulative of all other existing remedies, and the specification of such remedy shall not be deemed to be exclusive.

Section 23. INTERESTED PARTIES. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the City, the Underwriters and the registered owners of the Certificates of Obligation, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Underwriters and the registered owners of the Certificates of Obligation.

Section 24. INCORPORATION OF RECITALS. The City hereby finds that the statements set forth in the recitals of this Ordinance are true and correct, and the City hereby incorporates such recitals as a part of this Ordinance.

Section 25. SEVERABILITY. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 26. EFFECTIVE DATE. Pursuant to the provisions of Section 1201.028, Texas Government Code, this Ordinance shall become effective immediately after its adoption by the City Council.

[The remainder of this page left blank intentionally.]

PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS AT A REGULAR MEETING ON THE 10TH DAY OF AUGUST, 2010, AT WHICH MEETING A QUORUM WAS PRESENT.

ATTEST: ____________________________________

____________________________________ Mayor

City Secretary

(CITY SEAL)

** ** ** ** **

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

THE PAYING AGENT/REGISTRAR AGREEMENT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT B

FORM OF PURCHASE CONTRACT

THE PURCHASE CONTRACT IS OMITTED AT THIS POINT AS IT APPEARS IN EXECUTED FORM ELSEWHERE IN THIS TRANSCRIPT.

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 15 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City 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:

1. The annual audited financial statements of the City or the unaudited financial statements of the City in the event audited financial statements are not completed within six months after the end of any fiscal year.

2. All quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under Tables 1 through 5 and 7 through 12 and Appendix C.

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 1 above.

EXHIBIT D

AGM INSURANCE COMMITMENT

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Utility Services

ORDINANCE (ID # 1773)

DOC ID: 1773 A

Consider Adoption of an Ordinance Repealing and Replacing Ordinance Nos. 964, 965, and 978 Establishing Fees for Security Deposits, Returned Checks, Delinquent Bills, Suspension of Service, and Service Upgrades Charged by the Light & Power Department, Water & Wastewater Department and Solid Waste Department, Creating Procedures for Online Bill Payment Services, Procedures for the Return of Utility Security Deposits, and Establishing an Exemption from Late Fees for the Disabled and Those 65 Years of Age, and Other Utility Issues Related Thereto.

AN ORDINANCE TO REPEAL AND REPLACE ORDINANCE NUMBERS 964, 965, AND 978 OF THE CITY OF LIBERTY, TEXAS; ESTABLISHING CERTAIN FEES PERTAINING TO SECURITY DEPOSITs, RETURNED CHECKS, DELINQUENT BILLS, SUSPENSION OF SERVICE, AND UPGRADE OF SERVICE TO BE CHARGED BY THE LIGHT AND POWER DEPARTMENT, WATER AND WASTEWATER DEPARTMENT AND SOLID WASTE DEPARTMENT AND CREATING PROCEDURES FOR THE RETURN OF UTILITY SERVICE SECURITY DEPOSITS; ESTABLISHING CERTAIN FEES PERTAINING TO GROSS MONTHLY BILLS, UPGRADE OF ELECTRICAL SERVICE, AND THE PAYMENT OF UTILITY BILLS USING ON-LINE INTERNET BILL PAYING SERVICES TO BE CHARGED BY THE LIGHT AND POWER DEPARTMENT, WATER AND WASTEWATER DEPARTMENT AND SOLID WASTE DEPARTMENT, AND ESTABLISHING AN EXEMPTION FOR CERTAIN CUSTOMERS REGARDING LATE FEES ON GROSS MONTHLY BILLS; PROVIDING AN EXEMPTION FROM THE LATE PAYMENT FEE ON UTILITY BILLS OF INDIVIDUALS WHO ARE DISABLED; PROVIDING A DEFINITION FOR “DISABLED” AS THE TERM IS USED HEREIN; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH THE REQUIREMENT OF SECTION 3.10 OF THE HOME RULE CHARTER THAT THIS ORDINANCE BE READ ON TWO SEPARATE DAYS.

WHEREAS, by adoption of previous ordinances, The City Council of the City of Liberty, Texas detailed the procedures for payment of utility bills and fees charged for security deposits, returned checks, delinquent bills, suspension of service, and an upgrade of service.

WHEREAS, the City Council of the City of Liberty, Texas, finds it to be in the public interest to replace Ordinance numbers 964, 965, and 978 with a single ordinance combining the previous ordinances as follows; and

WHEREAS, the City Council of the City of Liberty, Texas, recognizes the need to revise deposit procedures.

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

SECTION 1

SECURITY DEPOSITS

The City may require a security deposit for utility services in a form acceptable to the City. The deposit for residential service shall be established by the City Manager subject to approval by the City Council. Commercial and Industrial deposits will be calculated by the City to equal the estimated total billing from the City to the customer for two (2) months power and water and wastewater consumption, plus an amount calculated by the City to cover the City's increased ratchet billing liability to the City's wholesale electric provider, as a result of the customer's billing load. Any Customer who's service has been on the disconnect list 2 times in a 12 month period shall be required to post a deposit. Failure to do so will result in termination of utility service. The amount of the required deposits may be adjusted by the City Manager subject to approval by the City Council.

SECTION 2

SECURITY DEPOSIT RETURN

The City shall return the security deposits on a utility account for all classes of utility customers if the customer has made all utility bill payments by the due date for a twelve (12) consecutive month period immediately prior to the date of the return.

SECTION 3

BILL COLLECTION

A fee may be charged when the City takes any action to collect a delinquent bill. The collection fee shall be set by the City Manager subject to approval by City Council.

SECTION 4

RECONNECTION FEE

A fee will be charged to restore service which has been suspended as a result of any utility service bill in arrears, failure of a customer to comply with the terms and conditions applicable to utility service, prevention of fraud or abuse, or discovery that utility meter(s) have been tampered with or damaged. The fee to reconnect utility service during normal business hours and the after hours reconnect fee shall be set by the City Manager subject to City Council approval. Normal business hours shall be defined as the hours in which City Hall is open in order to conduct day to day business. After hours operation shall be defined as when the City

Hall is closed and shall include nights, weekends, and recognized holidays.

