

BEAUMONT

— T E X A S —

**REGULAR MEETING OF THE CITY COUNCIL
COUNCIL CHAMBERS MAY 5, 2015 1:30 P.M.**

CONSENT AGENDA

- * Approval of minutes – April 28, 2015
- * Confirmation of committee appointments
- A) Approve the award of a contract to Wells Fargo Merchant Services to provide merchant card services for various City departments
- B) Authorize the City Manager to execute all documents necessary to received funding from the Automobile Burglary & Theft Prevention Authority for the Southeast Texas Auto Theft Task Force

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: Laura Clark, Chief Financial Officer

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider a resolution awarding a contract to Wells Fargo Merchant Services to provide merchant card services for various City departments.

BACKGROUND

A request for proposal solicited responses from nine (9) vendors for merchant card services. Four (4) responses were received. A panel from the Finance Department evaluated the responses. After discussion, the panel rated each responder and it was determined that Wells Fargo Merchant Services provided the best package of fees and services to the City. The vendor scoring sheet is attached. The contract term is for three (3) years with an option to renew for two (2) additional one year periods.

Currently the City accepts credit and debit cards for payments at ten (10) locations throughout the City. The locations are Central Collections, Municipal Court, Community Development, Main Library, Miller Library, Health Department, Environmental Health, Landfill, Civic Center and Police Records. In addition, Municipal Court and Water Customer Service collect payments by way of the Internet using merchant card services. The current provider is Banc of America Merchant Services. Wells Fargo will charge \$0.129 per authorized credit and debit card transaction.

It is the best value to the City to rent the credit card machines. This will allow the City to stay up to date with changing merchant card technology such as the new chip cards. There is a rental charge of twenty-nine dollars (\$29) per month per machine. The estimated annual cost for renting ten (10) machines is \$3,480. There may be additional locations added on an as needed basis.

FUNDING SOURCE

General Fund-various departments.

RECOMMENDATION

Approval of resolution.

RFP Number: PF1015-03

RFP Name: Credit/Debit Card Processing and Merchant Services

RFP Opening Date: December 11, 2014

		Vendor	Vendor	Vendor	Vendor
Criteria Description	Maximum Points	Banc of America Merchant Services	Wells Fargo Merchant Services	Paymentus Corp	Government Payment Services
Ability of vendor to meet current operating requirements.	20	16.67	18.33	10.67	3.33
Providing meaningful online reporting.	10	9	9	5.67	4.33
Ability of vendor to assist the City in upgrading and improving its credit/debit card acceptance operations.	10	8.67	9.33	5.33	2.67
Ability of vendor to provide the most competitive pricing.	20	16.33	18.67	8.33	8.33
Municipal government references	10	9.33	9.33	6	4.67
Ability to provide merchant processor relationship manager familiar with City merchant accounts and needs.	10	8	9.33	5.33	4
Ability to meet specifications and submission of required information	20	18.67	19	10	5
Total Points	100	86.67	92.99	51.33	32.33

RESOLUTION NO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF BEAUMONT:

THAT the City Council hereby approves a three (3) year contract, with an option to renew for two (2) additional one year periods, with Wells Fargo Merchant Services, of Walnut Creek, California, to provide merchant card services for various City departments.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May,
2015.

- Mayor Becky Ames -

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: James P. Singletary, Chief of Police

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider a resolution authorizing the City Manager to execute all documents necessary to receive funding from the Automobile Burglary & Theft Prevention Authority for the Southeast Texas Auto Theft Task Force.

BACKGROUND

The Southeast Texas Auto Theft Task Force is a multi-jurisdiction agency comprised of six personnel from the Beaumont Police Department, and one each from the Jefferson County Sheriff's Office, Pt. Arthur Police Department and Hardin County Sheriff's Office. Since the inception of the Task Force, motor vehicle thefts have decreased in Beaumont by 87% from 1721 in 1992 to 221 in 2014. The Task Force currently covers Jefferson, Orange, Hardin, and Jasper Counties. The Task Force focuses efforts in two areas: investigations, which target vehicle burglaries and vehicle thefts, and public awareness, which uses media campaigns, training and public presentations to promote prevention techniques and awareness.

The City of Beaumont has been the grantee for the Southeast Texas Auto Theft Task Force since 1993. The Task Force presently operates on a budget of \$1,111,348 provided in part by \$564,338 funded by the Texas Automobile Burglary and Theft Prevention Authority. Participating agencies also provide matching funds in the form of a cash match of \$238,808 and an "in kind" match of \$308,202. Title 43, Part III, Chapter 57 of the Texas Administrative Code, allows local government agencies to apply for one year funding through a State Grant from the Texas Automobile Burglary and Theft Prevention Authority. The upcoming grant cycle will begin on September 1, 2015 and will end on August 31, 2016.

FUNDING SOURCE

The application for FY2015 is in the amount of \$1,331,873. State funds in the amount of \$796,162 are being requested. The Beaumont Police Department will provide \$159,693 as a cash match in the form of personnel benefits, fuel, and maintenance for vehicles, while other agencies will provide an additional \$50,354 in cash match. An "in-kind" match of \$325,664 will also be provided in the form of salaries for personnel.

RECOMMENDATION

Approval of resolution.



Automobile Burglary & Theft Prevention Authority
Application for State Assistance



1. Applicant Information

a. **Legal Name:** City of Beaumont

b. **Address**
Street or P.O. Box: P.O. Box 3827 **City:** Beaumont
County: Jefferson **State:** Texas **Zip Code:** 77704

c. **Organizational Unit:** Beaumont Police Department

d. **Contact Person:** Lt. Chris Schuldt
Telephone Number: (409) 654-3600

2. **State Payee ID Number:** 740002789

3. **Type of Applicant:** Municipal
 If "Other", please specify:

4. **Type of Application:**
 New Continuation Revision
 If Revision, check appropriate box(es).
 Increase Award Decrease Award Other (specify)
 Increase Duration Decrease Duration
 If "Other", please specify:

5. **Title of Project:** Southeast Texas Auto Theft Task Force

6. **Areas of Project Activities (Cities, Counties, States, etc.):** Jefferson, Orange, Hardin and Jasper Counties
Select a County: Hardin County
 Jasper County
 Jefferson County
 Orange County

7. **Proposed Project:** **Start Date:** 9/1/2014 **Ending Date:** 8/31/2015

8. Is application subject to review by state executive order 12372 process?
 YES, this application was made available to the Texas Review and Comment System (TRACS) for review on
 Program is not covered by E. O. 12372
 Program has not been selected by state for review
 NO

9. **Funding Summary:**
Total State Grant Funds Requested (ABPTA) \$796,162



Automobile Burglary & Theft Prevention Authority
Application for State Assistance



Cash Match: \$210,047
In-Kind Match: \$325,664
Total: \$1,331,873

10. Is the applicant delinquent on any federal debt?

YES If "YES" attach an explanation NO

11. To the best of my knowledge and belief, all data in this application is true and correct. The document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is awarded.

- a. **Authorized Official:** Kyle Hayes
- b. **Title:** City Manager
- c. **Telephone Number:** (409) 880-3708

Signature of Authorized Official _____

Date _____

Automobile Burglary & Theft Prevention Authority

Organization: Beaumont

2016-T01-City of -00002

Budget Summary

Budget Categories	ABTPA Funds	Cash Match	In-Kind Match	Total
A Personnel (Salaries/Overtime)	\$465,039	\$5,112	\$227,352	\$697,503
A Personnel (Fringe Benefits)	\$57,309	\$120,923	\$85,298	\$263,530
B Contractual	\$0	\$0	\$0	\$0
C Travel	\$11,670	\$0	\$0	\$11,670
D Equipment	\$169,633	\$36,500	\$0	\$206,133
E Supplies & Direct Operating Exp.	\$92,511	\$47,512	\$13,014	\$153,037
F Indirect Costs	\$0	\$0	\$0	\$0
Totals (Sum of 7-8)	\$796,162	\$210,047	\$325,664	\$1,331,873

Source of Match	Amount
Beaumont Police	\$159,693
Port Arthur Police	\$17,570
Jefferson County S.O.	\$19,272
Hardin County S.O.	\$13,512
Source of Match Total	\$210,047

Program Income	Amount

Schedule	In Kind Match	Amount
A	Beaumont Police	\$312,650
B		\$0
C		\$0
D		\$0
E	Beaumont Police	\$13,014
In Kind Match Total		\$325,664

RESOLUTION NO.

WHEREAS, under the provisions of the Texas Revised Civil Statutes Article 4413(37) and Title 43, Texas Administrative Code, Part 3, Chapter 57, entities are eligible to receive grants from the Automobile Burglary and Theft Prevention Authority to provide financial support to law enforcement agencies for economic automobile theft enforcement teams and to combat automobile burglary in the jurisdiction; and,

WHEREAS, this grant program will assist this jurisdiction to combat automobile burglary and theft; and,

WHEREAS, the City of Beaumont has agreed that in the event of loss or misuse of the grant funds, the City of Beaumont assures that the grant funds will be returned in full to the Automobile Burglary and Theft Prevention Authority;

NOW, THEREFORE, BE IT RESOLVED

BY THE CITY COUNCIL OF THE CITY OF BEAUMONT:

THAT the statements and findings set out in the preamble to this resolution are hereby, in all things, approved and adopted; and,

THAT the City Manager of this city is designated as the Authorized Official to apply for, accept, decline, modify, or cancel the grant application for the Automobile Burglary and Theft Prevention Authority Grant Program and all other necessary documents to accept said grant; and,

BE IT FURTHER RESOLVED THAT the Southeast Texas Auto Theft Task Force Commander is designated as the Program Director and the City of Beaumont CFO is designated as the Financial Officer for this grant.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May,
2015.

- Mayor Becky Ames -

ATTEST:

City Clerk

BEAUMONT

TEXAS

REGULAR MEETING OF THE CITY COUNCIL COUNCIL CHAMBERS MAY 5, 2015 1:30 P.M.

AGENDA

CALL TO ORDER

- * Invocation Pledge Roll Call
- * Presentations and Recognition
- * Public Comment: Persons may speak on scheduled agenda items 1, 2 and 4/Consent Agenda
- * Consent Agenda

GENERAL BUSINESS

1. Consider an ordinance authorizing the issuance of City of Beaumont, Texas, General Obligation Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds
2. Consider an ordinance authorizing the issuance of City of Beaumont, Texas, Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds
3. Consider a request for a Specific Use Permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street
4. Consider an appeal of the Historic Landmark Commission's decision to deny the request for demolition and allow new construction at 2104 Pecos

PUBLIC HEARING

- * Receive comments on the Consolidated Grant Program's 2015 Annual Action Plan
5. Consider approving a resolution adopting the 2015 Annual Action Plan

PUBLIC HEARING

- * Dangerous Structures

- 6. Consider an ordinance declaring certain structures to be dangerous structures and ordering their removal within 10 days or authorizing the property owner to enroll the dangerous structure in a work program

COMMENTS

- * Councilmembers/City Manager comment on various matters
- * Public Comment (Persons are limited to 3 minutes)

EXECUTIVE SESSION

- * Consider matters related to contemplated or pending litigation in accordance with Section 551.071 of the Government Code:

United States of America vs. City of Beaumont, Texas

PUBLIC HEARING: May 5, 2015 Unsafe Substandard Structures

Consider approval of an ordinance declaring certain structures to be unsafe substandard structures and ordering their removal within 10 days or authorizing the property owner to enroll the unsafe structure in a work program.

3410 Astor – All structures	1385 Howell & shed
4299 Avenue A (garages only)	2495 Jirou
1505 Avenue E & shed	4396 Kenneth
1025 Avenue G (garage apt. only)	2270 Leight
1525 Avenue H	2298 Linson (garage apartment)
9285 Baker (shed only)	2420 N. Lynwood
1398 Bradley	2490 N. Lynwood
2344 Broadway & garage apartment	2695 S. Major (rear house)
1590 Brockman	3750 Marie 3870 Marie
1465 Burt	2185 May (garage apartment only)
1871 Cartwright	2371 Monroe
270 E Chapin & carport	2085 Nora
2460 Coast & shed	3945 Octavia
2047 Corley & shed	2440 Omaha
1458 Edwin & shed	2478 Park
1165 Elgie	4740 Park
1433 Emile & shed	3595 Pine
1610 Euclid & carport	1207 Plum (garage apartment & shed)
1930 Euclid	1135 Powell
345 Garland	2195/97 Rusk (duplex)
3505 Glenwood	5250 Seale (garage only)
3535 Glenwood (aux. bldg. only)	419 N. 7 th (front structure only)
758 Goliad (garage apt. only)	186 Stratton
4135 Grandberry (garage only)	2555 Sweet Gum (apartment complex)
4195 Grandberry & garage	3375 Timberwood (garage only)
4335 Grandberry (garage apt only)	695 Threadneedle & garage
3030 Gulf (front structure)	2296 Victoria (garage only)
2330 Harriot	525 E. Virginia
4630 Hartel	3820 Waco (rear two story bldg only)
8055 Helbig	3840 Waco
4736 Highland (commercial)	2210 Washington (auxiliary bldg only)
1150 Houston	2124 Wilson & shed
4025 Howard & garage	

May 5, 2015

Consider an ordinance authorizing the issuance of City of Beaumont, Texas, General Obligation Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds

BEAUMONT

— T E X A S —

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: Laura Clark, Chief Financial Officer 

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider an ordinance authorizing the issuance of City of Beaumont, Texas, General Obligation Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds.

BACKGROUND

There is an estimated \$42.4 million of outstanding bonds that can be refunded in order to achieve a lower interest rate and savings.

Historically, when the City issued or refunded revenue bonds, the sale would take place on a Monday in order to bring the transactions forward at the City Council meeting the following day. With the quickly changing financial markets, the most favorable time to enter the market may not be the day before a City Council meeting. Instead the ability of a local government to time its entry into the financial markets and thereby obtain the best borrowing terms can significantly impact the borrowing costs. Section 1207.007 of the Texas Government Code allows a City to enter into the bond market at any time in accordance with parameters established and approved by the City Council. Through a parameter bond ordinance, a Council delegates final pricing authority to a Pricing Officer, usually the Mayor or City Manager and/or City Manager's Designee, and establishes and approves bond sale parameters such as maximum interest rate, minimum savings threshold for refunding, maximum aggregate principal amount of issue, final maturity date and expiration of delegated authority which is normally six (6) months. The Pricing Officer can only approve the sale if all parameters are met. This results in flexibility such that the bond issue may

be priced at any time and in an interest rate environment that is advantageous to the City rather than being locked into pricing on the date of the Council meeting.

The proposed parameters included in the proposed ordinance for Series 2015A as described above, includes:

Delegated Pricing Officers: Mayor or City Manager and Chief Financial Officer

Maximum Principal Amount Series 2015A: \$45 million

Interest Rate: Not greater than 6% per annum

Minimum Savings Threshold: 2.5% present value savings

Expiration of Parameter Authority: November 5, 2015

The City's Financial Advisor with RBC, Royal Bank of Canada, will go over the potential savings to the City of Beaumont if four series of bonds are refunded. Currently, the City's property tax rate is \$0.69 per \$100 valuation. As a part of the \$0.69 rate, \$0.22 per \$100 valuation is dedicated to the Debt Service Fund to repay debt that was issued for various street, drainage and general improvements. The outstanding debt supported by the Debt Service Fund was \$230,384,150 as of October 1, 2014. In Fiscal Year 2016, the total debt service payment is currently estimated to be \$17,204,622. If the four series of bonds are refunded, the City could possibly lower the debt service payment by more than \$900,000 in FY 2016; \$900,000 in FY 2017 and \$750,000 in FY 2018.

RECOMMENDATION

Approval of ordinance.

ORDINANCE NO.

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BEAUMONT, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A IN ONE OR MORE SERIES OR SUBSERIES AS MAY BE FURTHER DESIGNATED; AUTHORIZING THE MAYOR OR THE CITY MANAGER AND THE CITY CHIEF FINANCIAL OFFICER TO APPROVE THE AMOUNTS, INTEREST RATES, PRICES, AND TERMS THEREOF AND CERTAIN OTHER MATTERS RELATING THERETO; PROVIDING FOR THE PAYMENT THEREOF; MAKING OTHER PROVISIONS REGARDING SUCH BONDS INCLUDING AUTHORIZING THE PREPARATION AND DISTRIBUTION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF ONE OR MORE OFFICIAL STATEMENTS AND MATTERS INCIDENT THERETO; AWARDDING THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS; AUTHORIZING THE DEFEASANCE, FINAL PAYMENT, AND DISCHARGE OF CERTAIN OUTSTANDING OBLIGATIONS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS; AUTHORIZING THE PURCHASE OF AND SUBSCRIPTION FOR CERTAIN ESCROWED SECURITIES; AUTHORIZING ESCROW VERIFICATION AND ENGAGEMENT OF AN ESCROW AGENT; AUTHORIZING BOND INSURANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER RELATED DOCUMENTS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS.

WHEREAS, the City Council (the "Council") of the City has previously issued, sold, and delivered, and there is currently outstanding, obligations identified in Schedule I, attached hereto (the "Refunded Obligations"); and,

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Obligations, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and,

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Chapter 1207, Texas Government Code, as amended, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof and to select the specific maturities, in whole or in part, of the Refunded Obligations to be refunded; and,

WHEREAS, the Council hereby finds and determines that it is a public purpose and in the

best interests of the City to (1) issue the Bonds with such terms to be included in a pricing certificate (the "Officer's Pricing Certificate") to be executed by the Pricing Officer, and (2) refund the Refunded Obligations in order to achieve a net present value debt service savings and that such benefit is sufficient consideration for the refunding of the Refunded Obligations, with such savings, among other information and terms to be included in the Officer's Pricing Certificate, all in accordance with the provisions of Chapter 1207, Texas Government Code, as amended; and,

WHEREAS, the Council hereby finds that it may purchase a credit agreement in the form of a municipal bond insurance policy or policies with respect to the Bonds if it deems such purchase is cost effective; and,

WHEREAS, the City hereby finds and determines that the manner in which the refunding is being executed does not make it practicable to make the determination described by Section 1207.008(a)(2) of Chapter 1207, Texas Government Code, as amended; and,

WHEREAS, the City is a home-rule municipality that: (i) adopted its charter under Section 5, Article XI, Texas Constitution; (ii) has a population of more than 50,000 and (iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation;

NOW, THEREFORE, BE IT ORDAINED

BY THE CITY COUNCIL OF THE CITY OF BEAUMONT:

1. Findings and Determinations. It is hereby found and determined that the matters and facts contained in the preamble to this Ordinance are hereby found to be true and correct.

2. Definitions. Throughout this ordinance the following terms and expressions as used herein shall have the meanings set forth below:

The term "Blanket Issuer Letter of Representations" means the Blanket Issuer Letter of Representations between the City and DTC.

The term "Bond Insurer" shall mean, if any, a third party financial institution that provides a credit agreement in the form of a municipal bond insurance policy, as determined in the Officer's Pricing Certificate.

The term "Bond Register" shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

The terms "Bonds" shall mean THE CITY OF BEAUMONT, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A.

The term "Business Day" shall mean any day which is not a Saturday, Sunday, a day on

which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar or Bond Insurer, if any, is located, are authorized or required by law or executive order to close, or a legal holiday.

The term "City" shall mean The City of Beaumont, Texas.

The term "Closing Date" means the date of the initial delivery of and payment for the Bonds.

The term "Code" means the Internal Revenue Code of 1986, as heretofore and hereafter amended.

The term "Comptroller" means the Comptroller of Public Accounts of the State of Texas.

The term "DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

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

The term "Insured Bonds" shall mean the Bonds during the time period in which the payment of principal and interest in connection with such bonds is guaranteed by the Insurer.

The term "Interest Payment Date", when used in connection with any Bond, shall mean September 1, 2015 and each March 1 and September 1 thereafter until maturity or earlier redemption of such Bond.

The term "Issuer" shall mean the City.

The term "MSRB" shall mean the Municipal Securities Rulemaking Board.

The term "Officer's Pricing Certificate" shall mean a certificate or certificates to be signed by the Mayor, the City Manager or the Chief Financial Officer of the City pursuant to Section 5 hereof and delivered to the City Clerk, in substantially the forms attached hereto as Exhibit D.

The term "Ordinance" as used herein and in the Bonds shall mean this ordinance authorizing the Bonds and all amendments and supplements hereto.

The term "Outstanding" shall mean, in connection with the Bonds, any Bonds that remain outstanding until maturity, refunding or defeasance.

The term "Owner" shall mean any person who shall be the registered owner of any Bonds.

The term "Paying Agent" for the Bonds shall mean the Registrar.

The term "Pricing Officer" shall mean the Mayor, City Manager, or Chief Financial Officer of the City.

The term "Record Date" shall mean, for any Interest Payment Date, the fifteenth (15th) calendar day of the month next preceding each Interest Payment Date.

The term "Registrar" shall mean The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and its successors in that capacity.

The term "Report" shall mean the verification report provided by Grant Thornton LLP, certified public accountants, with respect to the Bonds and the adequacy of the amounts deposited pursuant to the Escrow Agreement to pay, when due, the principal of, and interest on the Refunded Obligations and certain other calculations.

The term "Rule" shall mean SEC Rule 15c-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission.

The term "Underwriter" shall mean, collectively, _____; as senior underwriter, _____ as co-senior underwriter, _____, and _____ as co-managers.

3. Authorization. The Series 2015A Bonds shall be issued in fully registered form in the total authorized aggregate principal amount not to exceed FORTY-FIVE MILLION AND NO/100 DOLLARS (\$45,000,000) for the purpose of providing funds to (i) discharge and make final payment of certain obligations of the City, as set forth in Schedule I, attached hereto (the "Refunded Obligations"), and (ii) paying costs of issuance of the Bonds and refunding the Refunded Obligations.

4. Designation, Date, and Interest Payment Dates. The Series 2015A Bonds shall be designated as "THE CITY OF BEAUMONT, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A." The Bonds shall be dated, mature, bear interest from the dates and at the rates per annum, and be payable on the dates and in the principal amounts as set forth in the Officer's Pricing Certificate.