SECTION 5

RETURN CHECK FEE

A fee may be charged for each check that is returned from a financial institution without being paid. The returned check fee shall be set by the City Manager subject to approval by City Council.

SECTION 6

GROSS MONTHLY BILL

The gross monthly bill for all classes of utilities including, but not limited to, electricity, water, wastewater, solid waste and miscellaneous fees for service for which payment is not made within 20 days of the billing date shall be the net monthly bill, including all adjustments and/or other applicable charges, plus a 10% late fee. If the monthly bill is paid within 20 days of the billing date the net monthly bill amount shall apply when making payment. Utility Accounts held by customers who are 65 years of age or older, and who produce a government issued photo identification establishing their age, may be exempt from the late fee upon written request. All written requests are subject to approval by the City Manager or the City Manager's designee.

SECTION 7

SERVICE UPGRADE

A fee may be charged for all non-residential electrical customers for the upgrade of temporary or permanent electrical service. The customer may be required to pay $200.00 up to 100KVA and $500 over 100KVA. If the cost of the service upgrade exceeds the standard amount bourne by the City, additional charges may be required of the customer. Those additional charges will not exceed fifty percent (50%) of the project cost. The equipment required to upgrade the service may include, but not be limited to, items such as, transformers, special metering devices, cutouts, and lightening arresters.

SECTION 8

ON-LINE BILL PAYMENTS

All transactions costs charged to the City for on-line bill payments will be paid by the customer using that service.

SECTION 9

DISABILITY EXEMPTION

That utility accounts held by individuals who are disabled, as defined herein below, may request, in writing, to be exempt from paying the late fee assessed against utility accounts that are not paid in a timely manner. All written requests are subject to approval by the City Manager or the City Manager's designee. Upon a finding that a written request has been properly presented to the City and that the individual satisfies all requirements of this ordinance, the City Manager shall approve of the exemption and cease to assess the late fee on the individual's account.

SECTION 10

DISABLED DEFINED

That, for the purposes of this ordinance, an individual shall be considered "disabled" if he/she provides proof of being so designated by the Social Security Administration.

SECTION 11

That should any section or part of any section or paragraph of this ordinance be declared invalid or unconstitutional for any reason, it shall not invalidate or impair the validity, force or effect of any other section or sections or part of a section or paragraph of this ordinance.

SECTION 12

That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two days is hereby dispensed with.

SECTION 13

This Ordinance shall be in full force and effect from and after the date of its passage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of

Liberty, this _________ day of _______________________, 2010.

____
Carl Pickett, Mayor

ATTEST:

____

Dianne Tidwell, City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Solid Waste Issues

COUNCIL ACTION (ID # 1774)

DOC ID: 1774

Consider and Approve a Proposal for Solid Waste Collection and Disposal Services.

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Company Name/Address	Base Bid (Residential)	Base Bid Price	Alternate Bid (Residential)	Alternate Bid Price	Bidder Option	Option Price
Hotchkiss Disposal Service 4219 1/2 North Alexander Dr. PO Box 2742 Baytown, TX 77522	Manual Solid Waste Collection Twice a Week Collection Once per Week Bulky Collection Twice per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge There will be a disposal charge billed for Reduction site debris	$16.95	Manual Solid Waste Collection Twice a Week Collection Once per Month Bulky Collection Once per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge. There will be a disposal charge billed for Reduction site debris	$16.95		
			Once a Week Recyclable Material Collection	$2.90		

Company Name/Address	Base Bid (Residential)	Base Bid Price	Alternate Bid (Residential)	Alternate Bid Price	Bidder Option	Option Price
Waste Management 1901 Afton Houston, TX 77055	Manual Solid Waste Collection Twice a Week Collection Once per Week Bulky Collection Twice per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge	$12.50	Manual Solid Waste Collection Twice a Week Collection Once per Month Bulky Collection Once per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge. Once a Week Recyclable Material Collection	$12.50 $2.25	Additional Programs Offered **Recycling Program:** WM will provide for 12 months with no extra charge to the city a recyling KIOSK. More Details in bid. Recycling grant of 1000.00 annually **Education:** Joint Scholarship of $500 Community: Sponsor 1 event each year with the Liberty COC. **Community:** Sponsor 1 event each year with the Liberty COC. City Sponsor Event: 4 -40 yard rolloffs and 35 Port-O-Lets and service at no charge to the city. 20 special event boxes and liners $1500.00 annually as Fireworks Sponsor. **Beautification:** Sponsor a Project each year $1000 annual (cash or service) **Sustainability:** Partnership with the City to set and reach Sustainability Goals and projects: up to $1000 each year	$0.00

14.75

Company Name/Address	Base Bid (Residential)	Base Bid Price	Alternate Bid (Residential)	Alternate Bid Price	Bidder Option	Option Price
IESI TX Corporation 2339 FM 770 Kountze, TX 77625	Manual Solid Waste Collection Twice a Week Collection Once per Week Bulky Collection Twice per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge	$10.85	Manual Solid Waste Collection Twice a Week Collection Once per Month Bulky Collection Once per Month Heavy Vegetative Debris Collection w/grappler truck With Solid Waste Removal at City Facilities at no Charge.	$9.95	Once per Week 95 Gallon Cart Twice per Month Heavy Vegetative Debris Once per Week Bulky Collection	$8.75
			Once a Week Recyclable Material Collection	$3.00		

12.95

Company Name/Address	Commercial Rate Schedule						
Hotchkiss Disposal Service	Commercial Hand Collection						
4219 1/2 North Alexander Dr.	Per 90-95 Gallon Polycart						
PO Box 2742	Automated Collection:						
Baytown, TX 77522	Once per Week	$26.45					
	Two Carts Once per Week	$52.90					
	Manual Collection Cost:						
	Once per Week	$22.90					
	Front Load Container Rates						
	Size/Pickup	1xweek	2xweek	3xweek	4xweek	5xweek	6xweek
	2 Cu Yd	$41.55	$83.09	$128.78	$149.57	$186.94	$234.63
	3 Cu Yd	$62.30	$119.09	$153.71	$182.80	$235.42	$297.93
	4 Cu Yd	$72.00	$141.25	$181.42	$214.64	$164.64	$324.78
	6 Cu Yd	$88.62	$160.63	$192.50	$250.66	$303.28	$363.21
	8 Cu Yd	$99.71	$195.25	$242.34	$324.03	$407.11	$477.76
	Roll Off Containers						
	20 Cu Yd per Haul	$331.21					
	30 Cu Yd per Haul	$419.16					
	40 Cu Yd per Haul	$505.68					
	Delivery and Exchange	$132.00					
	Daily Container Rental	$4.00					

Company Name/Address	Commercial Rate Schedule						
Waste Management 1901 Afton Houston, TX 77055	Commercial Hand Collection						
	Per 90-95 Gallon Polycart						
	Automated Collection:						
	Once per Week	$27.50 per cart					
	Two Carts Once per Week	$27.50 per cart					
	Manual Collection Cost:						
	Once per Week	$23.50					
	Front Load Container Rates						
	Size/Pickup	1xweek	2xweek	3xweek	4xweek	5xweek	6xweek
	2 Cu Yd	$45.00	$89.00	$131.00	$145.00	$172.90	$217.01
	3 Cu Yd	$67.52	$126.00	$157.00	$175.00	$217.74	$275.56
	4 Cu Yd	$87.00	$155.00	$179.00	$198.52	$244.64	$300.39
	6 Cu Yd	$124.00	$176.00	$206.00	$250.00	$325.00	$375.00
	8 Cu Yd	$150.00	$240.00	$326.00	$380.00	$450.00	$525.00

Roll Off Containers		Front End Containers - extra pickups	
20 Cu Yd per Haul	$324.72	2 yard	$45.00
30 Cu Yd per Haul	$410.94	3 yard	$50.00
40 Cu Yd per Haul	$493.80	4 yard	$55.00
Delivery and Exchange	$130.00	6 yard	$60.00
Daily Container Rental	$4.50	8 yard	$65.00

Company Name/Address	Commercial Rate Schedule						
IESI TX Corporation 2339 FM 770 Kountze, TX 77625	Commercial Hand Collection Per 90-95 Gallon Polycart Automated Collection: Once per Week $21.50 Two Carts Once per Week $25.00 Manual Collection Cost: Once per Week $20.00 Front Load Container Rates						
	Size/Pickup	1xweek	2xweek	3xweek	4xweek	5xweek	6xweek
	2 Cu Yd	$38.43	$76.85	$119.11	$138.33	$172.90	$217.01
	3 Cu Yd	$57.62	$110.15	$142.17	$169.07	$217.74	$275.56
	4 Cu Yd	$66.59	$130.64	$167.79	$198.52	$244.64	$300.39
	6 Cu Yd	$81.96	$148.57	$178.04	$231.83	$280.50	$335.93
	8 Cu Yd	$92.23	$180.59	$224.14	$299.70	$376.54	$441.86

Roll Off Containers		Front End Containers - extra pickups	
20 Cu Yd per Haul	$324.00	2 yard	$23.00
30 Cu Yd per Haul	$410.00	3 yard	$26.00
40 Cu Yd per Haul	$490.00	4 yard	$29.00
Delivery and Exchange	$125.00	6 yard	$37.00
Daily Container Rental	$0.00	8 yard	$42.00

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Airport Improvements

COUNCIL ACTION (ID # 1775)

DOC ID: 1775

Consider Ratifying the Liberty Community Development Corporation’s Action to Fund Airport Improvements.

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LCDC APPLICATION REQUEST

DATE: May 27, 2010

NAME OF PERSON MAKING REQUEST: Gary Broz, City Manager

TYPE OF ASSISTANCE REQUESTED:

Funds to setup terminal building at Airport, relocate fuel farm at airport, Construct a 200 x 50 ft Terminal parking lot, Build a 10 bay T-Hangar with aprons on both sides. Total Cost is $896,500. City has $448,424 matching money. The request is for $450,000 to do construction.

NAME AND ADDRESS OF BUSINESS: City of Liberty, 1829 Sam Houston, Liberty, TX 77575

PRINCIPAL STOCKHOLDERS: N/A

NAME AND ADDRESS

LCDC USE ONLY

Date Received: 05/27/2010 By Whom: Gary Broz

Meet Type B Guidelines: [X] Yes [ ] No - Why Not?

Date Presented to LCDC Board: June 1, 2010

GM Signature:

Proposed Terminal Set-up

Terminal Building Set-up			
20 x 30	Building	$ 40,000.00	
6 inch	Water	$ 20,000.00	
Aerobic	Sewer	$ 7,000.00	
	Electric	$ 2,000.00	
	Telephone	$ 5,000.00	
		$ 74,000.00	**$ 74,000.00**
Relocate Fuel Farm			
to East Side		**$ 2,500.00**	**$ 2,500.00**
Terminal Parking Lot			
200 x 50		**$ 20,000.00**	**$ 20,000.00**
20 parking spaces			
T-Hangars			
10 Bays		$ 800,000.00	
Apron both sides			
	FEMA	$ 214,576.00	
	Insurance	$ 137,000.00	
		$ 448,424.00	**$ 448,424.00**
Courtesy Car			
Old Police Car		$ -	**$ -**
Full Time FBO			
	Currently	$ 36,000.00	
	Proposed	$ 40,000.00	
		$ 4,000.00	**$ 4,000.00**
			$ 548,924.00

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Grants

COUNCIL ACTION (ID # 1776)

DOC ID: 1776

Consider Award of Bid for Round 1 Disaster Fund Materials.

EXPLANATION:
See the attached bid tab for the Round 1 Disaster Funds - Pole Replacement Project. This is the TDRA no-match money. We are seeking approval of the $23,132.81 for Texas Electric Coop for the supplies. The bid for the labor will be on the next agenda as Schaumburg and Polk are working on those.

Gary Broz

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A504

Small Purchase Procurement Record

Scope of Service/Item Description:

______ Materials for removal and replacement of electrical poles throughout the City of Liberty. ________

Contacts Made:

1. __Texas Electric Co-Op_________ Name of Firm/Supplier (No. 1)

   ______6/30/10_________________ Date Contacted

   __Greg Oliver_________________ Name of Person Contacted

   _____$23,132.81________________ Quoted Price

2. __Techline____________________ Name of Firm/Supplier (No. 2)

   _____6/30/10____________________ Date Contacted

   __Randy Berry_________________ Name of Person Contacted

   ____$24,863.97________________ Quoted Price

3. __Priester-Mell & Nicholson Inc.__ Name of Firm/Supplier (No. 3)

   ______6/30/10___________________ Date Contacted

   ___Dennis_____________________ Name of Person Contacted

   _______Incomplete Bid____________ Quoted Price

Based on the contacts made concerning the above-referenced scope of services/item description, I authorize ________________________ on __________________, 20____ to begin work or to supply the item(s) for the quoted price.