5. Sale of Bonds. As authorized by Chapters 1207, Texas Government Code, as amended, the Mayor, the City Manager or the Chief Financial Officer of the City are hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including any additional designation or title by which the Bonds shall be known, the number of subseries of Bonds to be issued and the principal amount of each subseries, the price at which each series of the Bonds will be sold, the date or dates (which may be different dates for each series of the Bonds) on which the Bonds shall be sold, the form in which the Bonds shall be issued whether as current interest bonds, as compound interest bonds, or as a combination of current interest bonds and compound interest bonds, any additional designation or title by which the Bonds shall be known, the year or years in which each series of the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of each series of the Bonds, the rate of interest to be borne by each such maturity, the first interest payment date or compounding date, as the case may be, the dates, prices, and terms, if any, upon and at which each series of the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, or make-whole provisions, and such officers are also hereby authorized to

act on behalf of the City in approving all other matters relating to the issuance, sale and delivery of the Bonds, including the refunding of the Refunded Obligations and the purchase of a bond insurance policy or policies for all or any portion of the Bonds, all of which shall be specified in one or more bond purchase agreements (the "Bond Purchase Agreement") for the Bonds substantially in the form attached hereto as Exhibit C, in accordance with the terms of the Officer's Pricing Certificate for the Bonds and this Ordinance, provided that:

(a) the price to be paid for each series of the Bonds shall not be less than 90% of the aggregate original principal amount of the current interest bonds plus accrued interest, if any, thereon from their date to their delivery,

(b) none of the Bonds shall bear interest at a rate greater than 6% per annum or in excess of the maximum rate allowed by Chapter 1204, Texas Government Code,

(c) the aggregate principal amount of each subseries of the Bonds shall not exceed the maximum amount authorized in Section 3, and the sum of the principal amount of each series, plus net premium generated, plus any available funds of the City, if any, shall equal an amount sufficient to provide for the redemption of the Refunded Obligations as identified on the Officer's Pricing Certificate, to pay costs of issuance of the Bonds,

(d) each series of the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations, and

(e) the refunding of the Refunded Obligations shall produce a net present value debt service savings of at least 2.5%, as shown by a calculation prepared by the Municipal Advisors (defined herein), and attached to the Officer's Pricing Certificate.

Any finding by the Mayor, City Manager or the Chief Financial Officer relating to the sale and delivery of the Bonds and the purchase of bond insurance shall have the same force and effect as a finding or determination made by the City Council.

6. Bond Numbers and Denominations. Each series of Bonds shall be numbered from R-1 and upward (except the Initial Bond, which shall each be numbered T-1), and may be transferred and exchanged as set out in this Ordinance. Such Bonds shall mature on September 1 in each of the years and in the amounts set forth in the Initial Bond. The Bonds delivered in transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bonds or Bonds in lieu of which they are delivered.

7. Execution of Bonds; Seal. The Bonds shall be signed by the Mayor or Mayor Pro Tem and countersigned by the City Clerk or Deputy City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or

before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

8. Approval by Attorney General; Registration by Comptroller. The Bonds to be initially issued shall be delivered to the Attorney General of Texas for approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration Bond of the Comptroller of Public Accounts substantially in the form provided in Officer's Pricing Certificate shall be attached or affixed to the Bonds to be initially issued.

9. Authentication. Except for the Bonds to be initially issued, which need not be authenticated by the Registrar, only such Bonds which bear thereon a certificate of authentication, substantially in the form provided in Section 19 of this Ordinance, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bonds so authenticated were delivered by the Registrar hereunder.

10. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of and premium, if any, on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the principal corporate trust office of the Registrar. The interest on each Bond shall be payable by check on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register. Any accrued interest payable at maturity on a Bond shall be paid upon presentation and surrender of such Bond at the principal corporate trust office of the Registrar.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date such payment was due.

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

12. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or

on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

13. Ownership; Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of principal of and premium, if any, or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Bond in accordance with this Section 13 shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including Title 6 of the Texas Property Code, as amended.

14. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Bond Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance. If the Registrar does not maintain its principal offices in the State of Texas, the City agrees to keep a Bond Register at its offices which is identical to the Bond Register maintained by the Registrar and the Registrar will notify the City as to any changes in the Bond Register within 1 business day.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same type, maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Registrar for a Bond or Bonds of the same type, maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 14. Each Bond delivered in accordance with this Section 14 shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and due provision made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of being paid solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Series 2015A Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(b) The City may defease the provisions of this Ordinance or any ordinance applicable to any Bonds being defeased and discharge its obligation to the Owners of any or all of the Bonds, or any or all Bonds to pay principal, interest and redemption premium, if any, thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar, or if authorized by Texas law, with any national or state bank having trust powers and having combined capital and surplus of at least \$50 million, or with the State Treasurer of the State of Texas either: (a) cash in an amount equal to the principal amount and redemption premium, if any, of such bonds being defeased plus interest thereon to the date of maturity or redemption; or (b) pursuant to an escrow or trust agreement, cash and/or direct bonds of, or bonds the principal of and interest on which are guaranteed by or secured by the pledge of direct bonds of the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such bonds being defeased plus interest thereon to the date of maturity or redemption; provided, however, that if any of such bonds being defeased are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance or ordinance applicable to the Bonds being defeased. Upon such deposit, such bonds being defeased shall no longer be regarded to be outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

19. Form. The Form of Bond as set forth in Exhibit A to the Officer's Pricing Certificate is hereby approved. The form of the Bonds, including the form of the Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Bond of the Comptroller of Public Accounts of the State of Texas which shall be attached or affixed to the Bonds initially issued shall be, respectively, substantially as set forth in Exhibit A to the Officer's Pricing Certificate, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance.

20. Legal Opinion; CUSIP Numbers. The approving opinion of Bracewell & Giuliani LLP, Houston, Texas, Bond Counsel, and CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the

validity of the Bonds.

21. Pledge and Source of Payment. IT IS ORDERED AND DIRECTED that this Ordinance pledging ad valorem tax revenue of the City for the payment of the Bonds to the extent provided herein be filed and recorded in the records of the City as necessary to cause the pledge to be valid under Section 1201.44 of the Government Code of Texas. At any time while any of the Bonds are outstanding, it is determined by the City or demanded by the holder of any Bonds that further action by the City is required to make the pledge valid or maintain the validity of the pledge, the City covenants and hereby directs the officers of the City to make such filings, including but not limited to appropriate filings under Chapter 9 of the Business and Commerce Code of Texas as are necessary to make the pledge valid or continue its validity.

22. Interest and Sinking Fund; Levy, Assessment and Collection of Taxes. There is hereby established a separate fund of the City to be known as the "Series 2015A General Obligation Refunding Bonds Interest and Sinking Fund" which shall be kept separate and apart from all other funds of the City. The proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by this Ordinance shall be deposited, as collected, in the Interest and Sinking Fund. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time other City taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax upon all taxable property in said City sufficient to pay the current interest on said Bonds as the same becomes due, and to create and provide a sinking fund of not less than two percent (2%) of the original principal amount of the Bonds or of not less than the amount required to pay each installment of the principal of said Bonds as the same matures, whichever is greater, full allowance being made for delinquencies and costs of collection, and said taxes when collected shall be applied to the payment of the interest on and principal of said Bonds and to no other purpose. In addition, interest accrued from the date of the Bonds until their delivery is to be deposited in such fund. There is hereby appropriated from current funds on hand, which are certified to be on hand and available for such purpose, an amount sufficient to pay debt service coming due on the Bonds on September 1, 2015, and such amount shall not be used for any other purpose. A tax rate has not been determined for 2015, but the City certifies that such rate, when determined, will take into account the Bonds being issued.

23. Covenants and Provisions Relating to the Bonds.

(a) Punctual Payment of Bonds. The City will punctually pay or cause to be paid the interest on and principal of all Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any ordinance authorizing the issuance of Additional Bonds.

(b) Accounts, Records and Audits. So long as any Bonds remain outstanding, the City covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall after the close of each of its Fiscal Years cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants. Each year promptly after such audit report is prepared, the City shall furnish a copy thereof without cost to the Municipal Advisory Council of Texas and any holders of Bonds who shall request same. All expenses incurred in preparing such audits shall be Maintenance and Operation Expenses.

(c) Legal Holidays. In any case where the date fixed for payment of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be a legal holiday or a day on which a paying agent for the Bonds is authorized by law to close, then payment of interest or principal by such paying agent need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date fixed for such payment and no interest shall accrue for the period from such date to the date of actual payment.

(d) Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

24. Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(a) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(b) default in the performance or observance of any other covenant, agreement or obligation of the City, which default materially and adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the City.

25. Remedies for Default. Upon the happening of any Event of Default, then any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

26. Remedies Not Exclusive. No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

27. Further Proceedings. After the Bonds to be initially issued shall have been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Bonds to be initially issued and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Bonds to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Bonds to be initially issued, the Comptroller of Public Accounts (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed or placed in facsimile, thereon.

28. Tax Exemption.

(a) The City intends that the interest on the Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code, and the applicable Treasury Regulations promulgated thereunder (the "Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations. In particular, the City covenants and agrees to comply with each requirement of this Section 25; provided, however, that the City shall not be required to comply with any particular requirement of this Section 25 if the City has received an opinion of nationally recognized bond counsel (a "Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in this Section 25 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 25.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Series 2015A Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may

be required so that the Bonds will not be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and circumstances known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the outstanding Bonds have not been and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guaranty. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder. Moreover, the City will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Refunded Obligations have not been used in a manner that would cause the Refunded Obligations or the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the Regulations promulgated thereunder.

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

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the "gross proceeds" of the Bonds (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) determine at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery

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

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

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Obligations and the Bonds until three years after the last Series 2015A Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

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

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

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

29. Escrow Agreements. The form of the escrow agreement (the "Escrow Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"), attached hereto as Exhibit A and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and such Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Clerk for and on behalf of the City.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Underwriter for deposit to the credit of the "2015 CITY OF BEAUMONT, TEXAS, GENERAL OBLIGATION REFUNDING BOND ESCROW FUND" (the "Escrow Fund"); all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance and the Escrow Agreement.

30. Refunded Obligations. (a) In order to provide for the refunding, discharge and retirement of the Refunded Obligations, the Refunded Obligations are called for redemption on _____ at the price of par plus accrued interest to the redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the ordinance adopted by the Council, which authorized the issuance of the Refunded Obligations. The City Clerk is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, in accordance with the redemption provisions applicable to the Refunded Obligations.

(b) The redemption of the Refunded Obligations described above being associated with the refunding of such Refunded Obligations, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Obligations on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Clerk is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Obligations of the City's decision to redeem such Refunded Obligations on the date and in the manner herein provided and in accordance with the ordinance authorizing the issuance of the Refunded Obligations and this Ordinance.

31. Engagement of Professionals. The City Council hereby confirms the engagement of (i) RBC Capital Markets, LLC, as Municipal Advisor, to the City and (ii) _____, as the senior underwriter, _____, as co-senior underwriter, _____, and _____ as co-managers (together, the "Underwriter") in connection with the issuance and sale of the Bonds.

32. Proceeds of Sale. Proceeds from the sale of the Bonds, together with other funds of the City, if any, shall, promptly upon receipt by the City, be applied as set forth in the Officer's Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Interest and Sinking Fund.

33. Bond Insurance. In order to obtain the lowest attainable interest rates on the Bonds, the Mayor, the City Manager or the Chief Financial Officer are authorized to enter into a credit agreement with one or more Bond Insurers to obtain one or more bond insurance policies with respect to all or a portion of the Bonds. The Mayor, the City Manager or the Chief Financial Officer are authorized to execute and the City Secretary is authorized to attest and affix the City's seal to any documents required in connection with the purchase of any such policy or policies. The City hereby agrees to the following:

- (a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". "Insurer" shall be defined as follows: "Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof".
- (b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Ordinance, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.
- (c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the section or article of the Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Ordinance and each Bond, the Paying Agent and each Bondholder appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Paying Agent and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.
- (d) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under the Ordinance.
- (e) If acceleration is permitted under the Ordinance, the maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

- (f) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.
- (g) The Insurer shall be included as a third party beneficiary to the Ordinance.
- (h) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Ordinance which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.
- (i) Any amendment, supplement, modification to, or waiver of, the Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (j) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.
- (k) The rights granted to the Insurer under the Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.
- (l) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect

defeasance of the Bonds unless the Insurer otherwise approves. Any obligations or securities deposited as provided in this paragraph, shall qualify under Section 1207.062(b) of the Local Government Code, as amended.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed Outstanding under the Ordinance unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding the above, in the event any provisions in this Section 30(l) conflict with Section 1207.033 of the Texas Government Code, as amended ("Section 1207.033"), the provisions of Section 1207.033 shall prevail.

- (m) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Ordinance and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.
- (n) Each of the Issuer and Paying Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.
- (o) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon,

New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) to the extent permitted by law and subject to annual appropriation, interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal

office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Advances are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

- (p) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (q) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Ordinance or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance or any other Related Document.
- (r) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.
- (s) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such

terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Ordinance, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

- (t) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 216211-N, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

- (u) The Insurer shall be provided with the following information by the Issuer or Paying Agent, as the case may be:
 - (i) Annual audited financial statements within 180 days (or such longer period agreed to by AGM) after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Ordinance), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
 - (ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;
 - (iii) Notice of any default known to the Paying Agent or Issuer within five Business Days after knowledge thereof;
 - (iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
 - (v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

- (vi) Notice of the commencement of any proceeding by or against the Issuer or Obligor commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;
- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

- (v) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (w) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.
- (x) The Issuer shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.
- (y) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

- (z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Ordinance would adversely affect the security for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.
- (aa) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.
- (bb) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto), or a certificate of discharge of the Paying Agent for the Refunded Obligations, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Obligations shall have occurred. If the Refunded Obligations are insured by Assured Guaranty Municipal Corp., at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Insurer shall also receive (i) the verification letter, of which the Insurer shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Obligations in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Paying Agent's discharge certificate, as the case may be, shall be forwarded to the Insurer prior to delivery of the Bonds.
- (cc) Any interest rate exchange agreement ("Swap Agreement") entered into by the Issuer shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Issuer shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Issuer to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either

S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

Any consent, approval or permit required herein by the Insurer shall not be unreasonably withheld.

34. Paying Agent/Registrar Agreement. The paying agent/registrar agreement (the "Paying Agent Agreement") by and between the City and Paying Agent, a form of which is attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Clerk for and on behalf of the City.

35. Official Statement. The Preliminary Official Statement and the Official Statement prepared in the initial offering and sale of the Bonds have been and are hereby authorized, approved and ratified as to form and content. The use of the Preliminary Official Statement and the Official Statement in the reoffering of the Bonds by the Underwriter is hereby approved, authorized and ratified. The proper officials of the City are hereby authorized to execute and deliver a Bond pertaining to the Preliminary Official Statement and the Official Statement as prescribed therein, dated as of the date set forth in the Officer's Pricing Certificate.

36. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

37. Continuing Disclosure Undertaking.

(a) Annual Reports. The City undertakes and agrees for the benefit of the Bond holders to provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized in this Ordinance (i) under the headings "INVESTMENT AUTHORITY AND INVESTMENT OBJECTIVES OF THE CITY;" "DEBT STATEMENT;" "TAX DATA;" "SELECTED FINANCIAL DATA;" "ADMINISTRATION OF THE CITY;" and in APPENDIX B. The information to be provided shall include the financial statements of the City prepared in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation and audited, if the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report on such statement becomes available.

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

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

(b) Material Event Notices. The City shall notify the MSRB, 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:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- vii. Modifications to rights of Bondholders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;
- x. Release, substitution or sale of property securing repayment of the securities, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, or receivership, or similar event of the obligated person;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement or undertake such action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with section (a) above. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) 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 Texas law 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 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION OR FROM ANY STATEMENT MADE PURSUANT TO THIS SECTION. HOLDERS OR BENEFICIAL OWNERS OF BONDS MAY SEEK AS THEIR SOLE REMEDY A WRIT OF MANDAMUS TO COMPEL THE CITY TO COMPLY WITH ITS AGREEMENT.

No default by the City with respect to its continuing disclosure agreement shall constitute 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, if (i) the agreement, as amended, would have permitted the Underwriter to purchase or sell the Bonds in the initial primary offering in compliance with the Rule, taking into account any amendments or interpretations of such rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the

outstanding Bonds consent to such amendment, or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the obligations and agreement in this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, and the City may amend the agreement in its discretion in any other circumstance or manner, but in either case only to the extent that its right to do so would not prevent an underwriter from lawfully purchasing or reselling the Bonds in the primary offering of the Bonds in compliance with the Rule. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and operating data so provided.

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

39. Effective Date. This Ordinance shall be in force and effect from and after its final passage, and it is so ordered.

40. Amendment of Ordinance.

(a) If and to the extent permitted by this Ordinance, the owners of the Bonds aggregating in the principal amount of 51% of the aggregate principal amount of the outstanding Bonds shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the City provided, however, that without the consent of the owners of all of the Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Bonds so as to:

- (1) Make any change in the maturity of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Bonds;
- (4) Modify the terms of payment of principal of or interest on the outstanding Bonds, or impose any conditions with respect to such payment;
- (5) Affect the owners of less than all of the outstanding Bonds then outstanding;
- (6) Change the percentage of the principal amount of outstanding Bonds, necessary for consent to such amendment.

(b) If at any time the City shall desire to amend this Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the

proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the outstanding Bonds. Not less than thirty (30) days' notice of the proposed amendment shall also be given by the City to the Underwriter.

(c) Whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent, the City Council may adopt the amendatory resolution in substantially the same form.

(d) Upon adoption of any amendatory resolution pursuant to the provision of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and Bonds under this Ordinance of the City and all the owners of then outstanding Bonds, shall thereafter be determined, exercised and enforced hereunder, subject in all respect to such amendments.

(e) Any consent given by the owner of the outstanding Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds, during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the City, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then outstanding Bonds, as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the owning of Bonds, by any owner of Bonds, and the amount and number of such Bonds, and the date of their owning same shall be determined by the Registration Books of the Paying Agent/Registrar.

(g) The foregoing provisions of this Section notwithstanding, the City by action of the City Council (or as item (2) by the City Council or by the Mayor, Mayor Pro Tem, City Manager or Chief Financial Officer as to changes prior to issuance to comply with requirements by the Attorney General of Texas or Underwriter) may amend this Ordinance for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City.

(2) To make such provisions for the purpose of clarifying matters or questions arising under this Ordinance, as are required by the Attorney General of

Texas to obtain the Attorney General's approval of the issuance of the Bonds or required by the Underwriter before their issuance or for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Ordinance, or at any time before or after issuance as are necessary or desirable and not contrary to or inconsistent with this Ordinance, and in all events which shall not adversely affect the interests of the owners of the Bonds.

(3) To modify any of the provisions of this Ordinance in any other respect whatever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Bonds outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Bonds issued after the date of the adoption of such modification.

41. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor or Mayor Pro Tem, City Manager, Chief Financial Officer, City Clerk or any Deputy City Clerk, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds, including without limitation, executing and delivering on behalf of the City all Bonds, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the application of funds of the City consistent with the provisions of this Ordinance.
42. Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted 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 of the Texas Government Code.
43. Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Ordinance and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Bonds.

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PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May,
2015.

- Mayor Becky Ames -

ATTEST:

City Clerk

(SEAL)

SCHEDULE I

REFUNDED OBLIGATIONS

Certain maturities of:

The City of Beaumont, Texas, General Obligation Refunding Bonds, Series 2006

The City of Beaumont, Texas Certificates of Obligation, Series 2006

The City of Beaumont, Texas Certificates of Obligation, Series 2008

The City of Beaumont, Texas Certificates of Obligation, Series 2009

EXHIBIT "A"
ESCROW AGREEMENT

EXHIBIT "B"
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT "C"
BOND PURCHASE AGREEMENT

EXHIBIT "D"
OFFICER'S PRICING CERTIFICATE

May 5, 2015

Consider an ordinance authorizing the issuance of City of Beaumont, Texas, Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds

BEAUMONT

— T E X A S —

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: Laura Clark, Chief Financial Officer 

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider an ordinance authorizing the issuance of City of Beaumont, Texas, Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015A, and authorizing the Mayor or City Manager and Chief Financial Officer to approve the amounts, interest rates, prices, and terms thereof and to execute all documents related to the sale of the Bonds.

BACKGROUND

There is an estimated \$32.1 million of outstanding revenue bonds that can be refunded in order to achieve a lower interest rate and savings.

Historically, when the City issued or refunded revenue bonds, the sale would take place on a Monday in order to bring the transactions forward at the City Council meeting the following day. With the quickly changing financial markets, the most favorable time to enter the market may not be the day before a City Council meeting. Instead the ability of a local government to time its entry into the financial markets and thereby obtain the best borrowing terms can significantly impact the borrowing costs. Section 1207.007 of the Texas Government Code allows a City to enter into the bond market at any time in accordance with parameters established and approved by the City Council. Through a parameter bond ordinance, a Council delegates final pricing authority to a Pricing Officer, usually the Mayor or City Manager and/or City Manager's Designee, and establishes and approves bond sale parameters such as maximum interest rate, minimum savings threshold for refunding, maximum aggregate principal amount of issue, final maturity date and expiration of delegated authority which is normally six (6) months. The Pricing Officer can only approve the sale if all parameters are met. This results in flexibility such that the bond issue may

Water and Sewer Revenue Bonds, Series 2015

May 5, 2015

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be priced at any time and in an interest rate environment that is advantageous to the City rather than being locked into pricing on the date of the Council meeting.

The proposed parameters included in the proposed ordinance for Series 2015A as described above, includes:

Delegated Pricing Officers: Mayor or City Manager and Chief Financial Officer

Maximum Principal Amount Series 2015A: \$35 million

Interest Rate: Not greater than 6% per annum

Minimum Savings Threshold: 2.5% present value savings

Expiration of Parameter Authority: November 5, 2015

The City's Financial Advisor with RBC, Royal Bank of Canada, will go over the potential savings to the City of Beaumont if two series of bonds are refunded. The Water Utilities Fund is supported by water and sewer rates paid for by residential, commercial and industrial customers. The Water and Sewer Debt outstanding was \$180,486,684 as of October 1, 2014.

The Water Utilities Fund is planning to make debt service payments in FY 2016 in the estimated amount of \$16,757,151. If the two series of bonds are refunded, the City could possibly lower the debt service payment by more than \$400,000 in FY 2016; \$200,000 in FY 2017; \$200,000 in FY 2018, with additional savings in future years.

RECOMMENDATION

Approval of ordinance.

ORDINANCE NO.

ORDINANCE AUTHORIZING THE ISSUANCE OF THE CITY OF BEAUMONT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2015A IN ONE OR MORE SERIES OR SUBSERIES AS MAY BE FURTHER DESIGNATED; AUTHORIZING THE MAYOR OR THE CITY MANAGER AND THE CITY CHIEF FINANCIAL OFFICER TO APPROVE THE AMOUNTS, INTEREST RATES, PRICES, AND TERMS THEREOF AND CERTAIN OTHER MATTERS RELATING THERETO; PROVIDING FOR THE PAYMENT THEREOF; MAKING OTHER PROVISIONS REGARDING SUCH BONDS INCLUDING AUTHORIZING THE PREPARATION AND DISTRIBUTION OF ONE OR MORE PRELIMINARY OFFICIAL STATEMENTS AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF ONE OR MORE OFFICIAL STATEMENTS AND MATTERS INCIDENT THERETO; AWARDED THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS; AUTHORIZING THE DEFEASANCE, FINAL PAYMENT, AND DISCHARGE OF CERTAIN OUTSTANDING WATERWORKS AND SEWER SYSTEM REVENUE BONDS AND REVENUE REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE ESCROW AGREEMENTS; AUTHORIZING THE PURCHASE OF AND SUBSCRIPTION FOR CERTAIN ESCROWED SECURITIES; AUTHORIZING ESCROW VERIFICATION AND ENGAGEMENT OF AN ESCROW AGENT; AUTHORIZING BOND INSURANCE; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT AND OTHER RELATED DOCUMENTS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS.

WHEREAS, The City of Beaumont, Texas (the "City") is authorized, pursuant to Chapters 1371 and 1502, Texas Government Code, as amended, to issue bonds, without election, payable from the net revenues of its waterworks and sewer system to provide money for acquisitions, purchases, expansions, extensions, construction, reconstruction, renovation, equipping, and improvement of such system; and,

WHEREAS, the City now desires to issue bonds in order to provide funds to finance the expansion, repair, renovation and related improvements to the City's waterworks and sewer system; and,

WHEREAS, the City Council (the "Council") of the City has previously issued, sold, and delivered, and there is currently outstanding, obligations identified in Schedule I, attached hereto (the "Refunded Bonds"); and,

WHEREAS, pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City is authorized to issue refunding bonds and deposit the proceeds of sale directly with any place of payment for the Refunded Bonds, or other authorized depository, and such deposit, when made in accordance with said statute, shall constitute the making of firm

banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and,

WHEREAS, the City shall by this Ordinance, in accordance with the provisions of Chapters 1207, 1371 and 1502, Texas Government Code, as amended, delegate to a Pricing Officer (hereinafter designated) the authority to determine the principal amount of Bonds to be issued and negotiate the terms of sale thereof and to select the specific maturities, in whole or in part, of the Refunded Bonds to be refunded; and,

WHEREAS, the Council hereby finds and determines that it is a public purpose and in the best interests of the City to (1) issue the Bonds with such terms to be included in a pricing certificate (the "Officer's Pricing Certificate") to be executed by the Pricing Officer, and (2) refund the Refunded Bonds in order to achieve a net present value debt service savings and that such benefit is sufficient consideration for the refunding of the Refunded Bonds, with such savings, among other information and terms to be included in the Officer's Pricing Certificate, all in accordance with the provisions of Chapters 1207, 1371 and 1502, Texas Government Code, as amended; and,

WHEREAS, the Council hereby finds that it may purchase a credit agreement in the form of a municipal bond insurance policy or policies with respect to the Bonds if it deems such purchase is cost effective; and,

WHEREAS, the City hereby finds and determines that the manner in which the refunding is being executed does not make it practicable to make the determination described by Section 1207.008(a)(2) of Chapter 1207, Texas Government Code, as amended; and,

WHEREAS, the bonds to be issued pursuant to the terms and provisions of this Ordinance will be secured by a pledge of and lien on the Net Revenues (as hereinafter defined) which is subordinate only to the pledge of and lien on such Net Revenues associated with the Prior Lien Bonds (as hereinafter defined); and,

WHEREAS, the City is a home-rule municipality that: (i) adopted its charter under Section 5, Article XI, Texas Constitution; (ii) has a population of more than 50,000 and (iii) has outstanding long-term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for a long-term obligation;

NOW, THEREFORE, BE IT ORDAINED

BY THE CITY COUNCIL OF THE CITY OF BEAUMONT:

1. Findings and Determinations. It is hereby found and determined that the matters and facts contained in the preamble to this Ordinance are hereby found to be true and correct.

2. Definitions. Throughout this ordinance the following terms and expressions as used herein shall have the meanings set forth below:

The term "Additional Parity Bonds" shall mean any credit agreement created pursuant to Section 30(o) herein or additional bonds issued with the same priority lien as the Bonds.

The term "Average Annual Debt Service Requirements" shall mean the average annual debt service for the Prior Lien Bonds plus the average annual debt service for the Parity Bonds.

The term "Blanket Issuer Letter of Representations" means the Blanket Issuer Letter of Representations between the City and DTC.

The term "Bond Insurer" shall mean, if any, a third party financial institution that provides a credit agreement in the form of a municipal bond insurance policy, as determined in the Officer's Pricing Certificate.

The term "Bond Register" shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

The terms "Bonds" shall mean THE CITY OF BEAUMONT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2015A.

The term "Business Day" shall mean any day which is not a Saturday, Sunday, a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar or Bond Insurer, if any, is located, are authorized or required by law or executive order to close, or a legal holiday.

The term "City" shall mean The City of Beaumont, Texas.

The term "Closing Date" means the date of the initial delivery of and payment for the Bonds.

The term "Code" means the Internal Revenue Code of 1986, as heretofore and hereafter amended.

The term "Comptroller" means the Comptroller of Public Accounts of the State of Texas.

The term "DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

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

The term "Gross Revenues" shall mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System (but excluding any utility deposits) and the interest income from the investment or deposit of money in the Revenue Fund, the Interest and Sinking Fund. Gross Revenues shall not include any federal credit subsidy payments received by the City as a result of the election to designate the City's Waterworks and Sewer System Revenue Bonds, Taxable Series 2010B (Build America Bonds –

Direct Payment to Issuer) as Build America Bonds.

The term "Insured Bonds" shall mean the Bonds during the time period in which the payment of principal and interest in connection with such bonds is guaranteed by the Insurer.

The term "Interest Payment Date", when used in connection with any Bond, shall mean September 1, 2015 and each March 1 and September 1 thereafter until maturity or earlier redemption of such Bond.

The term "Issuer" shall mean the City.

The term "Maintenance and Operation Expenses" shall mean the reasonable and necessary expenses of operation and maintenance of the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service, and all payments under contracts, now or hereafter defined as operating expenses by the Legislature of the State of Texas. Depreciation shall never be considered as a Maintenance and Operation Expense.

The term "MSRB" shall mean the Municipal Securities Rulemaking Board.

The term "Net Revenues" shall mean all Gross Revenues remaining after deducting the Maintenance and Operation Expenses. For purposes of any reimbursement agreement authorized pursuant to any Ordinance authorized in connection with the issuance of any Prior Lien Bonds, agreements to make payments out of Net Revenues, in all cases Net Revenues for such purpose, shall mean only Net Revenues available after satisfaction of obligations to holders of current and future Prior Lien Bonds.

The term "Officer's Pricing Certificates" shall mean a certificate or certificates to be signed by the Mayor, the City Manager or the Chief Financial Officer of the City pursuant to Section 5 hereof and delivered to the City Clerk, in substantially the forms attached hereto as Exhibit D.

The term "Ordinance" as used herein and in the Bonds shall mean this ordinance authorizing the Bonds and all amendments and supplements hereto.

The term "Outstanding" shall mean, in connection with the Bonds, any Bonds that remain outstanding until maturity, refunding or defeasance.

The term "Owner" shall mean any person who shall be the registered owner of any Bonds.

The term "Parity Bonds" shall mean the Bonds, the City's outstanding **Waterworks and Sewer System Revenue Refunding Bonds, Series 2014A, Waterworks and Sewer System Revenue Refunding Bonds, Series 2014B**, and any Additional Parity Bonds.

The term "Prior Lien Bonds" shall mean the City's outstanding **Waterworks and Sewer System Revenue Bonds, Series 2004**, and the City's outstanding **Waterworks and Sewer System Revenue Refunding Bonds, Series 2005**, and the City's outstanding **Waterworks and Sewer System Revenue Bonds, Series 2005**, and the City's outstanding **Waterworks and**

Sewer System Revenue Refunding Bonds, Series 2006, and the City's outstanding **Waterworks and Sewer System Revenue Bonds, Series 2006A**, and the City's outstanding **Waterworks and Sewer System Revenue Bonds, Series 2008**, and the City's outstanding **Waterworks and Sewer System Revenue Refunding Bonds, Series 2010**, and the City's outstanding **Waterworks and Sewer Revenue, Series 2010A**, and the City's outstanding **Waterworks and Sewer Revenue Bonds, Taxable Series 2010B** (Build America Bonds – Direct Payment to Issuer), and the City's outstanding **Waterworks and Sewer System Revenue Bonds, Series 2012**, but only to the extent such Prior Lien Bonds remain outstanding within the meaning of this Ordinance.

The term "Paying Agent" for the Bonds shall mean the Registrar.

The term "Pricing Officer" shall mean the Mayor, City Manager, or Chief Financial Officer of the City.

The term "Record Date" shall mean, for any Interest Payment Date, the fifteenth (15th) calendar day of the month next preceding each Interest Payment Date.

The term "Registrar" shall mean The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and its successors in that capacity.

The term "Report" shall mean the verification report provided by Grant Thornton LLP, certified public accountants, with respect to the Bonds and the adequacy of the amounts deposited pursuant to the Escrow Agreement to pay, when due, the principal of, and interest on the Refunded Bonds and certain other calculations.

The term "Reserve Fund Requirement" shall mean an amount equal to the average annual principal and interest requirement on the Parity Bonds, which may be determined and redetermined each year by the City but in no event less frequently than upon the issuance of each series of Parity Bonds.

The term "Rule" shall mean SEC Rule 15c-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission.

The term "Series 2015A Bonds" shall mean The City of Beaumont, Texas Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015A.

The term "Special Project" shall mean, to the extent permitted by law, any property, improvement or facility declared by the City not to be part of the System and substantially all of the costs of the acquisition, construction and installation of which is paid from proceeds of a financing transaction other than the issuance of bonds payable from ad valorem taxes or Net Revenues of the System, and for which all maintenance and operation expenses are payable from sources other than revenues of the System, but only to the extent that and for so long as all or any part of the revenues or proceeds of which are or will be pledged to secure the payment or repayment of such costs of acquisition, construction and installation under such financing transaction.

The term "System" shall mean all properties, facilities, improvements, equipment, interests and rights constituting the waterworks and sewer system of the City, including all future extensions, replacements, betterments, additions, improvements, enlargements, acquisitions, purchases and repairs to the System, but excluding all Special Projects.

The term "Underwriter" shall mean, collectively, _____, as senior underwriter, _____ as co-senior underwriter, _____, and _____ as co-managers.

3. Authorization. The Series 2015A Bonds shall be issued in fully registered form in the total authorized aggregate principal amount not to exceed THIRTY-FIVE MILLION AND NO/100 DOLLARS (\$35,000,000) for the purpose of providing funds to (i) discharge and make final payment of certain obligations of the City, as set forth in Schedule I, attached hereto (the "Refunded Bonds"), and (ii) paying costs of issuance of the Bonds and refunding the Refunded Bonds.

4. Designation, Date, and Interest Payment Dates. The Series 2015A Bonds shall be designated as "THE CITY OF BEAUMONT, TEXAS, WATERWORKS AND SEWER SYSTEM REVENUE AND REFUNDING BONDS, SERIES 2015A." The Bonds shall be dated, mature, bear interest from the dates and at the rates per annum, and be payable on the dates and in the principal amounts as set forth in the Officer's Pricing Certificate.

5. Sale of Bonds. As authorized by Chapters 1207, 1371 and 1502, Texas Government Code, as amended, the Mayor, the City Manager or the Chief Financial Officer of the City are hereby authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including any additional designation or title by which the Bonds shall be known, the number of subseries of Bonds to be issued and the principal amount of each subseries, the price at which each series of the Bonds will be sold, the date or dates (which may be different dates for each series of the Bonds) on which the Bonds shall be sold, the form in which the Bonds shall be issued whether as current interest bonds, as compound interest bonds, or as a combination of current interest bonds and compound interest bonds, any additional designation or title by which the Bonds shall be known, the year or years in which each series of the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of each series of the Bonds, the rate of interest to be borne by each such maturity, the first interest payment date or compounding date, as the case may be, the dates, prices, and terms, if any, upon and at which each series of the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, or make-whole provisions, and such officers are also hereby authorized to act on behalf of the City in approving all other matters relating to the issuance, sale and delivery of the Bonds, including the refunding of the Refunded Bonds and the purchase of a bond insurance policy or policies for all or any portion of the Bonds, all of which shall be specified in one or more bond purchase agreements (the "Bond Purchase Agreement") for the Bonds substantially in the form attached hereto as Exhibit C, in accordance with the terms of the Officer's Pricing Certificate for the Bonds and this Ordinance, provided that:

(a) the price to be paid for each series of the Bonds shall not be less than 90% of the aggregate original principal amount of the current interest bonds plus accrued interest, if any, thereon from their date to their delivery,

(b) none of the Bonds shall bear interest at a rate greater than 6% per annum or in excess of the maximum rate allowed by Chapter 1204, Texas Government Code,

(c) the aggregate principal amount of each subseries of the Bonds shall not exceed the maximum amount authorized in Section 3, and the sum of the principal amount of each series, plus net premium generated, plus any available funds of the City, if any, shall equal an amount sufficient to provide for the redemption of the Refunded Bonds as identified on the Officer's Pricing Certificate, to pay costs of issuance of the Bonds, and (if necessary) a deposit to the reserve fund,

(d) each series of the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations, and

(e) the refunding of the Refunded Bonds shall produce a net present value debt service savings of at least 2.5%, as shown by a calculation prepared by the Municipal Advisors (defined herein), and attached to the Officer's Pricing Certificate.

Any finding by the Mayor, City Manager or the Chief Financial Officer relating to the sale and delivery of the Bonds and the purchase of bond insurance shall have the same force and effect as a finding or determination made by the City Council.

6. Bond Numbers and Denominations. Each series of Bonds shall be numbered from R-1 and upward (except the Initial Bond, which shall each be numbered T-1), and may be transferred and exchanged as set out in this Ordinance. Such Bonds shall mature on September 1 in each of the years and in the amounts set forth in the Initial Bond. The Bonds delivered in transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bonds or Bonds in lieu of which they are delivered.

7. Execution of Bonds; Seal. The Bonds shall be signed by the Mayor or Mayor Pro Tem and countersigned by the City Clerk or Deputy City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds. If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

8. Approval by Attorney General; Registration by Comptroller. The Bonds to be initially issued shall be delivered to the Attorney General of Texas for approval and shall be

registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration Bond of the Comptroller of Public Accounts substantially in the form provided in Officer's Pricing Certificate shall be attached or affixed to the Bonds to be initially issued.

9. Authentication. Except for the Bonds to be initially issued, which need not be authenticated by the Registrar, only such Bonds which bear thereon a certificate of authentication, substantially in the form provided in Section 19 of this Ordinance, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Ordinance or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bonds so authenticated were delivered by the Registrar hereunder.

10. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of and premium, if any, on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the principal corporate trust office of the Registrar. The interest on each Bond shall be payable by check on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Bond Register. Any accrued interest payable at maturity on a Bond shall be paid upon presentation and surrender of such Bond at the principal corporate trust office of the Registrar.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date such payment was due.

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

12. Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the

close of business on the day prior to the mailing of such notice.

13. Ownership; Unclaimed Principal and Interest. The City, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of principal of and premium, if any, or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Bond in accordance with this Section 13 shall be valid and effectual and shall discharge the liability of the City and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including Title 6 of the Texas Property Code, as amended.

14. Registration, Transfer, and Exchange. So long as any Bonds remain outstanding, the Registrar shall keep the Bond Register at its principal corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Ordinance. If the Registrar does not maintain its principal offices in the State of Texas, the City agrees to keep a Bond Register at its offices which is identical to the Bond Register maintained by the Registrar and the Registrar will notify the City as to any changes in the Bond Register within 1 business day.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same type, maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Registrar for a Bond or Bonds of the same type, maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 14. Each Bond delivered in accordance with this Section 14 shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

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

Neither the City nor the Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation on transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond called for redemption in part.

15. Mutilated, Lost, or Stolen Bonds. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The City or the Registrar may require the Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The City or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (1) furnish to the City and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;
- (2) furnish such security or indemnity as may be required by the Registrar and the City to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the City and the Registrar.

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

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

Each replacement Bond delivered in accordance with this Section 14 shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

16. Cancellation of Bonds. All Bonds paid in accordance with this Ordinance, and all

Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the City with appropriate Bonds of destruction of such Bonds.

17. Book-Entry System. (a) Notwithstanding any other provision hereof, upon initial issuance of the Bonds but at the sole election of the Underwriter, the ownership of the Bonds shall be registered in the name of Cede & Co., as nominee of DTC, and except as otherwise provided in this Section, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate Bond for each of the maturities thereof. If the Underwriter shall elect to invoke the provisions of this Section, then the following provisions shall take effect with respect to the Bonds.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the 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 an Owner of a Bond, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner of a Bond, as shown in the Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of all matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner as shown in the Register, shall receive a Bond evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) In the event that the City in its sole discretion determines that the beneficial owners of the Bonds be able to obtain Bonds, or in the event DTC discontinues the services described herein, 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, and notify DTC and DTC Participants, as identified by DTC, 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, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC, as

identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(d) The execution and delivery of the Blanket Letter of Representations is hereby ratified and approved and the Mayor is hereby authorized and directed to execute a new Blanket Letter of Representations, if required, with such changes as may be approved by the Mayor or City Manager of the City.

(e) Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations.

18. Redemption and Defeasance.

(a) Optional Redemption. The Bonds shall be subject to redemption prior to the stated maturity, at the option of the City at such times, in such amounts, in such manner and at such redemption prices as may be designated and provided for in the Officer's Pricing Certificate.

Bonds may be redeemed only in integral multiples of \$5,000. If a Series 2015A Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Series 2015A Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Series 2015A Bond for redemption in part, the Registrar, in accordance with Section 14 hereof, shall authenticate and deliver in exchange therefor a Series 2015A Bond(s) of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Series 2015A Bond(s) so surrendered.

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

Not less than thirty (30) days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each Owner of each Series 2015A Bond to be redeemed in whole or in part, at the address of the Owner appearing on the Register at the close of business on the Business Day next preceding the date of the mailing of such notice. Such notice shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all the Bonds are to be redeemed, the numbers of the Bonds or portions thereof to be redeemed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called

for redemption in whole or in part and due provision made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of being paid solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Series 2015A Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

(b) The City may defease the provisions of this Ordinance or any ordinance applicable to any Parity Bonds being defeased and discharge its obligation to the Owners of any or all of the Bonds, or any or all Parity Bonds to pay principal, interest and redemption premium, if any, thereon in any manner permitted by law, including by depositing with the Paying Agent/Registrar, or if authorized by Texas law, with any national or state bank having trust powers and having combined capital and surplus of at least \$50 million, or with the State Treasurer of the State of Texas either: (a) cash in an amount equal to the principal amount and redemption premium, if any, of such bonds being defeased plus interest thereon to the date of maturity or redemption; or (b) pursuant to an escrow or trust agreement, cash and/or direct bonds of, or bonds the principal of and interest on which are guaranteed by or secured by the pledge of direct bonds of the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such bonds being defeased plus interest thereon to the date of maturity or redemption; provided, however, that if any of such bonds being defeased are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Ordinance or ordinance applicable to the Parity Bonds being defeased. Upon such deposit, such bonds being defeased shall no longer be regarded to be outstanding or unpaid. Any surplus amounts not required to accomplish such defeasance shall be returned to the City.

19. Form. The Form of Bond as set forth in Exhibit A to the Officer's Pricing Certificate is hereby approved. The form of the Bonds, including the form of the Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Bond of the Comptroller of Public Accounts of the State of Texas which shall be attached or affixed to the Bonds initially issued shall be, respectively, substantially as set forth in Exhibit A to the Officer's Pricing Certificate, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Ordinance.

20. Legal Opinion; CUSIP Numbers. The approving opinion of Bracewell & Giuliani LLP, Houston, Texas, Bond Counsel, and CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the

validity of the Bonds.

21. (a) Pledge and Source of Payment. The City hereby covenants and agrees that, subject only to the prior lien on and pledge of the Net Revenues of the System to the payment and security of the Prior Lien Bonds (including the establishment and maintenance of the special funds created for the payment and security thereof) under the terms and conditions of the ordinances and proceedings pertaining to their authorization, all Gross Revenues of the System shall, as collected and received by the City, be deposited and paid into the special funds established in this Ordinance, and shall be applied in the manner hereinafter set forth, in order to provide for (i) the payment of all Maintenance and Operation Expenses and (ii) the payment of principal, interest and any redemption premiums on the Bonds, and all expenses of paying, securing and insuring the same.

The Bonds are special obligations of the City payable solely from and secured by a lien on and pledge of the Net Revenues of the System, such lien and pledge, however, being junior and subordinate only to the lien on and pledge of such Net Revenues to the payment and security of the Prior Lien Bonds, which Net Revenues shall, in the manner hereafter provided, be set aside for and are hereby pledged by the City to the payment of the Bonds and any Parity Bonds. The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the System, except with respect to the Net Revenues. **THE HOLDER OF THIS OBLIGATION IS NOT ENTITLED TO DEMAND PAYMENT OF THIS OBLIGATION OUT OF ANY MONEY RAISED BY TAXATION.**

IT IS ORDERED AND DIRECTED that this Ordinance pledging Net Revenues for the payment of the Bonds to the extent provided herein be filed and recorded in the records of the City as necessary to cause the pledge to be valid under Section 1201.44 of the Government Code of Texas. At any time while any of the Bonds are outstanding, if it is determined by the City or demanded by the holder of any Bonds that further action by the City is required to make the pledge valid or maintain the validity of the pledge, the City covenants and hereby directs the officers of the City to make such filings, including but not limited to appropriate filings under Chapter 9 of the Business and Commerce Code of Texas as are necessary to make the pledge valid or continue its validity.

(b) Construction Fund. There is hereby created and there shall be established on the books of the City a separate account to be entitled the "City of Beaumont, Texas, Waterworks and Sewer System Revenue and Refunding Bonds, Series 2015A, Construction Fund". Immediately after the sale and delivery of the Bonds, that portion of the proceeds of the Bonds to be used for the cost of the Project and the cost of issuance of the Bonds shall be deposited into such Construction Fund and disbursed for such purposes. Pending completion of construction of the Project, interest earned on such proceeds may be used, at the City's discretion, for the Project and shall be accounted for, maintained, deposited and expended as permitted by the provisions of Section 1201.043 of the Government Code of Texas, as from time to time in effect, or as otherwise required by applicable law. Thereafter, such interest shall be deposited in the Interest and Sinking Fund. Upon completion of the Project, the monies, if any, remaining in such Construction Fund shall be transferred and deposited by the City into the Interest and Sinking Fund.