____ Signature of Authorized Person

____________________________ Date

A703

Contractor Eligibility Verification Form

Grant Recipient: City of Liberty TxCDBG Contract Number: DRS-010098

Bid Activity : Electric Pole Materials - Materials, Only

Applicable Bid Opening Date: n/a Applicable Wage Decision No: n/a

If sub contractor, list prime: ______

Return this form to: (usually the LSO)	Nic Houston, Public Management P.O. Box 1827 Cleveland, TX 77328

CONTRACTOR INFORMATION

[X] Prime Contractor	[ ] Sub-Contractor	[ ] Housing Rehab Contractor	[ ] Other
Company Name: Texas Electric Cooperatives, Inc.			
Address:100 Cooperative Way			
City: Georgetown	State: TX	ZIP: 78626	Telephone No: (512) 868-8610
PRINCIPAL(S)			TITLE(S)

Telephone Clearance by: ______ Date: ______
(TxCDBG Staff Name)

FOR DEPARTMENT USE ONLY:

Verified by: Maureen Mahoney Date: 7/13/10
TxCDBG Labor Standards Specialist

ENTERED

PROPOSAL

For furnishing materials necessary for the

Removal and Installation of Electrical Utility Poles Throughout the City.

TDRA - CDBG Contract # DRS-010098

For

The City of Liberty, Texas

All materials utilized in the work shall be new and the best grade available. Contractor is responsible for delivery of all materials to:

11000 Main Street, Liberty, Texas 77575

A. The City of Liberty is requesting a bid for the following items:

1. Materials – Itemize the attached Material List.
Attached bid has Itemized pricing.

2. Delivery. Please see attached bid

TEC is please to offer the following material bid. TEC is also offering a 2% discount for a total package order.

Total Bid Price $23,132.81

Respectfully submitted,

By: Greg Oliver

Title: Inside Sales

Address: TEXAS ELECTRIC COOPERATIVES, INC. (SEAL – if bid is by a corporation)

100 Cooperative Way

Georgetown, TX 78626

CITY OF LIBERTY - CDBG DRS-010098
MATERIAL AND EQUIPMENT LIST
BID PROPOSAL

QUANITY	ITEM	PRICE	
24	(FIVE GALLON BUCKETS)	$136.50/EA	STOCK
14	45" PENTA POLE (CLASS 3)	$434.00/EA	STOCK
4	HEAVY DUTY 8' FG ARM	$188.45/EA	STOCK
28	STANDARD DUTY FG ARM	$161.15/EA	STOCK
17	100 AMP CUT OUTS	$64.45	STOCK
12	336 BASKETS	$10.10/EA	STOCK
9	1/0 BASKETS	$5.40/EA	STOCK
3	15DEG 3-POS CUTOUT/ARRESTOR	$33.85/EA	STOCK
4	CUTOUT/ARRESTOR MTG BKT	$83.60/EA	STOCK
9	RIDGE PINS	$8.50/EA	STOCK
45	PIN INSULATOR "C" NECK 15 KV	$2.55/EA	STOCK
45	CROSS ARM PINS	$3.35/EA	STOCK
500 FT	#6 SOFT DRAWN BARE COPPER 25LB SPOOLS (315')	$4.07/LB	STOCK
24	HOT LINE CLAMPS	$8.55/EA	STOCK
250FT	#8 SOFT DRAWN BARE COPPER 25LB SPOOLS (500')	$4.06/LB	STOCK
250FT	#6 SOFT DRAWN ALUMINIUM TIE WIRE 25LB SPOOLS (1033')	$2.89/LB	STOCK
63	15KV POLY DEAD END	$9.60/EA	STOCK
53	1/0 DEAD END SHOES SIDE OPENING	$7.06/EA	STOCK
15	.336 DEAD END SHOES SIDE OPENING	$14.25/EA	STOCK
50	12" O.E. BOLT	$2.35/EA	STOCK
100	O.E. NUT 5/8	$1.10/EA	STOCK
6	.336 BASKET	$10.10/EA	STOCK
9	1/0 BASKETS	$5.40/EA	STOCK
4	10" ANCHOR	$21.50/EA	STOCK
9	8" ANCHOR	$16.26/EA	STOCK
250FT	GUY WIRE 3/8 SM-250	$.34/FT	STOCK
50	GUY ATTACHMENT (50 CT)	$2.50/EA	STOCK
15	FG STRAIN INSULATOR	$24.15/EA	STOCK
30	3/8 GUY WIRE PRE-FORM	$1.83/EA	STOCK
100	12" MACHINE BOLTS (1 BOX) 5/8	$.98/EA	STOCK
100	14" MACHINE BOLTS (1 BOX) 5/8	$1.23/EA	STOCK
100	10" MACHINE BOLTS (1 BOX) 5/8	$.88/EA	STOCK
12	14" SINGLE USPET BOLTS	$4.93/EA	STOCK
12	3"SPOOL INSULATOR	$.60/EA	STOCK
500	2-1/4" X 2-1/4" SQUARE WASHERS (250 BOX)	$.35/EA	STOCK
50	22" DA BOLTS (25 BOX) 5/8	$1.61/EA	STOCK
50	20" DA BOLTS (25 BOX) 5/8	$2.12/EA	STOCK
100	3/8" X 4-1/2" CARRIAGE BOLTS	$.27/EA	STOCK
50	HARD HEADS	$.60/EA	STOCK
16	8' 13MIL CU CLAD GROUND RODS	$9.60/EA	STOCK
16	GROUND ROD CLAMPS	$.90/EA	STOCK
12	X-ARM MTD LIGHTNING ARRESTOR 10 KV	$32.80/EA	STOCK
15	YELLOW GUY GUARDS	$2.26/EA	STOCK
12	.336 QUICK SLEEVES	$21.06/EA	2-WKS
2	50' PENTA POLES (CLASS 3)	$494.32/EA	STOCK
9	100 AMP LOAD BREAK CUTOUTS	$86.23/EA	STOCK
15	336 TO 336 AMP SHOOT ON	$10.25/EA	STOCK
	TOTAL $	$23,132.81	

ALL ITEMS ARE STOCK SUBJECT TO PRIOR SALE

Attachment: Round 1 Disaster Fund info (1776 : Round 1 Disaster Fund Materials)

PROPOSAL

For furnishing materials necessary for the

Removal and Installation of Electrical Utility Poles Throughout the City.