(c) Rates and Charges. So long as any Parity Bonds remain outstanding, there shall be fixed, charged and collected rates and charges for the use and services of the System, which may be fully sufficient at all times:

(i) to pay all Maintenance and Operation Expenses; and

(ii) to produce Net Revenues in each fiscal year at least equal to 110 percent of the principal and interest requirements scheduled to occur in such fiscal year on all Prior Lien Bonds (including the Reserve Fund Requirement) and Parity Bonds then outstanding, but in no event less than the amount required to establish and maintain the Interest and Sinking Fund, and, to the extent that funds for such purpose are not otherwise available, to pay all other outstanding obligations payable from the Net Revenues of the System as and when the same become due.

The City covenants that it will not grant or permit any free service from the System except for public buildings and institutions operated by the City.

(d) Special Funds. The following special funds shall be maintained and accounted for as hereinafter provided so long as any of the Parity Bonds remain outstanding:

(i) Waterworks and Sewer System Revenue Fund (the "Revenue Fund");

(ii) Waterworks and Sewer System Revenue Bond Interest and Sinking Fund (the "Interest and Sinking Fund");

(iii) Waterworks and Sewer System Bond Reserve Fund (the "Reserve Fund");
and

(iv) Waterworks and Sewer System Prior Lien Bond Reserve Fund (the "Prior Lien Reserve Fund").

The Revenue Fund shall be maintained as a separate account on the books of the City. The Interest and Sinking Fund, the Reserve Fund and the Prior Lien Reserve Fund shall be maintained at an official depository bank of the City, separate and apart from all other funds and accounts of the City, and shall constitute trust funds which shall be held in trust for the benefit of the holders of the Parity Bonds, and the proceeds of which (except for interest income, which shall be transferred to the Revenue Fund) shall be and are hereby pledged to the payment of the Parity Bonds. All of the funds named above shall be used solely as provided in this Ordinance so long as any Parity Bonds remain outstanding.

(e) Flow of Funds. All Gross Revenues of the System shall be deposited as collected into the Revenue Fund. Moneys from time to time on deposit to the credit of the Revenue Fund shall be applied as follows in the following order of priority:

(i) First, to pay Maintenance and Operation Expenses and to provide by encumbrance for the payment of all obligations incurred by the City for Maintenance and Operation Expenses which may include an operating reserve equal to one month's estimated Maintenance and Operation Expenses.

(ii) Second, To the payment of the amounts required to be deposited in the Prior Lien Reserve Fund, special funds or accounts created and established for the payment and security of the Prior Lien Bonds in accordance with the ordinances authorizing the issuance thereof.

(iii) Third, to make all deposits into the Interest and Sinking Fund required by this Ordinance and any ordinance authorizing the issuance of any outstanding Additional Parity Bonds.

(iv) Fourth, to make all deposits into the Reserve Fund required by this Ordinance and any ordinance authorizing the issuance of Additional Parity Bonds.

(v) Fifth, to pay any amounts due to any bond insurer of Parity Bonds not paid pursuant to subsections (ii) or (iii) above.

(vi) Sixth, for any lawful purpose, including transfers to the General Fund as permitted by law. Such permitted transfers to the General Fund are hereby expressly authorized by this Ordinance and the purposes for which such surplus revenues may be used shall include, but not be limited to, payment of any other debt, expense, or obligation of the City.

Whenever the total amounts on deposit to the credit of the Interest and Sinking Fund, Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all outstanding Parity Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Interest and Sinking Fund, and the Reserve Fund.

(f) Interest and Sinking Fund. On or before the last Business Day of each month so long as any Parity Bonds remain outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, there shall be transferred into the Interest and Sinking Fund from the Revenue Fund the following amounts:

(i) Such amounts, in approximately equal monthly installments, as will be sufficient to pay the interest scheduled to become due on the Parity Bonds on the next interest payment date; and

(ii) Such amounts, in approximately equal monthly installments, as will be sufficient to pay the next maturing principal of the Parity Bonds, including the principal amounts of, and any redemption premiums on, any Parity Bonds payable as a result of the exercise or operation of any redemption provision contained in this Ordinance or in any ordinance authorizing the issuance of Parity Bonds.

Moneys deposited to the credit of the Interest and Sinking Fund (except for interest income, which shall be transferred to the Revenue Fund) shall be used solely for the purpose of paying principal (either at maturity or prior redemption or to purchase Parity Bonds in the open market to be credited against mandatory redemption requirements), interest and redemption premiums on the Parity Bonds, plus all bank charges and other costs and expenses relating to such payment, on a pro rata basis among all series of Parity Bonds. On or before each principal and/or interest payment date for the Parity Bonds, the City shall transfer from the Interest and

Sinking Fund to the paying agents for the Parity Bonds an amount equal to the principal, interest and redemption premiums payable on the Parity Bonds on such date, together with an amount equal to all bank charges and other costs and expenses relating to such payment. The paying agents for the Parity Bonds shall totally destroy all paid Parity Bonds and coupons (if any) and shall provide the City with an appropriate Bond of destruction.

(g) Reserve Fund.

Unless the Reserve Fund is fully funded, on or before the last Business Day of each month so long as any Parity Bonds remain outstanding, after making all required payments and provision for payment of Maintenance and Operation Expenses, and after making the transfers into the Interest and Sinking Fund required in the preceding Section, there shall be transferred into the Reserve Fund from the Revenue Fund an amount at least equal to one-sixtieth ($1/60^{\text{th}}$) of the average annual principal and interest requirements on the Parity Bonds, so that the Reserve Fund shall contain, in no more than 60 months after the issuance of each such issue of Parity Bonds, money and investments in an aggregate amount at least equal to the average annual principal and interest requirements on all Parity Bonds then outstanding. After such amount has accumulated in the Reserve Fund and so long thereafter as such Fund contains such amount, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts may be transferred to the Revenue Fund. But if and whenever the balance in the Reserve Fund is reduced below such amount, monthly deposits into such fund shall be resumed and continued in amounts at least equal to one-sixtieth ($1/60^{\text{th}}$) of the average annual principal and interest requirements on the Parity Bonds until the Reserve Fund has been restored to such amount; provided however, if a Reserve Fund Policy has been obtained by the City pursuant to the next paragraph below, then the provisions of such next paragraph shall govern and control with respect to replenishment of amounts drawn under the Reserve Fund Surety Policy. The Reserve Fund shall be used to pay the principal of and interest on the Parity Bonds at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose and it may be used finally to pay and retire the last Parity Bonds to mature or be redeemed.

To the extent permitted by law, the City expressly reserves the right at any time to satisfy all or any part of the amounts required to be on deposit in the Reserve Fund (the "Reserve Fund Requirement") by obtaining for the benefit of the Reserve Fund one or more Reserve Fund Surety Policies (a "Reserve Fund Surety Policy"). The purchase of such Reserve Fund Surety Policy is approved, and the Mayor, Mayor Pro-Tem, City Manager, Chief Financial Officer, City Clerk, Deputy City Clerk, and all other appropriate officers and agents of the City are each authorized to execute such documents, including but not limited to a reimbursement agreement, to grant a subordinated pledge and lien on the Net Revenues as security for the payment of amounts due under the reimbursement agreement (which grant if made is hereby approved), and to do any and all things necessary or desirable to obtain such a Policy if in the discretion of the acting official deems its acquisition in the best interests of the City. In the event the City elects to substitute at any time a Reserve Fund Surety Policy for any funded amounts in the Reserve Fund, it may apply any bond proceeds thereby released, to the greatest extent permitted by law, to any purposes for which the bonds were issued, and if all such purposes have been satisfied, to the payment of debt service on such bonds, and it may apply any other funds thereby released to any of the purposes for which such funds may lawfully be applied including the payment of debt service on the Parity Bonds. A Reserve Fund Surety Policy shall be an insurance policy or other

similar guarantee in a principal amount equal to the portion of the Reserve Fund Requirement to be satisfied which is issued by a financial institution or insurance company with a rating for its long term unsecured debt or claims paying ability of at least an investment grade category by two major municipal securities evaluation sources. The premium for any such policy shall be paid from bond proceeds or other funds of the City lawfully available for such purpose. The City reserves the right to fund any increase in the Reserve Fund Requirement caused by the issuance of Additional Parity Bonds by the purchase of a Reserve Fund Surety Policy in the amount of such increase or by making transfers from the Revenue Fund to the Reserve Fund, in approximately equal monthly installments, in amounts sufficient to accumulate the increase in the Reserve Fund Requirement within sixty (60) months of the issuance of such Additional Parity Bonds. If the Reserve Fund contains only cash and the balance in the Reserve Fund is reduced below the Reserve Fund Requirement at any time, the City shall make monthly transfers from the Revenue Fund to the Reserve Fund, in approximately equal monthly installments, in amounts sufficient to restore the balance in the Reserve Fund to the Reserve Fund Requirement within twelve (12) months of the date on which the balance in the Reserve Fund was so reduced. If the Reserve Fund contains a Reserve Fund Surety Policy (and no cash) and a draw is made against such policy, the City shall make monthly transfers from the Revenue Fund, in approximately equal monthly installments, in amounts sufficient to reimburse the amount drawn under such policy within twelve (12) months. If the Reserve Fund contains a combination of cash and a Reserve Fund Surety Policy, and the balance in the Reserve Fund is reduced below the Reserve Fund Requirement by a combination of cash withdrawals and draws against the Reserve Fund Surety Policy, the City shall make monthly transfers from the Revenue Fund, in approximately equal monthly installments, in amounts sufficient to restore the cash balance in the Reserve Fund and reimburse the amount drawn under such policy within twelve (12) months, with reimbursement to be made for all amounts drawn under such policy before any cash deposits are made into the Reserve Fund. Any reimbursement of amounts drawn against a Reserve Fund Surety Policy shall be limited to the amounts actually paid under such policy, and the City shall have no obligation to make any reimbursement payment with respect to any such policy except as provided herein.

Notwithstanding anything to the contrary contained herein, the requirement set forth above in this subsection to maintain the Reserve Fund Requirement in the Reserve Fund shall be suspended for such time as the Net Revenues for each Fiscal Year are equal to at least 1.30 times the Average Annual Debt Service Requirements. In the event that the Net Revenues for any Fiscal Year are less than 1.30 times the Average Annual Debt Service Requirements, the City will be required to commence making Required Reserve Fund Deposits, as provided above, and to continue such Required Reserve Fund Deposits until the earlier of (i) such time as the Reserve Fund contains the Reserve Fund Requirement or (ii) the Net Revenues in each of two consecutive years have been equal to not less than 1.30 times the Average Annual Debt Service Requirements.

During such time as the Reserve Fund contains the Reserve Fund Requirement or the obligation to maintain the Reserve Fund Requirement has been suspended pursuant to the paragraph above, the City may, at its option, withdraw all surplus funds in the Reserve Fund and deposit such surplus in the Interest and Sinking Fund or otherwise use such amount in any manner permitted by law.

(h) Prior Lien Reserve Fund. The City shall fully fund the reserve fund as provided in the ordinances in connection with the Prior Lien Bonds.

(i) Deficiencies in Funds. If in any month there shall not be deposited into any Fund maintained pursuant to this Section 21 the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months. To the extent necessary, the rates and charges for the System shall be increased to make up for any such deficiencies.

(j) Investment of Funds; Transfer of Investment Income. Money in each Fund maintained pursuant to this Section of this Ordinance may, at the option of the City, be invested as permitted by law, provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times. Any obligation in which money is so invested shall be kept and held in the Fund from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Parity Bonds. All interest and income derived from such deposits and investments shall be transferred or credited as received to the Revenue Fund, and shall constitute Gross Revenues of the System; provided, however, to the extent such interest and income is derived from bond proceeds, such interest and income shall not constitute Gross Revenues of the System and shall only be used for the purposes for which the bond proceeds may be used.

22. Additional Bonds.

(a) No Additional Obligations to be Issued on Parity with the Prior Lien Bonds. The City shall not hereafter issue any additional obligations on parity with the Prior Lien Bonds or create or issue evidences of indebtedness for any purpose possessing a lien on the Net Revenues of the System superior to that to be possessed by the Parity Bonds.

(b) Additional Parity Bonds. In addition to the right to issue bonds of inferior lien as authorized by law, the City reserves the right to issue, for any lawful purpose, including the refunding of any previously issued Prior Lien Bonds, Parity Bonds or any other bonds or obligations of the City issued in connection with the System, one or more series of Additional Parity Bonds payable from, and secured by a lien on and pledge of, the Net Revenues of the System, on a parity with the Bonds and any other Additional Parity Bonds then outstanding; provided, however, that no Additional Parity Bonds may be issued unless:

(i) The Additional Parity Bonds mature on September 1, and interest is payable on March 1 and September 1;

(ii) The Interest and Sinking Fund contain the amount of money then required to be on deposit therein;

(iii) For either the preceding Fiscal Year or any consecutive 12-month calendar period ending no more than 90 days prior to adoption of the ordinance authorizing such Additional Parity Bonds, Net Revenues were equal to at least 125% of the average

annual principal and interest requirements on all Prior Lien Bonds and Parity Bonds that will be outstanding after the issuance of the series of Additional Parity Bonds then proposed to be issued, as certified by the City's Finance Officer or by an independent certified public accountant or firm of independent certified public accountants; or

(iv) If the City cannot meet the test described in (iii) above, but a change in the rates and charges applicable to the System becomes effective at least sixty (60) days prior to the adoption of the ordinance authorizing Additional Parity Bonds and the City's Finance Officer certifies that, had such change in rates and charges been effective for the preceding fiscal year or 12 consecutive calendar month period ending no more than 90 days prior to adoption of said ordinance, the Net Revenues for such period would have met the test described in (iii) above.

(c) Subordinate Lien Obligations. The City reserves the right to issue, for any lawful purpose, bonds, notes or other obligations (including but not limited to reimbursement agreements undertaken to obtain reserve fund security policies) secured in whole or in part by liens on and pledges of the Net Revenues that are junior and subordinate to the lien on and pledge of Net Revenues securing payment of the Parity Bonds. Such subordinate lien obligations may be further secured by any other source of payment lawfully available for such purposes.

(d) Special Project Bonds. The City reserves the right to issue revenue bonds secured by liens on and pledges of revenues and proceeds derived from Special Projects.

23. Covenants and Provisions Relating to all Parity Bonds.

(a) Punctual Payment of Parity Bonds. The City will punctually pay or cause to be paid the interest on and principal of all Parity Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any ordinance authorizing the issuance of Additional Parity Bonds.

(b) Maintenance of System. So long as any Parity Bonds remain outstanding, the City covenants that it will at all times maintain the System, or within the limits of its authority cause the same to be maintained, in good condition and working order and will operate the same, or cause the same to be operated, in an efficient and economical manner at a reasonable cost and in accordance with sound business principles. In operating and maintaining the System, the City will comply with all contractual provisions and agreements entered into by it and with all valid rules, regulations, directions or order of any governmental, administrative or judicial body promulgating same, noncompliance with which would materially and adversely affect the operation of the System.

(c) Sale or Encumbrance of System. So long as any Parity Bond remains outstanding, the City will not sell, dispose of or, except as permitted in this Ordinance, further encumber the System; provided, however, that this provision shall not prevent the City from disposing of any portion of the System which is being replaced or is deemed by the City to be obsolete, worn out, surplus or no longer needed for the proper operation of the System. Any

agreement pursuant to which the City contracts with a person, corporation, municipal corporation or political subdivision to operate the System or to lease and/or operate all or part of the System shall not be considered as an encumbrance of the System.

(d) Insurance. The City further covenants and agrees that it will keep the System insured with insurers of good standing against risks, accidents or casualties against which and to the extent insurance is customarily carried by political subdivisions of the State of Texas operating similar properties, to the extent that such insurance is available. The cost of all such insurance, together with any additional insurance, shall be a part of the Maintenance and Operation Expenses. All net proceeds of such insurance shall be applied to repair or replace the insured property that is damaged or destroyed, or to make other capital improvements to the System, or to redeem Parity Bonds.

(e) Accounts, Records and Audits. So long as any Parity Bonds remain outstanding, the City covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the operation of the System in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the System or the Gross Revenues or the Net Revenues thereof. The City shall after the close of each of its Fiscal Years cause an audit report of such records and accounts to be prepared by an independent certified public accountant or independent firm of certified public accountants. Each year promptly after such audit report is prepared, the City shall furnish a copy thereof without cost to the Municipal Advisory Council of Texas and any holders of Parity Bonds who shall request same. All expenses incurred in preparing such audits shall be Maintenance and Operation Expenses.

(f) Competition. To the extent it legally may, the City will not grant any franchise or allow for the acquisition, construction or operation of any competing facilities which might be used as a substitute for the System and will prohibit the operation of any such competing facilities.

(g) Pledge and Encumbrance of Net Revenues. The City covenants and represents that it has the lawful power to pledge the Net Revenues to the payment of the Parity Bonds and has lawfully exercised such power under the Constitution and laws of the State of Texas. The City further covenants and represents that, other than to the payment of the Parity Bonds, the Net Revenues are not and will not be pledged to the payment of any debt or obligation of the City, or in any other manner encumbered unless such pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Parity Bonds.

(h) Remedies. This Ordinance shall constitute a contract between the City and the holders of the Parity Bonds from time to time outstanding, and shall remain in effect until the Parity Bonds and the interest thereon shall be fully paid or discharged or provision therefor shall have been made as provided herein. In the event of a default in the payment of the principal or interest on any of the Parity Bonds or a default in the performance of any duty or covenant provided by law or in this Ordinance, the holder or holders of any of the Parity Bonds, as appropriate, may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any

holder of any of the Parity Bonds may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges for the use and services of the System, the deposit of the Gross Revenues thereof into the special funds as herein provided, and the application of such Gross Revenues and Net Revenues in the manner required in this Ordinance. Acceleration of payment of principal of or interest on the Parity Bonds shall not be a remedy of default.

(i) Legal Holidays. In any case where the date fixed for payment of interest on or principal of the Parity Bonds or the date fixed for redemption of any Parity Bonds shall be a legal holiday or a day on which a paying agent for the Parity Bonds is authorized by law to close, then payment of interest or principal by such paying agent need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the date fixed for such payment and no interest shall accrue for the period from such date to the date of actual payment.

(j) Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Ordinance shall be given in such other manner and at such time or times as in the judgment of the City shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Ordinance be deemed to be in compliance with the requirements for publication thereof.

24. Further Proceedings. After the Bonds to be initially issued shall have been executed, it shall be the duty of the Mayor and other appropriate officials and agents of the City to deliver the Bonds to be initially issued and all pertinent records and proceedings to the Attorney General of the State of Texas, for examination and approval. After the Bonds to be initially issued shall have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Bonds to be initially issued, the Comptroller of Public Accounts (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed or placed in facsimile, thereon.

25. Tax Exemption.

(a) The City intends that the interest on the Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Code, and the applicable Treasury Regulations promulgated thereunder (the "Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds to be includable in gross income, as defined in Section 61 of the Code, for federal income tax purposes or (ii) result in the violation or failure to satisfy any provision of Section 103 and 141 through 150 of the Code and the applicable Regulations. In particular, the City covenants and agrees to comply with each requirement of this Section 25; provided, however, that the City shall not be required to comply with any particular requirement of this Section 25 if the City has received an

opinion of nationally recognized bond counsel (a "Counsel's Opinion") that (i) such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or (ii) compliance with some other requirement set forth in this Section 25 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 25.

(b) No Private Use or Payment and No Private Loan Financing. The City covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Series 2015A Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and circumstances known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the outstanding Parity Bonds have not been and the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guaranty. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder. Moreover, the City will certify, through an authorized officer, employee or agent, based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Refunded Bonds have not been used in a manner that would cause the Refunded Bonds or the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the Regulations promulgated thereunder.

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

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

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

(h) Record Retention. The City will retain all pertinent and material records relating to the use and expenditure of the proceeds of the Refunded Bonds and the Bonds until three years after the last Series 2015A Bond is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the City to retrieve and reproduce such books and records in the event of an examination of the Bonds by the Internal Revenue Service.

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

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

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

26. Escrow Agreements. The form of the escrow agreement (the "Escrow Agreement") by and between the City and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"), attached hereto as Exhibit A and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved as to form and content, and such Escrow Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Clerk for and on behalf of the City.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement, if any, and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Underwriter for deposit to the credit of the "2015 CITY OF BEAUMONT, TEXAS, WATER AND SEWER SYSTEM REVENUE REFUNDING BOND ESCROW FUND" (the "Escrow Fund"); all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, this Ordinance and the Escrow Agreement.

27. Refunded Bonds. (a) In order to provide for the refunding, discharge and retirement of the Refunded Bonds, the Refunded Bonds are called for redemption on _____ at the price of par plus accrued interest to the redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the ordinance adopted by the Council, which authorized the issuance of the Refunded Bonds. The City Clerk is hereby authorized and directed to file a copy of this Ordinance, together with a suggested form of notice of redemption to be sent to bondholders, with The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The redemption of the Refunded Bonds described above being associated with the refunding of such Refunded Bonds, the approval, authorization and arrangements herein given and provided for the redemption of such Refunded Bonds on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the Bonds; and the City Clerk is hereby authorized and directed to make all arrangements necessary to notify the holders of such Refunded Bonds of the City's decision to redeem such Refunded Bonds on the date and in the manner herein provided and in accordance with the ordinance authorizing the issuance of the Refunded Bonds and this Ordinance.

28. Engagement of Professionals. The City Council hereby confirms the engagement of (i) RBC Capital Markets, LLC, as Municipal Advisor, to the City and (ii) _____, as the senior underwriter, _____, as co-senior underwriter, _____, and _____ as co-managers (together, the "Underwriter") in connection with the issuance and sale of the Bonds.

29. Proceeds of Sale. Proceeds from the sale of the Bonds, together with other funds

of the City, if any, shall, promptly upon receipt by the City, be applied as set forth in the Officer's Pricing Certificate. Any proceeds remaining after the accomplishment of such purposes, including interest earnings on the investment of such proceeds, shall be deposited to the Interest and Sinking Fund.

30. Bond Insurance. In order to obtain the lowest attainable interest rates on the Bonds, the Mayor, the City Manager or the Chief Financial Officer are authorized to enter into a credit agreement with one or more Bond Insurers to obtain one or more bond insurance policies with respect to all or a portion of the Bonds. The Mayor, the City Manager or the Chief Financial Officer are authorized to execute and the City Secretary is authorized to attest and affix the City's seal to any documents required in connection with the purchase of any such policy or policies. The City hereby agrees to the following:

- (a) "Insurance Policy" shall be defined as follows: "the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due". "Insurer" shall be defined as follows: "Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof".
- (b) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Debt Service Reserve Fund, if any. Notwithstanding anything to the contrary set forth in the Ordinance, amounts on deposit in the Debt Service Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.
- (c) The Insurer shall be deemed to be the sole holder of the Insured Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Bonds insured by it are entitled to take pursuant to the section or article of the Ordinance pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Paying Agent. In furtherance thereof and as a term of the Ordinance and each Bond, the Paying Agent and each Bondholder appoint the Insurer as their agent and attorney-in-fact and agree that the Insurer may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Paying Agent and each Bondholder delegate and assign to the Insurer, to the fullest extent permitted by law, the rights of the Paying Agent and each Bondholder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. Remedies granted to the Bondholders shall expressly include mandamus.

- (d) The security for the Bonds shall include a pledge of any agreement with any underlying obligor that is a source of payment for the Bonds and a default under any such agreement shall constitute an Event of Default under the Ordinance.
- (e) If acceleration is permitted under the Ordinance, the maturity of Bonds insured by the Insurer shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.
- (f) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.
- (g) The Insurer shall be included as a third party beneficiary to the Ordinance.
- (h) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Ordinance which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.
- (i) Any amendment, supplement, modification to, or waiver of, the Ordinance or any other transaction document, including any underlying security agreement (each a "Related Document"), that requires the consent of Bondowners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.
- (j) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Construction Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.
- (k) The rights granted to the Insurer under the Ordinance or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does

not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Bondowners or any other person is required in addition to the consent of the Insurer.

- (l) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated "AAA" and "Aaa" by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for "AAA" defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves. Any obligations or securities deposited as provided in this paragraph, shall qualify under Section 1207.062(b) of the Local Government Code, as amended.

To accomplish defeasance, the Issuer shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer ("Accountant") verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an Escrow Deposit Agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Ordinance and (iv) a certificate of discharge of the Paying Agent with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Issuer, Paying Agent and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five business days prior to the funding of the escrow.

Bonds shall be deemed Outstanding under the Ordinance unless and until they are in fact paid and retired or the above criteria are met.

Notwithstanding the above, in the event any provisions in this Section 30(l) conflict with Section 1207.033 of the Texas Government Code, as amended ("Section 1207.033"), the provisions of Section 1207.033 shall prevail.

- (m) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Ordinance and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

- (n) Each of the Issuer and Paying Agent covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

- (o) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under the Ordinance, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Paying Agent shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Paying Agent's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Bond or the subrogation rights of the Insurer.

The Paying Agent shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent.

Upon payment of a claim under the Insurance Policy, the Paying Agent shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Paying Agent shall have exclusive control and sole right of withdrawal. The Paying Agent shall receive any amount paid

under the Insurance Policy in trust on behalf of Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent to Bondholders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Issuer agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) to the extent permitted by law and subject to annual appropriation, interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Issuer hereby covenants and agrees that the Insurer Advances are secured by a lien on and pledge of the Net Revenues and payable from such Net Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following a Bond payment date shall promptly be remitted to the Insurer.

- (p) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Issuer to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.
- (q) The Issuer shall pay or reimburse the Insurer any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Ordinance or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Ordinance or any other Related Document or the transactions

contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance or any other Related Document.

- (r) After payment of reasonable expenses of the Paying Agent, the application of funds realized upon default shall be applied to the payment of expenses of the Issuer or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement.
- (s) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof in accordance with the Ordinance, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.
- (t) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 31 West 52nd Street, New York, New York 10019, Attention: Managing Director – Surveillance, Re: Policy No. 216211-N, Telephone: (212) 826-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."
- (u) The Insurer shall be provided with the following information by the Issuer or Paying Agent, as the case may be:
 - (i) Annual audited financial statements within 180 days (or such longer period agreed to by AGM) after the end of the Issuer's fiscal year (together with a certification of the Issuer that it is not aware of any default or Event of Default under the Ordinance), and the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;
 - (ii) Notice of any draw upon the Debt Service Reserve Fund within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of Bonds;

- (iii) Notice of any default known to the Paying Agent or Issuer within five Business Days after knowledge thereof;
- (iv) Prior notice of the advance refunding or redemption of any of the Bonds, including the principal amount, maturities and CUSIP numbers thereof;
- (v) Notice of the resignation or removal of the Paying Agent and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;
- (vi) Notice of the commencement of any proceeding by or against the Issuer or Obligor commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding");
- (vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Bonds;
- (viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and
- (ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

In addition, to the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Bonds, all information furnished pursuant to such agreements shall also be provided to the Insurer, simultaneously with the furnishing of such information.

- (v) The Insurer shall have the right to receive such additional information as it may reasonably request.
- (w) The Issuer will permit the Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Issuer and will use commercially reasonable

efforts to enable the Insurer to have access to the facilities, books and records of the Issuer on any business day upon reasonable prior notice.

- (x) The Issuer shall notify the Insurer of any failure of the Issuer to provide notices, certificates and other information under the transaction documents.
- (y) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Ordinance, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Fund is fully funded at the Debt Service Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.
- (z) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Ordinance would adversely affect the security for the Bonds or the rights of the Bondholders, the Paying Agent shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Insurance Policy.
- (aa) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.
- (bb) If the Bonds are issued for refunding purposes, there shall be delivered an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto), or a certificate of discharge of the Paying Agent for the Refunded Bonds, to the effect that, upon the making of the required deposit to the escrow, the legal defeasance of the Refunded Bonds shall have occurred. If the Refunded Bonds are insured by Assured Guaranty Municipal Corp., at least three business days prior to the proposed date for delivery of the Policy with respect to the Refunding Bonds, the Insurer shall also receive (i) the verification letter, of which the Insurer shall be an addressee, by an independent firm of certified public accountants which is either nationally recognized or otherwise acceptable to the Insurer, of the adequacy of the escrow established to provide for the payment of the Refunded Bonds in accordance with the terms and provisions of the Escrow Deposit Agreement, and (ii) the form of an opinion of Bond Counsel addressed to the Insurer (or a reliance letter relating thereto) to the effect that the Escrow Deposit Agreement is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (such Escrow Deposit Agreement shall provide that no amendments are permitted without the prior written consent of the Insurer). An executed copy of each of such opinion and reliance letter, if applicable, or Paying Agent's discharge certificate, as the case may be, shall be forwarded to the Insurer prior to delivery of the Bonds.

- (cc) Any interest rate exchange agreement ("Swap Agreement") entered into by the Issuer shall meet the following conditions: (i) the Swap Agreement must be entered into to manage interest costs related to, or a hedge against (a) assets then held, or (b) debt then outstanding, or (iii) debt reasonably expected to be issued within the next twelve (12) months, and (ii) the Swap Agreement shall not contain any leverage element or multiplier component greater than 1.0x unless there is a matching hedge arrangement which effectively off-sets the exposure from any such element or component. Unless otherwise consented to in writing by the Insurer, any uninsured net settlement, breakage or other termination amount then in effect shall be subordinate to debt service on the Bonds and on any debt on parity with the Bonds. The Issuer shall not terminate a Swap Agreement unless it demonstrates to the satisfaction of the Insurer prior to the payment of any such termination amount that such payment will not cause the Issuer to be in default under the Related Documents, including but not limited to, any monetary obligations thereunder. All counterparties or guarantors to any Swap Agreement must have a rating of at least "A-" and "A3" by Standard & Poor's ("S&P") and Moody's Investors Service ("Moody's"). If the counterparty or guarantor's rating falls below "A-" or "A3" by either S&P or Moody's, the counterparty or guarantor shall execute a credit support annex to the Swap Agreement, which credit support annex shall be acceptable to the Insurer. If the counterparty or the guarantor's long term unsecured rating falls below "Baa1" or "BBB+" by either Moody's or S&P, a replacement counterparty or guarantor, acceptable to the Insurer, shall be required.

Any consent, approval or permit required herein by the Insurer shall not be unreasonably withheld.

31. Paying Agent/Registrar Agreement. The paying agent/registrar agreement (the "Paying Agent Agreement") by and between the City and Paying Agent, a form of which is attached hereto as Exhibit B and incorporated herein by reference as a part of this Ordinance for all purposes, is hereby approved, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the City, is hereby authorized to be executed by the Mayor or Mayor Pro Tem and City Clerk for and on behalf of the City.

32. Official Statement. The Preliminary Official Statement and the Official Statement prepared in the initial offering and sale of the Bonds have been and are hereby authorized, approved and ratified as to form and content. The use of the Preliminary Official Statement and the Official Statement in the reoffering of the Bonds by the Underwriter is hereby approved, authorized and ratified. The proper officials of the City are hereby authorized to execute and deliver a Bond pertaining to the Preliminary Official Statement and the Official Statement as prescribed therein, dated as of the date set forth in the Officer's Pricing Certificate.

33. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Bonds.

34. Continuing Disclosure Undertaking. (a) Annual Reports. The City undertakes and agrees for the benefit of the Bond holders to provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the City of

the general type included in the final Official Statement authorized in this Ordinance (i) under the headings "CITY WATERWORKS AND SEWER SYSTEM REVENUE DEBT", "ADMINISTRATION OF THE CITY", "THE SYSTEM-WATER AND SEWER RATES" and in APPENDIX B. The information to be provided shall include the financial statements of the City prepared in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation and audited, if the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within such period, then the City shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report on such statement becomes available.

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

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

(a) Material Event Notices. The City shall notify the MSRB, 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:

- i. Principal and interest payment delinquencies;
- ii. Non-payment related defaults, if material;
- iii. Unscheduled draws on debt service reserves reflecting financial difficulties;
- iv. Unscheduled draws on credit enhancements reflecting financial difficulties;
- v. Substitution of credit or liquidity providers, or their failure to perform;
- vi. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- vii. Modifications to rights of Bondholders, if material;
- viii. Bond calls, if material, and tender offers;
- ix. Defeasances;

- x. Release, substitution or sale of property securing repayment of the securities, if material;
- xi. Rating changes;
- xii. Bankruptcy, insolvency, or receivership, or similar event of the obligated person;
- xiii. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement or undertake such action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- xiv. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The City shall notify the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with section (a) above. All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

(c) 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 Texas law 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 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION OR FROM ANY STATEMENT MADE PURSUANT TO THIS SECTION. HOLDERS OR BENEFICIAL OWNERS OF BONDS MAY SEEK AS THEIR SOLE REMEDY A WRIT OF MANDAMUS TO COMPEL THE CITY TO COMPLY WITH ITS AGREEMENT.

No default by the City with respect to its continuing disclosure agreement shall constitute 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, if (i) the agreement, as amended, would have permitted the Underwriter to purchase or sell the Bonds in the initial primary offering in compliance with the Rule, taking into account any amendments or interpretations of such rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to such amendment, or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The City may also amend or repeal the obligations and agreement in this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, and the City may amend the agreement in its discretion in any other circumstance or manner, but in either case only to the extent that its right to do so would not prevent an underwriter from lawfully purchasing or reselling the Bonds in the primary offering of the Bonds in compliance with the Rule. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and operating data so provided.

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

36. Effective Date. This Ordinance shall be in force and effect from and after its final passage, and it is so ordered.

37. Amendment of Ordinance.

(a) If and to the extent permitted by this Ordinance, the owners of the Bonds aggregating in the principal amount of 51% of the aggregate principal amount of the outstanding Bonds shall have the right from time to time to approve any amendment to this Ordinance which may be deemed necessary or desirable by the City provided, however, that without the consent of the owners of all of the Bonds at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Ordinance or in the Bonds so as to:

- (1) Make any change in the maturity of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal payable on the outstanding Bonds;

(4) Modify the terms of payment of principal of or interest on the outstanding Bonds, or impose any conditions with respect to such payment;

(5) Affect the owners of less than all of the outstanding Bonds then outstanding;

(6) Change the percentage of the principal amount of outstanding Bonds, necessary for consent to such amendment.

(b) If at any time the City shall desire to amend this Ordinance under this Section, the City shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in The City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent for inspection by all owners of the Bonds. Such publication is not required, however, if notice in writing is given to each owner of the outstanding Bonds. Not less than thirty (30) days' notice of the proposed amendment shall also be given by the City to the Underwriter.

(c) Whenever at any time not less than thirty (30) days, and within one (1) year, from the date of the publication of said notice or other service of written notice the City shall receive an instrument or instruments executed by the owners of at least 51% in aggregate principal amount of the Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file with the Paying Agent, the City Council may adopt the amendatory resolution in substantially the same form.

(d) Upon adoption of any amendatory resolution pursuant to the provision of this Section, this Ordinance shall be deemed to be amended in accordance with such amendatory resolution, and the respective rights, duties and Bonds under this Ordinance of the City and all the owners of then outstanding Bonds, shall thereafter be determined, exercised and enforced hereunder, subject in all respect to such amendments.

(e) Any consent given by the owner of the outstanding Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the same Bonds, during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the City, but such revocation shall not be effective if the owners of 51% in aggregate principal amount of the then outstanding Bonds, as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section, the fact of the owning of Bonds, by any owner of Bonds, and the amount and number of such Bonds, and the date of their owning same shall be determined by the Registration Books of the Paying Agent/Registrar.

(g) The foregoing provisions of this Section notwithstanding, the City by action of the City Council (or as item (2) by the City Council or by the Mayor, Mayor Pro Tem, City Manager or Chief Financial Officer as to changes prior to issuance to comply with requirements by the Attorney General of Texas or Underwriter) may amend this Ordinance for any one or more of the following purposes:

(1) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of bonds or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City.

(2) To make such provisions for the purpose of clarifying matters or questions arising under this Ordinance, as are required by the Attorney General of Texas to obtain the Attorney General's approval of the issuance of the Bonds or required by the Underwriter before their issuance or for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in this Ordinance, or at any time before or after issuance as are necessary or desirable and not contrary to or inconsistent with this Ordinance, and in all events which shall not adversely affect the interests of the owners of the Bonds.

(3) To modify any of the provisions of this Ordinance in any other respect whatever, provided that: (i) such modification shall be, and be expressed to be, effective only after all Bonds outstanding at the date of the adoption of such modification shall cease to be outstanding, and (ii) such modification shall be specifically referred to in the text of all Bonds issued after the date of the adoption of such modification.

38. Related Matters. To satisfy in a timely manner all of the City's obligations under this Ordinance, the Mayor or Mayor Pro Tem, City Manager, Chief Financial Officer, City Clerk or any Deputy City Clerk, and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds, including without limitation, executing and delivering on behalf of the City all Bonds, consents, receipts, requests, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the application of funds of the City consistent with the provisions of this Ordinance.

39. Open Meeting. It is hereby officially found and determined that the meeting at which this Ordinance was adopted 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 of the Texas Government Code.

40. Interpretations. All terms defined herein and all pronouns used in this Ordinance shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the

terms or provisions hereof. This Ordinance and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Parity Bonds and the validity of the lien on and pledge of the Net Revenues to secure the payment of the Parity Bonds.

[The remainder of this page has intentionally been left blank.]

PASSED AND APPROVED this ____ day of _____, 2015.

Mayor
The City of Beaumont

ATTEST:

City Clerk
The City of Beaumont

(SEAL)

SCHEDULE I
REFUNDED BONDS

Certain maturities of:

The City of Beaumont, Texas, Waterworks and Sewer System Revenue Bonds, Series 2006A

The City of Beaumont, Texas, Waterworks and Sewer System Revenue Bonds, Series 2008

EXHIBIT "A"
ESCROW AGREEMENT

EXHIBIT "B"
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT "C"
BOND PURCHASE AGREEMENT

EXHIBIT "D"

OFFICER'S PRICING CERTIFICATE

May 5, 2015

Consider a request for a Specific Use Permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: ^{CSB} Chris Boone, Planning & Community Development Director

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider an ordinance approving a request for a Specific Use Permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street.

BACKGROUND

Mark Whiteley and Associates, Inc., has applied for a specific use permit to allow a retail clothing store in an RCR (Residential Conservation and Revitalization) District. The property is located at 1795 Park. The property received a Specific Use Permit (File 2032-P), in April of 2010 for a retail clothing store, however, the property was not used as a retail clothing store for at least one complete year and therefore must reapply.

The previous owner stated that the property had been used as a resale shop by his father since 1934. The clothing store will be in an existing 1,120 sq. ft. building.

The applicant is requesting a waiver to the landscape buffer and screening requirements along the North and East property lines.

At a Joint Public Hearing held April 20, 2015, the Planning Commission recommended 8:0 to approve a specific use permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street and waive the landscaping requirements along the north and east property lines, subject to the following conditions:

1. Provide nine (9) parking spaces including one (1) disabled parking space.
2. Provide a six (6) foot wide landscape strip along the Irma St. frontage of the parking lot.

FUNDING SOURCE

Not applicable.

RECOMMENDATION

Approval of ordinance, subject to the following conditions:

1. Provide nine (9) parking spaces including one (1) disabled parking space.
2. Provide a six (6) foot wide landscape strip along the Irma St. frontage of the parking lot.

SPECIFIC USE PERMIT APPLICATION
BEAUMONT, TEXAS
(Chapter 28, City Codes)

TO: THE PLANNING COMMISSION AND CITY COUNCIL, CITY OF BEAUMONT, TEXAS

APPLICANT'S NAME: Mark W. Whiteley & Associates, Inc.

APPLICANT'S ADDRESS: 3250 Eastex Freeway, Beaumont, Texas 77703

APPLICANT'S PHONE #: 409-892-0421 FAX #: 409-892-1346

NAME OF OWNER: Miller Shield

ADDRESS OF OWNER: 8095 Torrey Pines Circle, Beaumont, Texas 77707

LOCATION OF PROPERTY: 1795 Park Street

LEGAL DESCRIPTION OF PROPERTY:

LOT NO. W. 1/2 of Lot 8, All of Lots 9 & 10 OR TRACT _____

BLOCK NO. 5 PLAT _____

ADDITION Jersey Farm SURVEY _____

NUMBER OF ACRES 0.4133 NUMBER OF ACRES _____

For properties not in a recorded subdivision, submit a copy of a current survey or plat showing the properties proposed for a specific use permit, and a complete legal field note description.

PROPOSED USE: Retail Store ZONE: RCR

ATTACH A LETTER describing all processes and activities involved with the proposed uses.

ATTACH A SITE PLAN drawn to scale with the information listed on the top back side of this sheet.

ATTACH A REDUCED 8 1/2" X 11" PHOTOCOPY OF THE SITE PLAN.

THE EIGHT CONDITIONS listed on the back side of this sheet must be met before City Council can grant a specific use permit. PLEASE ADDRESS EACH CONDITION IN DETAIL.

ATTACH THE APPROPRIATE APPLICATION FEE:

LESS THAN 1/2 ACRE.....\$250.00
1/2 ACRE OR MORE AND LESS THAN 5 ACRES.....\$450.00
5 ACRES OR MORE.....\$650.00

I, being the undersigned applicant, understand that all of the conditions, dimensions, building sizes, landscaping and parking areas depicted on the site plan shall be adhered to as amended and approved by City Council.

SIGNATURE OF APPLICANT: [Signature] DATE: 3/26/2015

SIGNATURE OF OWNER: [Signature] DATE: 3/26/2015

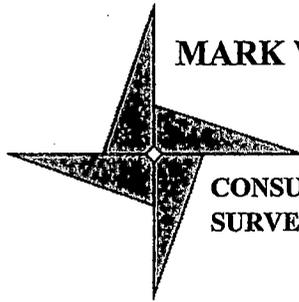
PLEASE TYPE OR PRINT AND SUBMIT TO:

CITY OF BEAUMONT
PLANNING DIVISION
801 MAIN STREET, ROOM 201
BEAUMONT, TX 77701

FILE NUMBER: 2227-P
DATE RECEIVED: 3/26/15

Phone - (409) 880-3764
Fax - (409) 880-3133

PLEASE MAKE NOTE ON REVERSE SIDE OF CONDITIONS TO BE MET REGARDING THE SITE PLAN AND LETTER OF PROPOSED USES AND ACTIVITIES.



**MARK W. WHITELEY
AND ASSOCIATES
INCORPORATED**

**CONSULTING ENGINEERS,
SURVEYORS, AND PLANNERS**

©

**P. O. BOX 5492
BEAUMONT, TEXAS 77726-5492
409-892-0421**

**3250 EASTEX FRWY.
BEAUMONT, TEXAS 77703
(FAX) 409-892-1346**

March 25, 2015

City of Beaumont
Planning Division
801 Main Street, Room 201
Beaumont, Texas 77701

ATTN.: Chris Boone

REF.: Specific Use Permit
1795 Park Street
West 1/2 of Lot 8 and All of Lots 9 & 10, Block 5
Jersey Farm

Dear Mr. Boone:

Please find attached the Specific Use Permit Application along with a site plan and the fee for the above referenced tract.

The owner proposes to use the property located at 1795 Park Street as a retail store. This site has been a commercial building since 1934. Also a specific use permit was previously applied for this location under File No. J11 dated April 19, 2010. The proposed use is the same as previously applied for.

The following comments address the eight conditions as required by the City's Specific Use Permit:

- The proposed specific use will be compatible with and not injurious to the use and enjoyment of other property, nor significantly diminish or impair property values within the immediate vicinity. This site has been a business previously.
- The establishment of the specific use will not impede the normal and orderly development and improvement of surrounding vacant property.
- There are existing adequate utilities, access roads, drainage and other necessary supporting facilities.
- As noted per the site plan the design, location and arrangement of all driveways and parking spaces provide for the safe and convenient movement of vehicular and pedestrian traffic without

adversely affecting the general public or adjacent development. We propose to improve the existing driveway. Based on the required parking we have shown a layout for 6 parking spaces.

- There will be no offensive odor, fumes, dust, noise and vibration caused by the proposed use of this building.
- There is no directional lighting proposed for this site.
- Since this is an existing building that has been on these lots many years, there is existing landscaping (trees and shrubs) on site that is compatible with the surrounding area. There is shown a proposed 6 foot wide landscape buffer adjacent to the proposed parking. This landscaping and screening will insure harmony and compatibility with adjacent property.
- The proposed use is in accordance with the Comprehensive Plan. As stated above there are currently businesses in the near vicinity of this site with similar use.

If you have any questions or need additional information please do not hesitate to call. I remain

Sincerely,



Thomas S. Rowe, PE, RPLS
Vice President

*I REQUEST A WAIVER TO THE 10' WIDE LANDSCAPE BUFFER AND
8' PRIVACY FENCE FOR THE NORTH AND EAST PROPERTY LINES.*



ORDINANCE NO.