TDRA - CDBG Contract # DRS-010098

For

The City of Liberty, Texas

All materials utilized in the work shall be new and the best grade available.
Contractor is responsible for delivery of all materials to:

11000 Main Street, Liberty, Texas 77575

A. The City of Liberty is requesting a bid for the following items:

1. Materials – Itemize the attached Material List.

$____24,363.97___

2. Delivery.

$___500.00______

Total Bid Price $___24,863.97_____

Respectfully submitted,

By: ___Randy Berry________________

Title: __Operations Manager__________

Address: __702 E. Cherokee St._______ (SEAL – if bid is by a corporation)

__Jacksonville, TX 75766_____

____

CITY OF LIBERTY - CDBG DRS-010098
MATERIAL AND EQUIPMENT LIST
BID PROPOSAL

QUANITY	ITEM	PRICE
24	POLE FOAM (FIVE GALLON BUCKETS)	84.08
14	45" PENTA POLE (CLASS 3)	538.17
4	8' HEAVEY DUTY FIBERGLASS DEAD END ARM	268.29
28	8' REGULAR FIRBERGLASS DEAD END ARM	120.73
17	100 AMP CUT OUTS	53.79
12	336 BASKETS	17.68
9	1/0 BASKETS	8.93
3	18" FIBERGLASS CUTOUT/ARRESSTOR ARM	34.99
4	ALUMIFORM 6 POSITION CLUSTER CUTOUT/ARRESTOR ARM	72.56
9	RIDGE PINS	7.48
45	PIN INSULATOR 15 KV	3.58
45	CROSS ARM PINS	4.23
500 FT	#6 SOFT DRAWN BARE COPPER	4.78
24	HOT LINE CLAMPS	7.46
250FT	#8 SOFT DRAWN BARE COPPER	4.11
250FT	#6 SOFT DRAWN ALUMINIUM TIE WIRE	2.89
63	15 KV POLYMER DEAD END BELLS	12.56
53	1/0 DEAD END SHOES SIDE OPENING	6.59
15	.336 DEAD END SHOES SIDE OPENING	9.48
50	EYEBOLTS 12" (1 BOX) 5/8	3.50
100	EYE NUTS 5/8 (1 BOX)	1.87
6	.336 BASKET	17.68
9	1/0 BASKETS	8.93
4	10" ANCHOR	43.82
9	8" ANCHOR	28.46
250FT	GUY WIRE 3/8	0.32
1 BOX	GUY ATTACHMENT (SPRING WASHER) (250 CT)	1.87
15	6' FIBERGLASS GUY ISOLATION LINK (FISH)	20.29
30	3/8 GUY WIRE PRE-FORM	1.99
100	12" MACHINE BOLTS (1 BOX) 5/8	1.18
100	14" MACHINE BOLTS (1 BOX) 5/8	1.32
100	10" MACHINE BOLTS (1 BOX) 5/8	1.04
12	14" USPET BOLTS	5.58
12	SPOOL INSULATOR	0.81
500	SQUARE WASHERS (1 BOX)	0.31
50	22" DA BOLTS (1 BOX) 5/8	2.96
50	20" DA BOLTS (1 BOX) 5/8	2.80
100	CARRIAGE BOLTS	0.61
50	HARD HEADS	0.58
16	GROUND RODS	10.90
16	GROUND ROD CLAMPS	1.15
12	LIGHTNING ARRESTOR 9/10 KV	34.97

Attachment: Round 1 Disaster Fund info (1776 : Round 1 Disaster Fund Materials)

15	YELLOW GUY GUARDS	5.61
12	.336 QUICK SLEEVES	21.04
2	50' PENTA POLES (CLASS 3)	605.12
9	100 AMP LOAD BREAK CUTOUTS	127.42
15	336 TO 336 AMP SHOOT ON	20.01

TOTAL $ 24,363.97

CITY OF LIBERTY - CDBG DRS-010098
MATERIAL AND EQUIPMENT LIST
BID PROPOSAL

QUANITY	ITEM	PRICE
24	POLE FOAM (FIVE GALLON BUCKETS) PS240W	$117.00/EA.
14	45" PENTA POLE (CLASS 3)	$417.00/EA.
4	8' HEAVEY DUTY FIBERGLASS DEAD END ARM	NO BID
28	8' REGULAR FIRBERGLASS DEAD END ARM	NO BID
17	100 AMP CUT OUTS 89021R10BD	$49.75/EA.
12	336 BASKETS	NO BID
9	1/0 BASKETS	NO BID
3	18" FIBERGLASS CUTOUT/ARRESSTOR ARM	NO BID
4	ALUMIFORM 6 POSITION CLUSTER CUTOUT/ARRESTOR ARM	NO BID
9	RIDGE PINS	NO BID
45	PIN INSULATOR 15 KV	NO BID
45	CROSS ARM PINS	NO BID
500 FT	#6 SOFT DRAWN BARE COPPER	NO BID
24	HOT LINE CLAMPS	NO BID
250FT	#8 SOFT DRAWN BARE COPPER	NO BID
250FT	#6 SOFT DRAWN ALUMINIUM TIE WIRE	NO BID
63	15 KV POLYMER DEAD END BELLS ARP15EACE-1 (18/CARTON)	$9.75/EA.
53	1/0 DEAD END SHOES SIDE OPENING	NO BID
15	.336 DEAD END SHOES SIDE OPENING	NO BID.
50	EYEBOLTS 12" (1 BOX) 5/8	NO BID
100	EYE NUTS 5/8 (1 BOX) U1092	$.95/EA.
6	.336 BASKET	NO BID
9	1/0 BASKETS	NO BID
4	10" ANCHOR	NO BID
9	8" ANCHOR	NO BID
250FT	GUY WIRE 3/8	NO BID
1 BOX	GUY ATTACHMENT (SPRING WASHER) (250 CT)	NO BID
15	6' FIBERGLASS GUY ISOLATION LINK (FISH)	NO BID
30	3/8 GUY WIRE PRE-FORM	NO BID
100	12" MACHINE BOLTS (1 BOX) 5/8 J8812	$1.32/EA.
100	14" MACHINE BOLTS (1 BOX) 5/8 J8814	$1.47/EA.
100	10" MACHINE BOLTS (1 BOX) 5/8 J8810	$.93/EA.
12	14" USPET BOLTS	NO BID
12	SPOOL INSULATOR ANSI53-2 -(3") (50/CARTON)	$.63/EA.
500	SQUARE WASHERS (1 BOX)	NO BID
50	22" DA BOLTS (1 BOX) 5/8 J8872	$3.27/EA.
50	20" DA BOLTS (1 BOX) 5/8	NO BID
100	CARRIAGE BOLTS	NO BID
50	HARD HEADS	NO BID
16	GROUND RODS	NO BID
16	GROUND ROD CLAMPS	NO BID
12	LIGHTNING ARRESTOR 9/10 KV 3EK7100-3AB4-A-P12P31QSI	$25.90/EA.

Attachment: Round 1 Disaster Fund info (1776 : Round 1 Disaster Fund Materials)

15	YELLOW GUY GUARDS	PG5718 (25/CARTON)	$3.45/EA.
12	336 QUICK SLEEVES		NO BID
2	50' PENTA POLES (CLASS 3)		$437.00/EA. X
9	100 AMP LOAD BREAK CUTOUTS		NO BID
15	336 TO 336 AMP SHOOT ON		NO BID

TOTAL $

6/30/10
PRIESTER-MELL & NICHOLSON INC.
TERMS: NET 30 DAYS
FOB: DESTINATION
*NOTE: WE ARE QUOTING "ALL OR NONE" ON THE TWO POLE ITEMS.
QUOTED PER OUR MANUFACTURERS STANDARD TERMS & CONDITIONS.
QUOTING STANDARD CARTON QUANTITIES ON ALL ITEMS.
THANKS,
DENNIS

DELIVERY: STOCK - SUBJECT TO PRIOR SALE.

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Change Orders

COUNCIL ACTION (ID # 1777)

DOC ID: 1777

Consider and Approve Change Order No. 16 for the Humphreys Cultural Center Expansion Project.

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Edwards Associates
architects&planners,aia

Allowance Expenditure Authorization

Project: GDHCC
Project No.:0412

Authorization No.: 16
Date: 07/22/10

To: G.T.T., Inc.

Comments:
You are authorized to perform the following items of work and to adjust the allowance sum accordingly, as indicated below. This is not a change order and does not increase nor decrease the contract amount.

Description:

PR No.027:

1) **Install micro switch in equipment room as required by State Elevator inspector.**
2) **Add 2 x 2 lay-in light fixture in janitor' s closet.**
3) **Additional welding required to modify existing steel interior door and window frames.**
4) **Additional floor prep in existing areas to satisfy warranty requirements for carpet.**
5) **Line elevator shaft at roof with 1 hour rated metal studs and gyp. bd. with fire tape per elevator inspector.**

Total Adjustment to Allowance Sum **$3,632.75**

Original Allowance	$30,000.00
Adjusted Allowance	72,496.88
Allowance Expenditures Prior to this Authorization	$101,001.64
Allowance Balance Prior to this Authorization	($22,844.88)
Allowance Sum will be decreased by this Authorization	($3,632.75)
New Allowance Balance	($26,477.63)

Attachments: Pricing Worksheets dated 7/16/10.

Richard W Edwards 7/22/10
Edwards Associates **Date**

City of Liberty- Gary Broz, City Manager **Date**

17 S. Briar Hollow | Suite 102 | Houston, TX 77027-2897 | 713-621-1890 | www.edwardsassociatesaia.com EA

G.T.T. Inc.
General Contractors.
414 W. Phillips. Ste: 105
Conroe, Texas. 77301
Phone: 936-441-8282
Fax 936-441-8286

Pricing Request Worksheet

Project: Geraldine D. Humphreys Cultural Center
Project No. 09-001
PR No: 027
Date: July 16, 2010

To: Edwards & Associates
17 S Briar Hollow, Ste 102
Houston, TX 77027
Phone: 713-621-1890
Fax: 713-621-1898

Attn: Richard Edwards

This Proposal initiated by:
Owner
X Architect
X Gen. Cont.
Sub-Cont.

Please find enclosed our pricing for the below indicted scope of work. This proposal shall include only the scope of work listed below and any attachments.

Pages attached
5

Description of work: 1. Install micro switch in equipment room as required by State elevator code. 2. Add 2x2 kay in light fixture in janitors closet. 3. Add'l welding required to modify existing interior door and window frames. 4. Add'l floor prep in existing areas to satisfy warranty requirements for carpet. 5. Line elevator shaft with 1 hour rated metal frame and gyp bd with fire tape per elevator inspector.

Item of work Description	Qty	Unit	Labor Total	Matrl Total	Equip Total	Sub-Contract	Item Total
Electrical Items 1&2			$ -	$ -	$ -	$ 670.00	$ 670.00
Welding Item 3			$ -	$ -	$ -	$ 1,184.00	$ 1,184.00
Floor prep Item 4			$ -	$ -	$ -	$ 360.00	$ 360.00
Drywall Item 5			$ -	$ -	$ -	$ 975.00	$ 975.00
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
			$ -	$ -	$ -	$ -	$ -
Sub-Totals			$ -	$ -	$ -	$ 3,189.00	$ 3,189.00
						Cross Check	$ 3,189.00

Time extension to contract in days.	15	
Total Labor:		$ -
Labor Burden:		$ -
Total Material		$ -
Material Taxes:	Exempt	$ -
Total Equipment:		$ -
Equipment Taxes:		$ -
Total Sub-Contract:		$ 3,189.00
Amount that can be funded by balance of contingency allowance:		$ -
Total after what can be funded from allowance.		$ 3,189.00
Insurance Increase:		$ 24.84
P&P Bond Increase:		$ 88.65
Total including Bonds and Insurance		$ 3,302.50
O&P on sub-contract work	10% On $ 3,302.50	$ 330.25
O&P on self performed work:	15% On	$ -
Total if Funded by Change Order:		$ 3,632.75

Should this pricing be acceptable please forward an AEA or Change order for the respective amounts above and we will commence with the process of the work.