ENTITLED AN ORDINANCE GRANTING A SPECIFIC USE PERMIT TO ALLOW A RETAIL, USED CLOTHING AND MERCHANDISE STORE IN AN RCR (RESIDENTIAL CONSERVATION REVITALIZATION) DISTRICT AT 1795 PARK STREET IN THE CITY OF BEAUMONT, JEFFERSON COUNTY, TEXAS.

WHEREAS, Mark W. Whiteley & Associates, Inc., on behalf of Miller Shield, has applied for a specific use permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street, being the west ½ of Lot 8 and all of Lots 9 & 10, Block 5, Jersey Farm, Beaumont, Jefferson County, Texas, containing 0.4133 acres, more or less, as shown on Exhibit "A," attached hereto; and,

WHEREAS, the Planning and Zoning Commission of the City of Beaumont considered the request and is recommending approval of a specific use permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street, subject to the following conditions:

- Provide nine (9) parking spaces including one (1) disabled parking space.
- Provide a six (6) foot wide landscape strip along the Irma Street frontage of the parking lot.

; and,

WHEREAS, the City Council is of the opinion that the issuance of such specific use permit is in the best interest of the City of Beaumont and its citizens;

NOW, THEREFORE, BE IT ORDAINED

BY THE CITY COUNCIL OF THE CITY OF BEAUMONT:

THAT the statements and findings set out in the preamble to this ordinance are hereby, in all things, approved and adopted; and,

Section 1.

That a specific use permit to allow a retail, used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District at 1795 Park Street, being the west ½ of Lot 8 and all of Lots 9 & 10, Block 5, Jersey Farm, Beaumont, Jefferson County, Texas, containing 0.4133 acres, more or less, as shown on Exhibit "A," is hereby granted to Miller Shield, his legal representatives, successors and assigns, as shown on Exhibit "B," attached hereto and made a part hereof for all purposes, subject to the following conditions:

- Provide nine (9) parking spaces including one (1) disabled parking space.
- Provide a six (6) foot wide landscape strip along the Irma Street frontage of the parking lot.

Section 2.

That the specific use permit herein granted is expressly issued for and in accordance with each particular and detail of the site plan attached hereto as Exhibit "B" and made a part hereof for all purposes.

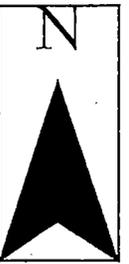
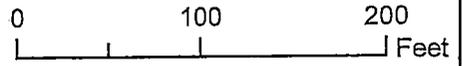
Section 3.

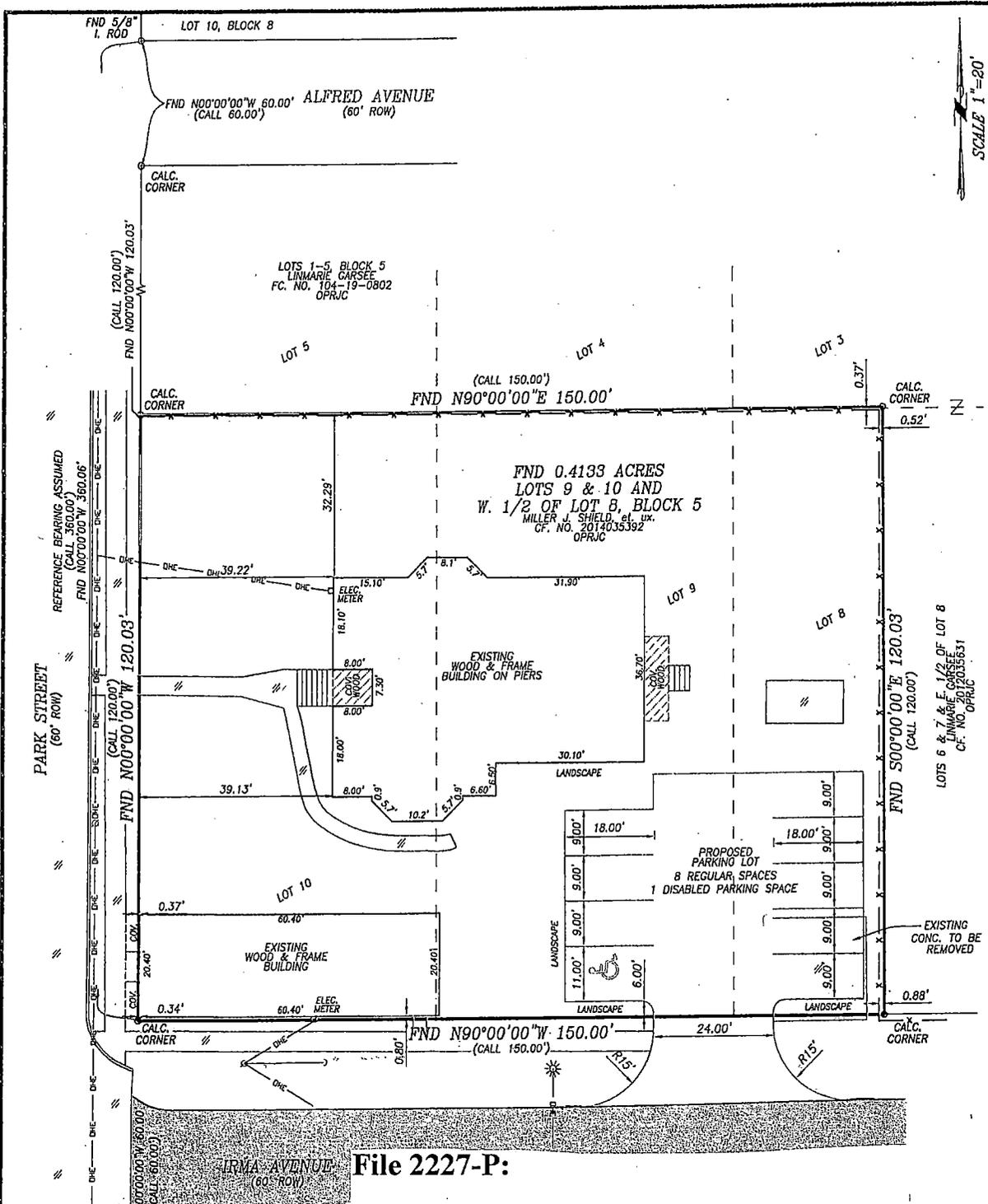
Notwithstanding the site plan attached hereto, the use of the property herein above described shall be in all other respects subject to all of the applicable regulations contained in Chapter 28 of the Code of Ordinances of Beaumont, Texas, as amended, as well as comply with any and all federal, state and local statutes, regulations or ordinances which may apply.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May, 2015.

- Mayor Becky Ames -

File 2227-P: A request for a Specific Use Permit to allow retail used clothing and merchandise store in an RCR (Residential Conservation Revitalization) District.
Location: 1795 Park Street
Applicant: Mark W. Whiteley & Associates, Inc.





File 2227-P:

1. Provide nine (9) parking spaces including (1) disabled parking space.
2. Provide a (6) foot wide landscape strip along the Irma St. frontage of the parking lot.

SITE PLAN OF
 1795 PARK STREET
 LOTS 9 & 10 AND
 W. 1/2 OF LOT 8, BLOCK 5
 JERSEY FARM
 BEAUMONT, JEFFERSON COUNTY, TEXAS

**MARK W. WHITELEY
 AND ASSOCIATES
 INCORPORATED**
 CONSULTING ENGINEERS,
 SURVEYORS, AND PLANNERS
 T.B.P.L.S. FIRM NO. 10108700 ©

P. O. BOX 5492
 BEAUMONT, TEXAS 77728-5492
 409-892-0421

3250 EASTEX FRWY.
 BEAUMONT, TEXAS 77703
 (FAX) 409-892-0421

EXHIBIT "B"

© 2015 Mark W. Whiteley & Associates, Inc.
 This document, as an instrument of professional service, is the property
 of Mark W. Whiteley & Associates, Inc. and is not to be used, reproduced,
 copied or distributed in whole or part without the written authorization of
 Mark W. Whiteley & Associates, Inc.

May 5, 2015

Consider an appeal of the Historic Landmark Commission's decision to deny the request for demolition and allow new construction at 2104 Pecos

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: ^{CSB} Chris Boone, Planning & Community Development Director

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council consider an appeal of the Historic Landmark Commission's decision to deny the request for demolition and allow new construction at 2104 Pecos.

BACKGROUND

URS, a contractor for the State's Ike Disaster Recovery Program, applied for a certificate of appropriateness on March 9, 2015, for demolition and new construction of the property at 2104 Pecos.

URS had previously applied for, and was granted a certificate of appropriateness to rehabilitate the property. Since that time, URS discovered that the property was a duplex and, according to Disaster Recovery Program rules, only one side of the structure could be rehabilitated. Their solution was to demolish the entire structure and build a new single-family residence on the property.

The Historic Landmark commission determined that the structure was in stable condition and demolition was not necessary. The certificate of appropriateness was denied by a vote of 8:0.

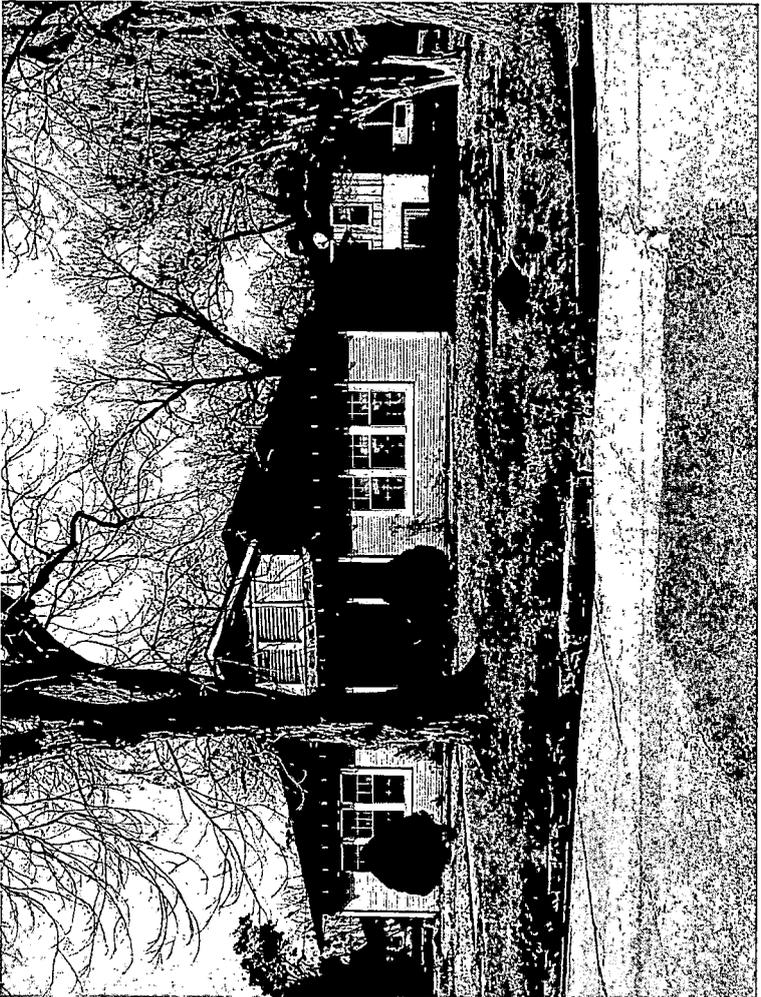
Following this decision, Planning staff issued a letter to URS, informing them of the Historic Landmark Commission's action, and informed them of their options to either appeal to City Council or rehabilitate the structure. As the rules of the program will not allow them to rehabilitate the structure, URS has elected to appeal the decision.

FUNDING SOURCE

Not applicable.

RECOMMENDATION

Denial of the appeal.





March 31, 2015

Adina Ward
City of Beaumont
Planning Division
Beaumont, TX 77701

**South East Texas Regional Planning Commission Hurricane Ike Disaster Recovery Housing Program –
Round 2: Application for Certificate of Appropriateness**

Application ID: SET205129
2104 Pecos, Beaumont, TX 77701 (Jefferson County)

Dear Ms. Ward:

On Monday March 9, 2015, the Historic Landmark Commission met to consider a request from AECOM/URS for a certificate of appropriateness for the demolition and new construction of the property at 2104 Pecos in Beaumont. This request was denied.

URS previously applied for, and was granted, a Certificate of Appropriateness for this property as a rehabilitation project in July 2014. At that time, the City of Beaumont and the Texas Historical Commission coordinated to find no adverse effect for the rehabilitation work.

Since that time, the program found that because the home is a duplex and since this is an owner-occupied program, only the interior of the one side of the duplex, which the homeowner lives in, would be eligible for the program. This would leave potential code and safety issues with not bringing the entire structure up to electrical and plumbing codes.

For these reasons, AECOM/URS has determined that the only way to serve the applicant would be to demolish the existing structure and build a new home on the same lot. Based on previous reconstruction projects in the Oaks Historic District, the plans include:

- A pier and beam foundation with a finished floor elevation 3'5" above grade
- Craftsman style columns
- Roof overhangs of 12"
- 6 over 1 windows

As with other reconstruction in the district, paint colors would be selected from the approved color palette for the Oaks Historic District and the lot would be fully sodded upon completion of construction.

Without approval for the request for Certificate of Appropriateness for the demolition and new construction of this property, the applicant's home will no longer be eligible for the program.

Attached is a signed statement from the Homeowner agreeing to the demolition and new construction of the home in order to continue to participate in the program.



If demolition and new construction is approved by the City of Beaumont City Council, AECOM/URS will then coordinate the project with the Texas Historical Commission (THC) under the terms of Section 106 of the National Historic Preservation Act as an adverse effect to historic structures and determine the appropriate mitigation of the adverse effect. At minimum, THC will review the plans for new construction and request digital photo documentation of the existing structure prior to demolition.

AECOM/URS requests the City Council to grant this appeal and approve the request for the Certificate of Appropriateness for the demolition and new construction of the property at 2104 Pecos in Beaumont.

Please let us know if you need any additional information.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Mattingly".

Jennifer Mattingly, J.D.
Deputy Project Manager
AECOM/URS

I, Carmen Gama, understand and agree that in order to participate in the SETRPC Hurricane Ike Disaster Recovery Program, my home at 2104 Pecos Street in Beaumont, Texas, will be demolished and the program will build me a new home on that site. I understand the SETRPC and URS/AECOM are seeking a Certificate of Appropriateness from the City of Beaumont to allow for the demolition of my home.

Thanks,

Carmen Gama

Carmen Gama

April 1, 2015

BEAUMONT

TEXAS

March 11, 2015

URS CORPORATION
ATTN ADRIENNE VAUGHAN CAMPBELL
1021 61ST STREET STE 700
GALVESTON TX 77551

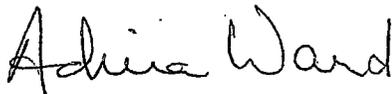
RE: CA-2472

Dear Ms. Campbell:

Please be informed that at the meeting of March 9, 2015, the Historic Landmark Commission denied CA-2472. Any appeal may be submitted to Beaumont City Council.

Enclosed is a copy of the certificate of appropriateness.

Sincerely,



Adina Ward
Planner II

Encl.

Cc: Anna Varela, Code Enforcement Officer
Katrina Purcell, Zoning Permit Coordinator
Boyd Meier, Building Official

PLANNING & COMMUNITY
DEVELOPMENT
T 409.880.3100
F 409.880.3133

PO Box 3827 | Beaumont, TX 77704
beaumonttexas.gov



APPLICATION FOR A
CERTIFICATE OF APPROPRIATENESS
BEAUMONT, TEXAS
(Chapter 30, City Codes)
(409) 880-3764
Fax: (409) 880-3133

FILE #: 2472
DATE RECEIVED: 2/19

(PLEASE TYPE OR PRINT)
PROPERTY ADDRESS 2104 Pecos

OWNER'S NAME Carmen Gama

ADDRESS OF OWNER 2104 Pecos

APPLICANT'S NAME (IF NOT OWNER) URS Corporation for SETRPC (Vicki Myers)

APPLICANT'S PHONE NUMBER 409-877-1706 FAX NUMBER _____

LEGAL DESCRIPTION: LOT NO. 12 OR TRACT _____
BLOCK NO. 9 PLAT _____
ADDITION: _____ SURVEY _____

REASON FOR REQUEST OF A CERTIFICATE OF APPROPRIATENESS: Please see attached

HAS REQUEST BEEN MADE BEFORE (Y/N) Y - different work IF YES, DATE: 7/25/14 ^{Approved 7/28/14}

TYPE OF REQUEST: PAINT _____ NEW CONSTRUCTION X DEMOLITION X
FENCING _____ MISCELLANEOUS _____

SIGNATURE OF APPLICANT/OWNER: [Signature] DATE: 2/18/15

APPROVED: YES _____ NO X

PLANNING MANAGER
Adria Ward
HISTORIC LANDMARK COMMISSION

DATE
3-11-15
DATE

COMMENTS:



February 18, 2015

Adina Ward
City of Beaumont
Planning Division
Beaumont, TX 77701

**South East Texas Hurricane Ike Disaster Recovery Housing Program-Round 2:
Application for Certificate of Appropriateness**

Application ID: *SET205129*
2104 Pecos, Beaumont, TX 77701 (Jefferson County)

Dear Ms. Ward:

URS previously applied for, and was granted, a Certificate of Appropriateness for this property as a rehabilitation project in July 2014. The house is a duplex in the Craftsman style and was coordinated with the City of Beaumont and the Texas Historical Commission as posing **no adverse effect** for the rehabilitation work.

Since this coordination, the South East Texas Regional Planning Commission has determined that although the full exterior scope of work for rehabilitation of this property is covered by the program, we will only be able to rehabilitate the interior of the owner occupied unit. Since the exterior work included foundation repairs, the foundation work will likely result in or exacerbate existing interior damage in the second unit that we will not be able to correct. We will also not be able to bring the house up to electrical and plumbing code if we are only working on half of the interior.

For these reasons, URS has determined that the best way to serve the applicant is to demolish the existing structure and build a new house on the same lot. The plans for new construction and site plan are attached. Based on previous reconstruction projects in the Oaks Historic District, the plans include:

- A pier and beam foundation with a finished floor elevation 3'5" above grade.
- Craftsman style columns
- Roof overhangs of 12"
- 6 over 1 windows

Due to the proximity of an existing two story garage apartment on the lot, the layout of the home requires the rear entrance to be located toward the rear on one of the side elevations in order to construct an ADA accessible ramp. The ramp runs to the rear of the new house with steps from the side porch landing leading toward the front.

As with other reconstruction in the district, paint colors will be selected from the approved color palette for the Oaks Historic District and that the lot be fully sodded upon completion of construction.

If demolition and new construction is approved by City of Beaumont Historic Landmark Commission, URS will then coordinate the project with the Texas Historical Commission (THC) under the terms of Section 106 of the National Historic Preservation Act as an **adverse effect** to historic structures and



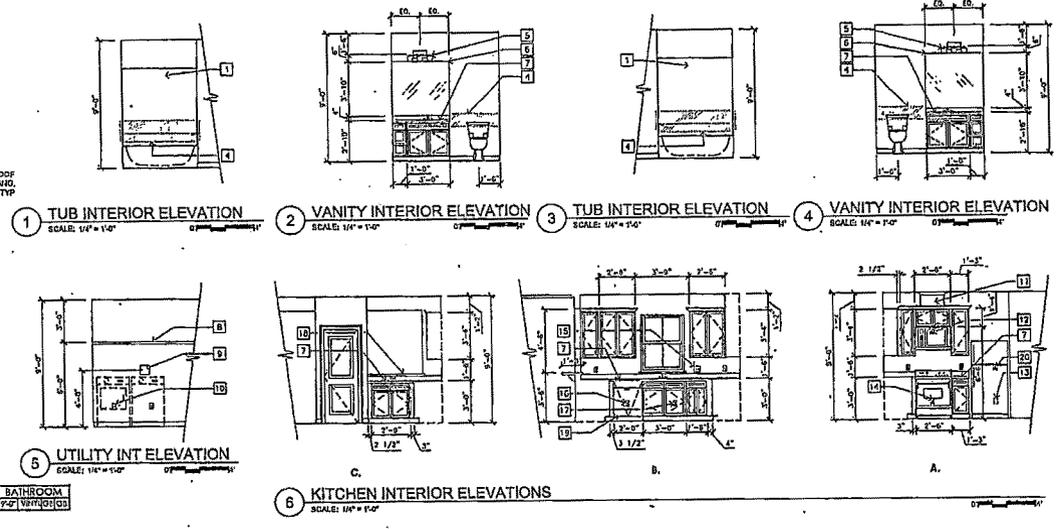
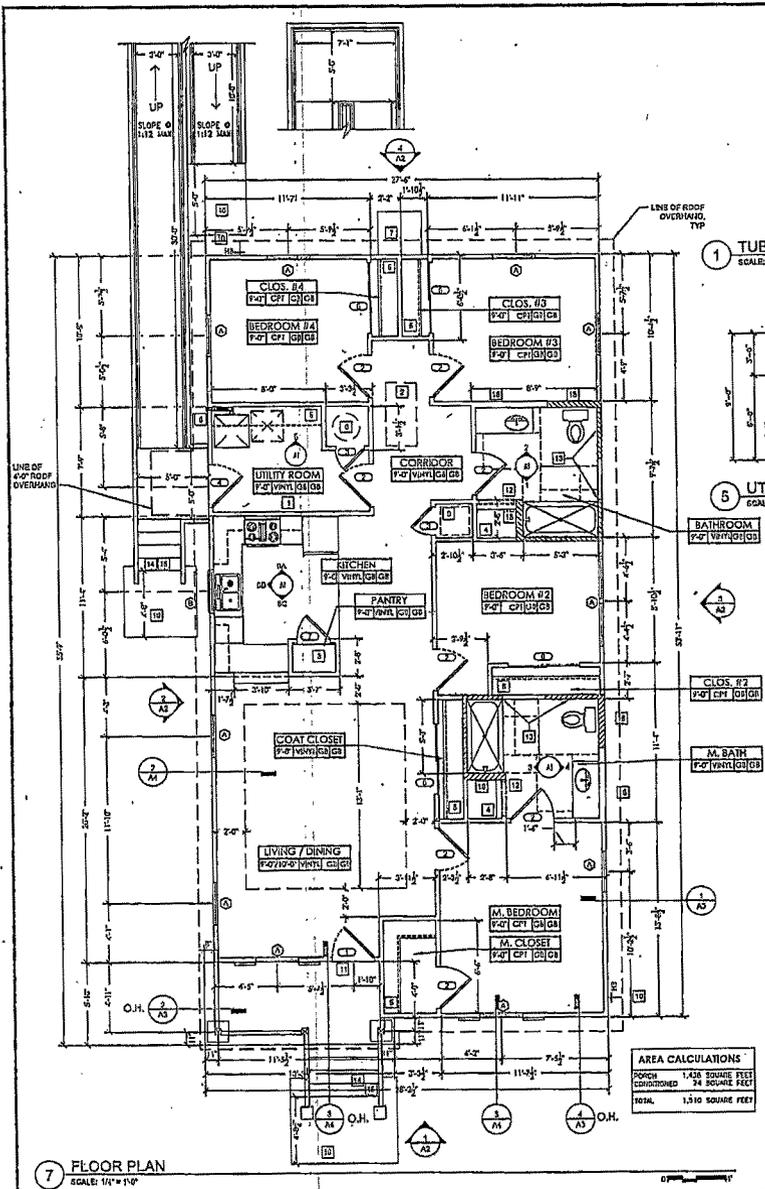
determine the appropriate mitigation of the adverse effect. At minimum, THC will review the plans for new construction and request digital photo documentation of the existing structure prior to demolition.