Scott Cunningham
Project Manager

Attachment: HCC Change Order No. 16 (1777 : HCC Exp Change Order)

P.O. Box 614
Shepherd, TX 77371
281-659-1445 phone
281-659-1446 fax

Bullock Inc.

June 24, 2010

TO SCOTT CUNNINGHAM:

The cost on changing 125 amp 3 pole fused disconnect with micro switch for elevator: $600.00
The cost for 1- 2x2 light fixture: $70.00

TOTAL FOR BOTH; $670.00

Charles E. Bullock Jr.
President

Cc: Lori Bullock
Secretary

IRON BOSS, Inc.
4147 Fuqua
Houston, Texas 7704
(713) 733-8982

Invoice No. ______
Project: Humphrey's Cultural Center
Contractor: ______
Date: 05-28-10

EXTRA WORK BEYOND OUR ORIGINAL SCOPE OF WORK (ALL RELEVENT REFERENCE MARKS & ITEMS SHOULD BE LISTED)

Time For Installed 1 door Frame

AUTHORIZED BY: Buck Henderson FOR:
HOURS VERIFIED BY: FOR:
FOR:

CHARGE TO

CONTRACTOR ☐ CONCRETE SUB ☐ FABRICATOR ☐ ARCH REVISION ☐

1	IRONWORKER(S)	8 HOURS at $ 55	PER HOUR $	440.00
1	FOREMAN(S)	8 HOURS at $ 58	PER HOUR $	464.00
1	WELDING MACHINE(S)	8 HOURS at $ 25	PER HOUR $	200.00
1	CUTTING RIG(S)	8 HOURS at $ 10	PER HOUR $	80.00
	TON CRANE	HOURS at $	PER HOUR $	
		HOURS at $	PER HOUR $	

TOTAL $ 1,184.00

WHITE—OFFICE COPY; PINK—FIELD COPY; YELLOW—CONTRACTOR

Attachment: HCC Change Order No. 16 (1777 : HCC Exp Change Order)

WORK AUTHORIZATION

Coastal Flooring, Incorporated

5845 W. 34TH STREET ••• HOUSTON, TEXAS 77092 ••• (713) 957-0366

NAME GTT, INC.		PHONE	DATE June 23, 2010
STREET 414 West Phillips, Ste 105		JOB NAME GERALDINE HUMPHREY'S LIBRARY	JOB NUMBER
CITY Conroe	STATE Tx 77301	STREET	
		CITY Liberty	STATE Texas

You are hereby autorized to perform the following

To furnish material and labor necessary to prep floors as required:

DATE	FLOAT	APPROVAL
6-24-10	4 Bags	old library Buck Henderson

4 bags of Ardex SDF @ $45.00 per bag= 180—

CHARGE FOR ABOVE WORK IS: $ 180.00

Payment will be made as follows:

We hereby agree to furnish labor and materials – complete in accordance with the above specifications, at above stated price

Accepted by
Customer
Title
Date

COASTAL FLOORING, INC.
5845 W. 34th Street
Houston, Texas 77092.

WORK AUTHORIZATION

Coastal Flooring, Incorporated

5845 W. 34TH STREET ••• HOUSTON, TEXAS 77092 ••• (713) 957-0366

NAME GTT	PHONE	DATE 6/26/10	
STREET 414 W Phillips Ste 105	JOB NAME Humphreys Library	JOB NUMBER	
CITY Conroe	STATE TX	STREET Liberty Texas	STATE
		QTY	

You are hereby autorized to perform the following

To furnished material and labor necessary to prep floors as required:

Date	Float	Approval
6/28/10	4	Buck Henderson

4 Float @ 45.00 per bag = 180

CHARGE FOR ABOVE WORK IS: $ 180

Payment will be made as follows:

We hereby agree to furnish labor and materials – complete in accordance with the above specifications, at above stated price

THE PRIDE SERVICES CO., INC.
17802 EAST HARDY ROAD
HOUSTON, TEXAS 77073
PH# (281)821-7383 FAX# (281)821-7391

CPR#10

TO: GTT GENERAL CONTRACTORS
414 W. PHILLIPS, STE: 105
CONROE, TX. 77301
PH # 936-441-8282 FAX # 936-441-8286

QUOTE# 0171W
DATE 6/17/2010
JOB# 5272

ATTN: SCOTT

WORK TO BE PERFORMED AT: CITY OF LIBERTY

REF: HUMPHREYS CULTURAL CENTER

DESCRIPTION	AMOUNT
Furnish labor and materials to install drywall at top of elevator shaft and fire tape.	
ADD:	$ 975.00

ACCEPTANCE AND AUTHORIZATION TO PROCEED:

THE PRIDE SERVICES CO., INC.

____
WENDELL KING PROJECT MGR.

DATE_______________________

GTT GENERAL CONTRACTORS.

____
AUTHORIZED SIGNATURE

DATE_______________________

Attachment: HCC Change Order No. 16 (1777 : HCC Exp Change Order)

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Board Appointments

COUNCIL ACTION (ID # 1778)

DOC ID: 1778

Consider an Appointment to the Liberty Community Development Corporation Board of Directors.

EXPLANATION:
The Corporation is managed by a board of seven members, each of whom is appointed by the City Council. Each of the directors shall be a resident of the City and serve for two-year terms. Three directors shall be persons who are not employees, officers of the City, or members of the City Council. At the Council Meeting of May 11th, Dennis Beasley, Louie Potetz, and Billy Page were re-appointed to this Board. Board Member Mike Van Etta resigned in May, being at the end of his term. A new appointment will fill the seventh position on the Board.

Current Members are:
Dennis Beasley, President
Mike McCarty, Vice-President
Louie Potetz
Billy Page
Robert Ward
Juan Venegas

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: TXDOT Issues

RESOLUTION (ID # 1779)

DOC ID: 1779

Consider a Resolution Supporting the Transfer of Liberty County from the BeaumontTXDOT District to the Houston TXDOT District.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS, SUPPORTING THE TRANSFER OF LIBERTY COUNTY FROM THE BEAUMONT TEXAS DEPARTMENT OF TRANSPORTATION DISTRICT TO THE HOUSTON TEXAS DEPARTMENT OF TRANSPORTATION DISTRICT.

WHEREAS, Liberty County and the subdivisions of government within the boundaries of the county have for many years been participants in the Houston Galveston Area Council of Government (HGAC), and

WHEREAS, Liberty County residents are economically, geographically and environmentally aligned with the Houston Galveston area, and

WHEREAS, Liberty County and its residents are affected to a great degree by the planning and implementation of regional transportation policies developed at HGAC, and

WHEREAS, those regional transportation plans and policies are implemented and funded through the Houston TXDOT District, except for Liberty County and Chambers County, which are funded through the Beaumont TXDOT District.

THEREFORE, the residents of Liberty County would be better served and regional transportation planning and implementation would be better coordinated if Liberty County is moved to the Houston TXDOT District.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Liberty supports the transfer of Liberty County from the Beaumont TXDOT District to the Houston TXDOT District at the earliest possible date.

PASSED AND APPROVED on this, the 10th day of August, 2010 at a regular meeting of the City Council of the City of Liberty, Texas.

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Utility Issue

RESOLUTION (ID # 1780)

DOC ID: 1780 A

Consider Approval of a Resolution Approving an Electrical Services Agreement with Boomerang Tube, LLC.

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Misc. Rates

ORDINANCE (ID # 1781)

DOC ID: 1781

Consider Approval of an Ordinance Setting a Nominated Resource Industrial Customer Rate.

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The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM

Department: Administration
Category: Misc. Rates

ORDINANCE (ID # 1782)

DOC ID: 1782 A

Considerapproval of an Ordinance Setting a Nominated Resource Industrial Customer Rate.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LIBERTY, TEXAS DESIGNATING A NOMINATED RESOURCE RATE; PROVIDING FOR AN EFFECTIVE DATE; AND DISPENSING WITH SECTION 3.10 OF THE HOME RULE CHARTER THAT ORDINANCES BE READ ON TWO SEPARATE DAYS.

WHEREAS, the City of Liberty wishes to accommodate new large load customers; and

WHEREAS, the City of Liberty acknowledges the need for targeted nominated resource rates for new large load customers.

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

Section 1

This Nominated Resource Rate offers a wholesale rate for the City of Liberty to enhance its competitive position and financial worthiness and provide the opportunity to serve a large industrial customer from a nominated resource(s). This goal is met using the following conditions:

Section 2

Applicability:
The Nominated Resource Rate applies to a new large load. The qualifying load is defined as a customer load of at least **15,000 kW** from an industrial facility located within the City of Liberty service area. This Nominated Resource Rate does not apply to any existing customer. The Nominated Resource Rate will be available to the customer with certification by the municipal engineer (1) that the load to be served by the city is industrial, (2) that the actual annual peak demand is at least or more than **15,000 kW**, and (3) that the city has installed all equipment necessary for the delivery of the Nominated Resource demand and energy and (4) that demand metering with tele-metering capability on a real time basis has been installed for the qualified load.

Section 3

Rates:
The Nominated Resource Rate charges to the customer will be based on the Nominated Resource Rate Schedule which measures demand and energy, transmission charges inclusive of any related

services, directly assigned transmission costs, and service or delivery costs, plus any other operating costs and associated losses. The delivered demand and energy will be measured at a segregated meter located at the high-voltage side of the city's power delivery point. Charges calculated for the customer under this rate schedule will be billed separately from the city's existing Requirements Power Supply Agreement.

Section 4

Metering:
The engineer must certify that the power usage of the qualified load will be measured on a real time incremental basis. Service under the Nominated Resource Rate shall apply to a single facility with totalized metering, located on a single sub-station location. The City of Liberty is responsible for all costs associated with the purchase and installation of interval metering and communication charges.

Section 5

Approvals:
The Nominated Resource Rate may be amended by the city at any time without recourse or liability to the customer.

Section 6

That the requirement contained in Section 3.10 of the Home Rule Charter of the City of Liberty, Texas that all ordinances be read on two days is hereby dispensed with.

Section 7

This Ordinance shall be in full force and effect from and after the date of its passage.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of

Liberty, this __________ day of _________________________, 2010.

____
Carl Pickett, Mayor

ATTEST:

____
Dianne Tidwell, City Secretary

The City of Liberty
City Council
1829 Sam Houston
Liberty, TX 77575

Meeting: 08/10/10 06:00 PM
Department: Administration
Category: Utility Issue

RESOLUTION (ID # 1783)

DOC ID: 1783 B

Consider Approval of a Resolution Approving an Electrical Services Agreement with Boomerang Tube, LLC.

A RESOLUTION BY THE CITY COUNCIL OF THE
CITY OF LIBERTY, TEXAS, INDICATING ITS INTENT TO ADOPT THE ELECTRIC SERVICE AND RATE AGREEMENT WITH BOOMERANG TUBE, LLC

WHEREAS, Boomerang Tube, LLC, is in the process of opening a facility for the purpose of the production, of among other things, steel pipe and tube at 1100 FM 3361, Liberty, Texas 77575; and

WHEREAS, Boomerang Tube, LLC, is a major industrial customer that has located and invested capital in Liberty, Texas; and

WHEREAS, Boomerang Tube, LLC and the City of Liberty have previously agreed on an Electrical Services Construction Agreement; and

WHEREAS, the City of Liberty recognizes that Boomerang Tube, LLC qualifies for a Nominal Resource Rate due to the size of its electrical load.

NOW, THEREFORE, BE IT RESOLVED that through the adoption of this Resolution, the City of Liberty hereby adopts the Electric Service and Rate Agreement with Boomerang Tube, LLC and authorizes the Mayor of the City of Liberty, Carl Pickett, to execute same.

PASSED AND APPROVED this 10th day of August, 2010.

CITY OF LIBERTY, TEXAS

____

Carl Pickett
Mayor

ATTEST:

____
Dianne Tidwell
City Secretary