Please let us know if you need any additional information.

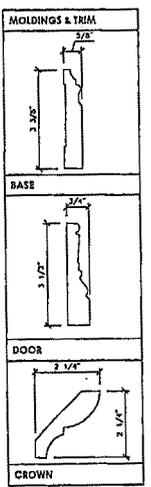
Sincerely,

A handwritten signature in black ink, appearing to read 'Adrienne Vaughan Campbell'.

Adrienne Vaughan Campbell
Senior Historic Preservation Specialist
URS Corporation



ROOM NAME	F-21	XX	F-22	XX
CEILING MATERIAL				
WALL MATERIAL				
FLOOR MATERIAL				
CEILING HEIGHT				



MATERIAL	DESCRIPTION
CPT	CARPET
F-21	VINYL FLOORING
FD	TREATED WOOD PICKING, CRUISED POOR FLOOR SOUND
SD	CITRUS BOUND, PAINTED

NOTES:
 1. REFER TO ELEVATIONS FOR FINISH DESIGN AND PATTERN.
 2. REFER TO DETAILS #242 FOR WOOD, SHED AND SILL DETAILS.

SIZE	DESCRIPTION
3'-0" x 5'-6"	VINYL SINGLE HUNG / INSULATED GLASS
3'-0" x 4'-0"	VINYL SINGLE HUNG / INSULATED GLASS
3'-0" x 3'-6"	VINYL SINGLE HUNG / INSULATED GLASS

NOTES:
 1. ALL WINDOWS SHALL HAVE A HEAD HEIGHT OF 2'-8" A.F.F.
 2. ALL WINDOWS SHALL BE DOUBLE GLAZED WITH LOW-E COATING BY THE WINDOW MANUFACTURER. WINDOW SHALL BE COMPLIANT WITH CURRENTLY ENFORCED ENERGY EFFICIENCY AND SHALL MEET DESIGN PRESSURE REQUIREMENTS. WINDOW SHALL BE 10% APPROVED.
 3. REFER TO ELEVATIONS FOR FINISH DESIGN AND PATTERN.
 4. REFER TO DETAILS #242 FOR WOOD, SHED AND SILL DETAILS.

SIZE	DESCRIPTION
3'-0" x 6'-8" x 1 3/8"	HOLLOW CORE RATED PANEL, FIBERGLASS, INSULATED, GROUND BY STAINCO
3'-0" x 8'-0" x 1 3/8"	1 RATED PANEL, MASCHITE
3'-0" x 8'-0" x 1 3/8"	2 RATED PANEL, MASCHITE
3'-0" x 6'-0" x 1 3/8"	4 RATED PANEL, FIBERGLASS, INSULATED
3'-0" x 8'-0" x 1 3/8"	2 RATED PANEL, MASCHITE
3'-0" x 8'-0" x 1 3/8"	2 RATED PANEL, MASCHITE, OPAQUE
3'-0" x 8'-0" x 1 3/8"	2 RATED PANEL, MASCHITE
3'-0" x 8'-0" x 1 3/8"	2 RATED PANEL, MASCHITE

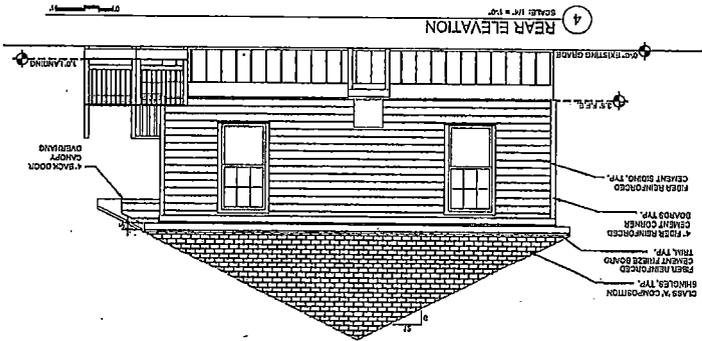
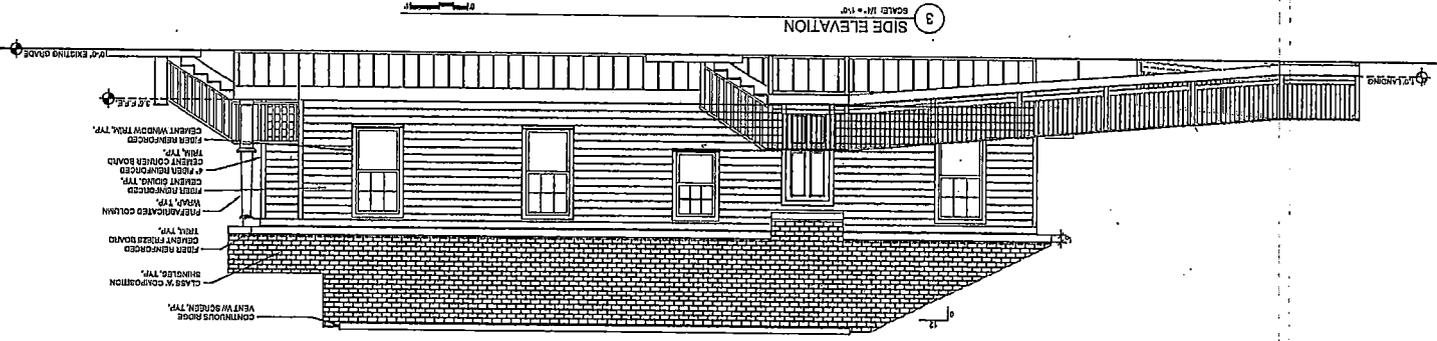
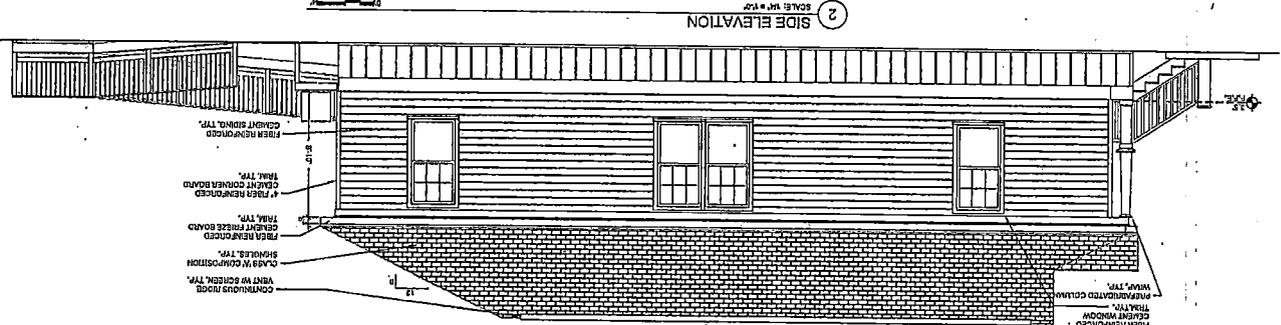
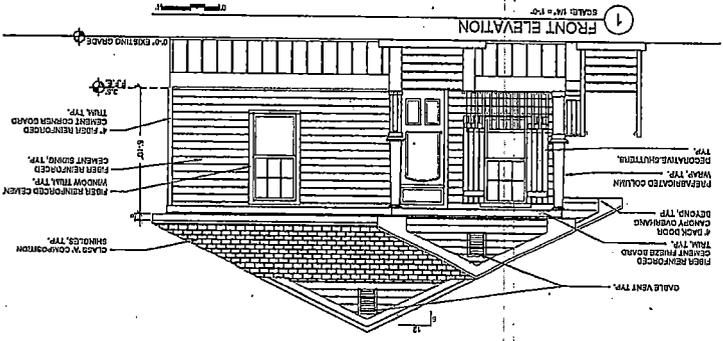
NOTES:
 1. REFER TO ELEVATIONS FOR FINISH DESIGN AND PATTERN.
 2. REFER TO DETAILS #242 FOR WOOD, SHED AND SILL DETAILS.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	
ELECTRICAL PANEL	TREATED WOOD JOIST WITH BRACKET, LOCAL COND. UNIT SUPPORT	3/4" x 1 1/2" STAINLESS STEEL GRID BAR (AS REQUIRED)	48" x 1 1/2" STAINLESS STEEL GRID BAR (AS REQUIRED)	3/4" x 3/4" WOOD STUDS CENTERED ON GRID BAR HEIGHT	WALL SCROPE	WOOD	PLASTIC LAMINATE COUNTER TOP WITH 4" SPLASH BY MICHELE, SOLID POLYMER LAMINATE COUNTER TOP BY THE MANUFACTURER	WASHING ROD x 1 1/2" DEEP WOOD SHIELD, PAINTED	WASHER WATER SUPPLY & DRAIN BOX	ELECTRICAL RECEPTACLE FOR DRYER (120V)	10" x 20" MICRO/ODD EXHAUST ENCLOSURE BY CABINET MANUFACTURER	ELECTRICAL CONNECTION FOR WASHING MACHINE	ICE MAKER CONNECTION	ELECTRICAL RECEPTACLE FOR RANGE (120V)	GARBAGE DISPOSAL & SINK LEAK SWITCH	ELECTRICAL RECEPTACLE FOR DISHWASHER	ELECTRICAL RECEPTACLE FOR GARBAGE DISPOSAL	PLASTIC LAMINATE COUNTER TOP 3/4" x 2 1/4" A.F.F.

NOTES:
 1. REFER TO ELEVATIONS FOR FINISH DESIGN AND PATTERN.
 2. REFER TO DETAILS #242 FOR WOOD, SHED AND SILL DETAILS.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
FIBERGLASS INSULATION SUBSTRATE, ADA COMPLIANT	2 1/2" x 1 1/2" STAINLESS STEEL GRID BAR (AS REQUIRED)	48" x 1 1/2" STAINLESS STEEL GRID BAR (AS REQUIRED)	3/4" x 3/4" WOOD STUDS CENTERED ON GRID BAR HEIGHT	WALL SCROPE	WOOD	PLASTIC LAMINATE COUNTER TOP WITH 4" SPLASH BY MICHELE, SOLID POLYMER LAMINATE COUNTER TOP BY THE MANUFACTURER	WASHING ROD x 1 1/2" DEEP WOOD SHIELD, PAINTED	WASHER WATER SUPPLY & DRAIN BOX	ELECTRICAL RECEPTACLE FOR DRYER (120V)	10" x 20" MICRO/ODD EXHAUST ENCLOSURE BY CABINET MANUFACTURER	ELECTRICAL CONNECTION FOR WASHING MACHINE	ICE MAKER CONNECTION	ELECTRICAL RECEPTACLE FOR RANGE (120V)	GARBAGE DISPOSAL & SINK LEAK SWITCH	ELECTRICAL RECEPTACLE FOR DISHWASHER	ELECTRICAL RECEPTACLE FOR GARBAGE DISPOSAL	PLASTIC LAMINATE COUNTER TOP 3/4" x 2 1/4" A.F.F.

NOTES:
 1. REFER TO ELEVATIONS FOR FINISH DESIGN AND PATTERN.
 2. REFER TO DETAILS #242 FOR WOOD, SHED AND SILL DETAILS.



A2

DATE ISSUED FOR: _____
 PROJECT #: 19230146
 URS Corporation
 201 S. ST.
 BEAUMONT, TX 77701

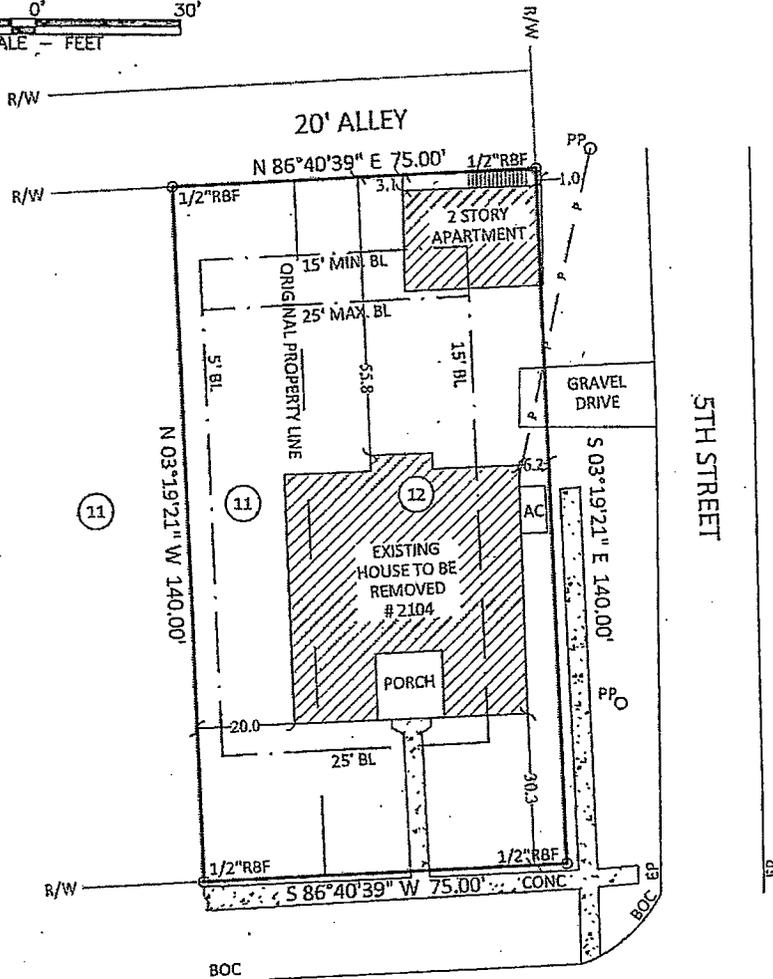
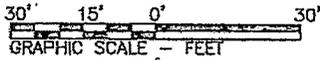
APPLICATION NUMBER: SE205129
 2104 PECOS, BEAUMONT, TX 77701
 SOUTHEAST TEXAS REGIONAL PLANNING COMMISSION
 DISASTER HOUSING RECOVERY PROGRAM

BEAUMONT, TEXAS
 URS

GENERAL NOTES

1. THIS PROPERTY IS SUBJECT TO ADDITIONAL EASEMENTS OR RESTRICTIONS OF RECORD.
2. THIS PLAT IS FOR EXCLUSIVE USE BY CLIENT. USE BY THIRD PARTIES IS AT THEIR OWN RISK.
3. DIMENSIONS FROM HOUSE TO PROPERTY LINES SHOULD NOT BE USED TO ESTABLISH FENCES.
4. THIS PLAT HAS BEEN CALCULATED FOR CLOSURE AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 1,000,000+ FEET.
5. THE FIELD DATA UPON WHICH THIS PLAT IS BASED HAS A CLOSURE PRECISION OF ONE FOOT IN 10,000 FEET AND AN ANGULAR ERROR OF 7 SECONDS PER ANGLE POINT AND WAS ADJUSTED USING THE COMPASS RULE.
6. EQUIPMENT USED: TOPCON APLI TOTAL ROBOTIC STATION.

SCALE: 1" = 30'



LEGEND:

- RBF- Rebar Found
- RBS- Rebar Set
- FP- Fence Post
- MAG NAIL- Magnetic Nail
- OTF- Open Top Pipe Found
- CTF- Crimp Top Pipe Found
- R/W- Right of Way
- BL- Building Line
- P/L- Property Line
- BOC- Back of Curb
- EP- Edge of Pavement
- DE- Drainage Easement
- SSE- Sanitary Sewer Easement
- UE- Utility Easement
- P- Power Line
- K- Fence
- D- Drainage Easement
- S- Sewer Easement
- BM- Benchmark
- AC- Air Conditioning Unit
- CB- Catch Basin
- CO- Sanitary Sewer Cleanout
- PP- Power Pole
- WM- Water Meter
- CONC- Concrete
- DK- Deck
- PAT- Patio
- POR- Porch
- S- Stoop
- BM- Benchmark

NOTE: WATER METER NOT VISIBLE

AREA: 10,500 SF ~ 0.24 ACRES

MAP VOL. 1, PAGE 122

OWNER: CARMEN GAMA (APP. # SET205129)

DEED INSTRUMENT: 2009048710

ADDRESS: 2104 PECOS STREET

GOVERNING AUTHORITY: CITY OF BEAUMONT

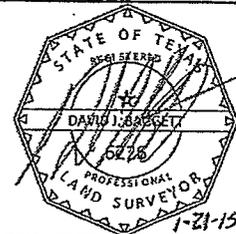
IN MY OPINION, THIS PLAT IS A CORRECT REPRESENTATION OF THE LAND PLATTED AND HAS BEEN PREPARED WITHIN THE MINIMUM STANDARDS AND REQUIREMENTS OF LAW.

SURVEY FOR:
S.E. TEXAS REGIONAL PLANNING COMMISSION

SUBDIVISION: PARKDALE ADDITION
 LOT: 12 & EAST 1/2 OF 11 BLOCK: 9
 CITY OF BEAUMONT
 JEFFERSON COUNTY, TEXAS
 FIELD WORK DATE: 01/21/2015
 DRAFTED BY: GS FIELD CREW: AS
 2015010846 SETRPC URS

CARTER LAND SURVEYORS AND PLANNERS

2780 Peachtree Industrial Boulevard
 Duluth, GA 30097
 Ph: 770.495.9793
 Toll Free: 866.637.1048
 www.carterland.com
 FIRM LICENSE: 10193759



APPLICATION FOR A
CERTIFICATE OF APPROPRIATENESS

BEAUMONT, TEXAS
(Chapter 30, City Codes)
(409) 880-3764
Fax: (409) 880-3133

FILE #: 2414
DATE RECEIVED: 7/25/14

(PLEASE TYPE OR PRINT)

PROPERTY ADDRESS 2104 Pecos

OWNER'S NAME Carmen Grama

ADDRESS OF OWNER 2104 Pecos

APPLICANT'S NAME (IF NOT OWNER) URS Corporation for SETRPC (Vicki Myers)

APPLICANT'S PHONE NUMBER 409-877-706 FAX NUMBER _____

LEGAL DESCRIPTION: LOT NO. 12 OR TRACT _____
BLOCK NO. 9 PLAT _____
ADDITION _____ SURVEY _____

REASON FOR REQUEST OF A CERTIFICATE OF APPROPRIATENESS: Please see attached

HAS REQUEST BEEN MADE BEFORE (Y/N) N IF YES, DATE: _____

TYPE OF REQUEST: PAINT NEW CONSTRUCTION _____ DEMOLITION _____
FENCING _____ MISCELLANEOUS

SIGNATURE OF APPLICANT/OWNER: [Signature] DATE: 7/25/14

APPROVED: YES NO _____

Adria Ward
PLANNING MANAGER DATE 7/28/14

HISTORIC LANDMARK COMMISSION DATE _____

COMMENTS: _____



July 24, 2014

Adina Ward
City of Beaumont
Planning Division
Beaumont, TX 77701

**South East Texas Hurricane Ike Disaster Recovery Housing Program-Round 2:
Application for Certificate of Appropriateness**

Application ID: SET205129
2104 Pecos, Beaumont, TX 77701 (Jefferson County)

Dear Ms. Ward:

URS is applying for a Certificate of Appropriateness to make repairs to the house located at 2104 Pecos in the Oaks Local Historic District. The major exterior changes proposed in the scope of work are:

- Replacement of composite shingle roof in-kind.
- Repair of siding, selective replacement to match existing where missing, deteriorated or damaged beyond repair.
- Repair of trim, selective replacement to match existing where missing, deteriorated or damaged beyond repair.
- Repair cast top plate on front porch.
- Replace rear precast concrete steps with wood stairs.
- Foundation leveling and reinforcement.
- Refurbish 1 wood door.
- Exterior painting. Colors have not been selected at this time, but homeowner will be given choice of pre-approved colors for the Oaks District.
- Light landscaping in the form of new sod and mulch.

URS is also coordinating the scope of work with the Texas Historical Commission under the terms of Section 106 of the National Historic Preservation Act. We submitted the scope to them with the determination that it would pose **no adverse effect** to historic structures, and we expect that they will concur with that determination. Under the programmatic agreement for this program, URS historic preservation staff will meet with the contractors before work begins, monitor the work during construction and document the completed work to ensure that it meets Section 106 requirements.

Any adjustments to the scope during construction that pertain to the historic preservation standards and guidelines will be brought to your attention as well as the attention of the THC for additional review.



Please let us know if you need any additional information. Please also let us know if the proposed work can be approved administratively or if we will need to present the scope at the next commission meeting.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Victoria J. Myers".

Victoria J. Myers
Historic Preservation Specialist

BEAUMONT, TEXAS HISTORIC SITES INVENTORY FORM - BEAUMONT HISTORICAL LANDMARK COMMISSION

JEF
BMT

1. County JEFFERSON
 City/Rural BEAUMONT
2. Name _____
 Address 2104 Pecos
3. Owner Baumer, Andrew Ronald
 Address 980 Lockwood Drive Beaumont, 77706-5548
4. Block/Lot Parkdale Lot 12 Block 9 SE 2-3
5. USGS Quad No. 3094-111 Site No. 872
6. Date: Factual _____ Est. c. 1930
7. Architect/Builder _____
 Contractor _____
8. Style/Type Vernacular Craftsman
9. Original Use DOMESTIC/Single Dwelling
 Present Use DOMESTIC/Multiple Dwelling

10. Description:

One story frame structure. Hip roof covered with asphalt shingles. Overhanging eaves, exposed rafters. Gable front dormer with louvered vent in gable. Two sets of three one-over-one sash. Recessed portico with two wood panel doors and two one-over-one sash. Wood porch. Brick pilasters.

11. Present Condition The roof is deteriorating. The house needs to be painted.

12. Significance:

The structure is an example of multiple housing built in the 1920's and 1930's in Beaumont.

13. Relationship to Site: Original _____ Moved _____ Date _____ (Describe Original Site) _____

14. Bibliography _____ 15. Informant _____
 16. Recorder S. Skarbowski Date 06-19-90

PHOTO DATA

Black and White 35 mm negative

YEAR	DRWR	ROLL	FRME		ROLL	FRME
90		11	28	to		



VIEW: _____

RECORDED BY: S. Skarbowski

DATE: _____

ORDINANCE NO.

ENTITLED AN ORDINANCE CONSIDERING AN APPEAL OF THE HISTORIC LANDMARK COMMISSION'S DECISION TO DENY THE REQUEST FOR DEMOLITION AND ALLOW NEW CONSTRUCTION OF 2104 PECOS STREET IN THE CITY OF BEAUMONT, JEFFERSON COUNTY, TEXAS.

WHEREAS, in July 2014 URS, a contractor for the State's Ike Disaster Recovery Program, applied for and was granted a Certificate of Appropriateness to rehabilitate property located at 2104 Pecos Street; and,

WHEREAS, URS discovered that the property was a duplex and, according to Disaster Recovery Program rules, only one side of the structure could be rehabilitated; and,

WHEREAS, on February 19, 2015, URS applied for a Certificate of Appropriateness to demolish the entire structure and build a new single-family residence on the property; and,

WHEREAS, on March 9, 2015, the Historic Landmark Commission voted 8:0 to deny the Certificate of Appropriateness for the demolition and construction of a new single-family residence at 2104 Pecos Street; and,

WHEREAS, the City Council is of the opinion that the Historic Landmark Commission's decision to deny the request for demolition and allow new construction of 2104 Pecos Street is/is not in the best interest of the City of Beaumont and its citizens;

NOW, THEREFORE, BE IT ORDAINED

BY THE CITY COUNCIL OF THE CITY OF BEAUMONT:

THAT the statements and findings set out in the preamble to this ordinance are hereby, in all things, approved and adopted; and,

THAT an appeal of the Historic Landmark Commission's decision to deny the request for demolition and allow new construction at 2104 Pecos Street is hereby granted/denied to URS, its legal representatives, successor and assigns.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May, 2015.

- Mayor Becky Ames -

PUBLIC HEARING

- * Receive comments on the Consolidated Grant Program's 2015 Annual Action Plan

May 5, 2015

Consider approving a resolution adopting the 2015 Annual Action Plan

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: ^{CJB} Chris Boone, Planning & Community Development Director

MEETING DATE: May 5, 2015

REQUESTED ACTION: Council conduct a Public Hearing to receive comments on the Public Services and Public Facilities and Improvements line items of the Consolidated Grant Program's 2015 Annual Action Plan and consider approving a resolution adopting the 2015 Annual Action Plan.

BACKGROUND

As mandated by the U. S. Department of Housing and Urban Development (HUD), City Council has conducted public hearings and work sessions in previous years prior to adopting the City's Annual Action Plan. Planning & Community Development Staff, along with the Community Development Advisory Committee (CDAC), hosted Public Hearings in order to receive public comments on the process and activities related to the Preliminary 2015 Annual Action Plan.

Attached is the proposed 2015 Action Plan and budget that will be submitted to HUD for approval. Also attached is the detailed listing of Public Services, Public Facilities and Improvements and Homeless Set-Aside applicants, the recommendations by the CDAC and the recommendations of the Administration.

The proposed budget reflects allocations of \$1,292,249 in Community Development Block Grant (CDBG) funding, an estimated \$100,000 in Program Income and \$362,648 in HOME funding.

FUNDING SOURCE

U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant and HOME Investment Partnership Grant funds.

RECOMMENDATION

Council conduct the Public Hearing and approve the resolution.

**Summary of Proposed Activities
Submitted for 2015 CDBG Funding**

AARP/Experience Corp. **\$20,000**

Funding will be used to reimburse the salaries of staff/tutors that participate in a mentoring and tutoring program for BISD elementary school students from low/moderate income households.

Anayat House, Inc. **\$8,500**

Funding will be used to reimburse the utility expenses (electrical, gas and water) for the medical hospitality house that accommodates families during medical crisis. 57% of the guests are from low/moderate income households and are unable to pay the nominal nightly suggested donation of \$20.00.

CASA **\$20,000**

Funding will be used to reimburse the costs to rehabilitate their office building. This agency serves as an advocate for children who have entered the foster care system due to abuse, neglect or abandonment.

Catholic Charities **\$9,275**

Funding will be used to reimburse the cost to provide a free income tax preparation services through the Volunteer Income Tax Assistance (VITA) Program of their Asset Building Case Management Program. These expenses include but are not limited to personnel costs, allocated management and general expenses, printing, materials and supplies, and volunteer training.

Child Abuse and Forensic Services **\$20,000**

Funding will be used to reimburse a portion of salary costs associated with the on call services and examinations provided to low/moderate income victims of sexual assault after hours and weekends.

Family Services of Southeast Texas - (HOMELESS PROVIDER) **\$20,000**

Funding will be used to reimburse operating expenses, including care of building and grounds, utilities, office supplies and household supplies for the shelter that houses victims of domestic abuse and their children.

Girl's Haven/The Ehrhart School **\$10,947**

Funding will be used to purchase a 16' x 24' portable stage that will enhance the overall educational experience of our students that are economically disadvantaged.

Henry's Place/Some Other Place – (HOMELESS PROVIDER) **\$16,000**

Funding will be used to pay for operational costs at a facility that serves homeless, mentally disabled persons. Costs to include: assistance with utility bills, repair/maintenance of equipment, office/custodial supplies, salaries and professional fees.

Hope Women's Resource Clinic **\$23,915**

Funding will be used to purchase and replace seven (7) air conditioning units for the clinic that provides services to low to moderate income clients that that are in a crisis or unplanned pregnancy.

I.E.A. (Inspire, Encourage, Achieve) **\$10,000**

Funding will be used to pay for transportation expenses associated with transporting youth to weekly individual group mentoring sessions, supplies for job training sessions, and uniform attire for youth to wear during site visits to businesses that provide opportunities for youth to acquire job readiness skills. These youth are under the supervision of the Jefferson County Juvenile Probation Department and are at-risk of delinquency.

Julie Roger's Gift of Life Program **\$10,000**

Funding will be used to purchase educational literature and materials, anti-smoking curriculum and presentation materials, literature outreach bags, healthy lifestyles flyers and pamphlets for youth, and nutrition tips to a healthier life and items to facilitate healthy behavior reaching low to moderate income youth and other individuals.

Nutrition and Services for Seniors **\$20,000**

Funding will be used to reimburse a portion of the purchase of a meal delivery van for the Meals on Wheels Program which provides a hot meal to the homebound senior citizens of our community that are low to moderate income.

S.I.S.T.A.S. **\$18,180**

Funding will be used to purchase food, personal clothing items (gloves, hats, socks, sweaters, coats, scarves blankets/throws) for the homeless population during the colder winter months and to provide assistance with utility bills for the low to moderate income individuals.

Steps Along The Way Community Development Center

\$7,500

Funding will be used to purchase computers, science and mathematics software that will be used for a program that will tutor and/or train students from low to moderate income households.

Southeast Texas Family Resource Center

\$20,000

Funding will be used to facilitate an after-school and summer enrichment program, building and vehicle maintenance costs and repairs, supplies for the Jazzy Seniors Program, costs to include (health screenings, family activity nights, food distribution, and resource referrals, kitchen supplies, and paper/plastic goods). Funding will also enhance educational programs, computer literacy (ink/paper, educational & learning software and copier machine toner), GED library (books, books on tape, music and equipment). All services provided to benefit the low to moderate income areas of Beaumont.

Southeast Texas Food Bank

\$8,530

Funding will be used to purchase food that will be distributed to low to moderate income diabetic clients in Beaumont. This program will provide food designed to emphasize healthy eating alternatives such as low sodium, low sugar, and whole wheat substitutes. Funding will also help to partially pay for the quarterly stipend (\$750) required of agencies accepting placement of a VISTA worker through Feed Texas.

Spindletop Center

\$5,550

Funding will be used to purchase monthly and daily passes for consumers to use with the Beaumont Municipal Transit Service. The consumers are low to moderate income and suffer from mental health issues, substance abuse and intellectual developmental disabilities and need transportation to and from treatment centers and personal business appointments.

Tender Loving Care/Legacy CDC

\$20,000

Funding will be used to cover the costs of the 8 hour certification course required for 1st Time Homebuyers and portion of the salary for a full time Counselor to provide hands on financial and credit counseling to low income families and residents of Beaumont that desire to purchase a permanent home.

The H.O.W. Center –

\$12,750

Funding will be used to renovate a facility that houses and provides educational opportunities, job training and other services to low to moderate income men who are recovering from substance and/or alcohol addiction. Project consists of replacing the existing A/C and heating units for Dorm #1, #2, and #3.

The Salvation Army -

\$36,000

Funding will be used to assist clients with rent and utility payments, shelter food and transportation costs for the shelter that houses homeless individuals and families.

YWCA Beaumont

\$20,000

Funding will be used to assist middle and high schools students with reading and math comprehension issues through the D.I.A.L. Program. Costs to include: program supplies, classroom rental costs, printing costs, snacks, and a portion of the tutors' salaries.

CDBG 2015 Applicants for Public Services/Public Facilities

Community Public Services/Housing/Educational



Public Facilities

1. AARP/EXPERIENCE CORP. \$20,000

Funding will be used to reimburse the salaries of staff/tutors that participate in a mentoring and tutoring program for BISD elementary school students from low/moderate income households.

2. ANAYAT HOUSE, INC \$8,500

Funding will be used to reimburse the utility expenses (electrical, gas, and water) for the medical hospitality house that accommodates families during medical crisis. 57% of the guests are from low/moderate income households and are unable to pay the nominal nightly suggested donation of \$20.00.

3. CASA \$20,000

Funding will be used to reimburse the costs to rehabilitate their office building. This agency serves as an advocate for children who have entered the foster care system due to abuse, neglect or abandonment.

4. CATHOLIC CHARITIES \$9,275

Funding will be used to reimburse the cost to provide a free income tax preparation services through the Volunteer Income Tax Assistance (VITA) Program of their Asset Building Case Management Program. These expenses include but are not limited to personnel costs, allocated management and general expenses, printing, materials and supplies, and volunteer training.

5. CHILD ABUSE AND FORENSIC SERVICES \$20,000

Funding will be used to reimburse a portion of salary costs associated with the on call services and examinations provided to low/moderate income victims of sexual assault after hours and weekends.

6. FAMILY SERVICES OF SOUTHEAST TEXAS \$20,000

Funding will be used to reimburse operating expenses, including care of building and grounds, utilities, office supplies and household supplies for the shelter that houses victims of domestic abuse and their children.

7. GIRL'S HAVEN/THE EHRHART SCHOOL \$10,947

Funding will be used to purchase a 16' x 24' portable stage that will enhance the overall educational experience of our students that are economically disadvantaged.

8. HENRY'S PLACE/SOME OTHER PLACE \$16,000

Funding will be used to pay for operational costs at a facility that serves homeless, mentally disabled persons. Costs to include: assistance with utility bills, repair /maintenance of equipment, office/custodial supplies, salaries and professional fees.

9. HOPE WOMEN'S RESOURCE CLINIC \$23,915

Funding will be used to purchase and replace seven (7) air conditioning units for the clinic that provides services to low to moderate income clients that are in a crisis or unplanned pregnancy.

10. I.E.A. (INSPIRE, ENCOURAGE, ACHIEVE) \$10,000

Funding will be used to pay for transportation expenses associated with transporting youth to weekly individual group mentoring sessions, supplies for job training

sessions, and uniform attire for youth to wear during site visits to businesses that provide opportunities for youth to acquire job readiness skills. These youth are under the supervision of the Jefferson County Juvenile Probation Department and are at-risk of delinquency.

11. JULIE ROGER'S GIFT OF LIFE PROGRAM \$10,000

Funding will be used to purchase educational literature and materials, anti-smoking curriculum and presentation materials, literature outreach bags, healthy lifestyles flyers and pamphlets for youth, and nutrition tips to a healthier life and items to facilitate healthy behavior reaching low to moderate income youth and other individuals.

12. NUTRITION AND SERVICES FOR SENIORS \$20,000

Funding will be used to reimburse a portion of the purchase of a meal delivery van for the Meals on Wheels Program which provides a hot meal to the homebound senior citizens of our community that are low to moderate income.

13. S.I.S.T.A.S. \$18,180

Funding will be used to purchase food, personal clothing items (gloves, hats, socks, sweaters, coats, scarves, and blankets/throws) for the homeless population during the colder winter months and to provide assistance with utility bills for the low to moderate income individuals.

14. STEPS ALONG THE WAY COMMUNITY DEVELOPMENT CENTER \$7,500

Funding will be used to purchase computers, science and mathematics software that will be used for a program that will tutor and/or train students from low to moderate income households.

15. SETX FAMILY RESOURCE CENTER \$20,000

Funding will be used to facilitate an after-school and summer enrichment program, building and vehicle maintenance costs and repairs, supplies for the Jazzy Seniors Program, costs to include (health screenings, family activity nights, food distribution, and resource referrals, kitchen supplies, and paper/plastic goods). Funding will also enhance educational programs, computer literacy (ink/paper, educational & learning

CDBG 2015 Applicants for Public Services/Public Facilities

Community Public Services/Housing/Educational



software and copier machine toner), GED library (books, books on tape, music and equipment). All services provided to benefit the low to moderate income areas of Beaumont.

16. SOUTHEAST TEXAS FOOD BANK

\$8,530

Funding will be used to purchase food that will be distributed to low to moderate income diabetic clients in Beaumont. This program will provide food designed to emphasize healthy eating alternatives such as low sodium, low sugar, and whole wheat substitutes. Funding will also help to partially pay for the quarterly stipend (\$750) required of agencies accepting placement of a VISTA worker through Feed Texas.



17. SPINDLETOP CENTER

\$5,550

Funding will be used to purchase monthly and daily passes for consumers to use with the Beaumont Municipal Transit Service. The consumers are low to moderate income and suffer from mental health issues, substance abuse and intellectual developmental disabilities and need transportation to and from treatment centers and personal business appointments.

18. Tender Loving Care/Legacy CDC

\$20,000

Funding will be used to cover the costs of an 8 hour certification course required for the 1st Time Homebuyers Program. Also, a portion of the salary for a full time Counselor who will provide hands on financial and credit counseling to low income families and residents of Beaumont that desire to purchase a home.

19. The H.O. W. Center

\$12,750

Funding will be used to purchase new A/C and heating units to replace the old, worn out existing unit at a facility that houses and provides educational opportunities, job training and other services for low to moderate income men who are recovering from substance and/or alcohol addiction. Project will replace the existing A/C and heating units for Dorm #1, #2, and #3.

20. THE SALVATION ARMY

\$36,000

Funding will be used to assist clients with rent and utility payments, shelter food and transportation costs for the shelter that houses homeless individuals and families.

21. YWCA BEAUMONT

\$20,000

Funding will be used to assist middle and high school students with reading and math comprehension issues through the D.I.A.L. Program. Costs to include: program supplies, classroom rental costs, printing costs, snacks, and a portion of the tutors' salaries.

Public Facilities



RESOLUTION NO.

BE IT RESOLVED BY THE CITY COUNCIL OF THE

CITY OF BEAUMONT:

THAT the City Council hereby adopts the HUD Consolidated Grant Program's 2015 Action Plan, as well as the budget of the Action Plan in the amount of \$1,754,897. The Plan is substantially in the form attached hereto as Exhibit "A" and made a part hereof for all purposes.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May, 2015.

- Mayor Becky Ames -

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	2015 <u>Budget</u>
HOUSING	
Minor Repair Administration Funds will be used for personnel and operating expenses necessary for compliance with the planning, execution, and regulatory requirements associated with the implementation of the Minor Repair grant program.	50,000
Minor Repair Funds will be used for the minor repair of homes at a maximum of \$6,500 each. Funding will be used to assist low/moderate income persons, primarily elderly and disabled.	49,249
CLEARANCE AND DEMOLITION Funds will be used to demolish unsafe, unsanitary and uninhabitable residential structures located in low to moderate income areas.	70,000
PUBLIC FACILITY & IMPROVEMENT Section 108 Loan Repayment for: Hotel Beaumont; Crocket Street; Jefferson Theater; Theodore R. Johns, Jr. Library; L.L. Melton YMCA	800,000
PUBLIC SERVICES Public Service Organizations Funds will be used for administrative and operating costs for various public service organizations that provide services to low/moderate income citizens.	65,000
ADMINISTRATION Funds will be used for personnel and operating expenses necessary for compliance with the planning, execution, and regulatory requirements associated with the implementation of the HUD Consolidated Grant Program.	258,000
TOTAL ENTITLEMENT	1,292,249
Program Income Small Business Loan Historic Preservation Loan Fund Clearance and Demolition *Program Income is Estimated	100,000
TOTAL CDBG	<u>1,392,249</u>

HOME	2015 <u>Budget</u>
AFFORDABLE HOUSING PROGRAM	
Funds will be awarded to a non-profit housing development organization that will assist low/moderate income families in the process of acquiring a home (down payments assistance/closing costs, and mortgage buy downs).	
HOME ADMINISTRATION	36,265
CHDO OPERATING (5%)	18,132
(Community Housing Development Organization Operating)	
CHDO RESERVE (15%)	54,397
(Community Housing Development Organization Reserve)	
ENTITLEMENT (70%)	253,854
TOTAL HOME	362,648

2015 CONSOLIDATED BLOCK GRANT PROGRAM APPLICATIONS
 Public Services/Public Facilities & Improvements/Emergency Shelter Set-Aside

<u>ORGANIZATION</u>	<u>AMOUNT REQUESTED</u>	<u>CDAC RECOMMENDATIONS</u>	<u>ADMINISTRATION RECOMMENDATIONS</u>	<u>CITY COUNCIL RECOMMENDATIONS</u>
<u>PUBLIC SERVICES</u>				
1. AARP/Experience Corp	\$20,000.00	\$0.00	\$0.00	\$0.00
2. Anayat House, Inc.	\$8,500.00	\$0.00	\$0.00	\$0.00
3. Catholic Charities of Southeast Texas	\$9,275.00	\$0.00	\$0.00	\$0.00
4. Child Abuse & Forensic Services	\$20,000.00	\$0.00	\$0.00	\$0.00
5. Girls Haven Inc.	\$10,947.00	\$0.00	\$0.00	\$0.00
6. IEA - Inspire, Encourage, Achieve	\$10,000.00	\$9,285.71	\$9,285.71	\$0.00
7. Julie Roger's "Gift for Life"	\$10,000.00	\$9,285.71	\$9,285.71	\$0.00
8. Nutrition and Services for Seniors	\$20,000.00	\$9,285.71	\$9,285.71	\$0.00
9. S.I.S.T.A.S.	\$18,180.00	\$0.00	\$0.00	\$0.00
10. Steps Along The Way CDC	\$7,500.00	\$0.00	\$0.00	\$0.00
11. Southeast Texas Family Resource Center	\$20,000.00	\$10,041.45	\$10,041.45	\$0.00
12. Southeast Texas Food Bank	\$8,530.00	\$8,530.00	\$8,530.00	\$0.00
13. Tender Loving Care/Legacy CDC	\$20,000.00	\$0.00	\$0.00	\$0.00
14. YWCA Beaumont	\$20,000.00	\$0.00	\$0.00	\$0.00
Total Public Services	\$202,932.00	\$46,428.58	\$46,428.58	\$0.00
<u>PUBLIC FACILITIES AND IMPROVEMENTS</u>				
15. CASA	\$20,000.00	\$0.00	\$0.00	\$0.00
16. HOPE Women's Resource Clinic	\$23,915.00	\$0.00	\$0.00	\$0.00
17. Spindletop Center	\$5,550.00	\$0.00	\$0.00	\$0.00
18. The H.O.W. Center	\$12,750.00	\$0.00	\$0.00	\$0.00
Total Public Facilities and Improvements	\$62,215.00	\$0.00	\$0.00	\$0.00
<u>HOMELESS/SET-ASIDE</u>				
19. Family Services of Southeast Texas	\$20,000.00	\$9,285.71	\$9,285.71	\$0.00
20. Henry's Place/Some Other Place	\$16,000.00	\$9,285.71	\$9,285.71	\$7,954.00
21. The Salvation Army	\$36,000.00	\$0.00	\$0.00	\$0.00
Total Homeless/Set-Aside	\$72,000.00	\$18,571.42	\$18,571.42	\$7,954.00
<u>TOTAL AMOUNT REQUESTED FOR ALL FUNDING</u>	<u>\$337,147.00</u>	<u>\$65,000.00</u>	<u>\$65,000.00</u>	<u>\$7,954.00</u>

As of 3/24/15

PUBLIC HEARING

* Dangerous Structures

May 5, 2015

Consider an ordinance declaring certain structures to be dangerous structures and ordering their removal within 10 days or authorizing the property owner to enroll the dangerous structure in a work program

BEAUMONT

TEXAS

TO: City Council

FROM: Kyle Hayes, City Manager

PREPARED BY: ^{CSB} Chris Boone, Planning & Community Development Director

MEETING DATE: May 5, 2015

REQUESTED ACTION: City Council, after conducting a public hearing, consider an ordinance to declare the following sixty-six (66) structures to be unsafe structures and order the owners to raze the said structures within ten (10) days. If the property owner fails to comply within ten (10) days, staff is requesting City Council authorization to demolish these structures without further notification to the property owner or City Council action. Additionally, if the property owner of a structure requests and is authorized by City Council to enroll in a work program, all delinquent taxes shall be paid in full or a payment plan shall be established prior to enrollment in the work program. Enrollment in the work program shall occur within ten days after the effective date of this ordinance.

1. 3410 Astor – All structures	2. 4299 Avenue A (garages only)
3. 1505 Avenue E & shed	4. 1025 Avenue G (garage apt. only)
5. 1525 Avenue H	6. 9285 Baker (shed only)
7. 1398 Bradley	8. 2344 Broadway & garage apartment
9. 1590 Brockman	10. 1465 Burt
11. 1871 Cartwright	12. 270 E Chapin & carport
13. 2460 Coast & shed	14. 2047 Corley & shed

15. 1458 Edwin & shed	16. 1165 Elgie
17. 1433 Emile & shed	18. 1610 Euclid & carport
19. 1930 Euclid	20. 345 Garland
21. 3505 Glenwood	22. 3535 Glenwood (aux. bldg. only)
23. 758 Goliad (garage apt. only)	24. 4135 Grandberry (garage only)
25. 4195 Grandberry & garage	26. 4335 Grandberry (garage apt only)
27. 3030 Gulf (front structure)	28. 2330 Harriot
29. 4630 Hartel	30. 8055 Helbig
31. 4736 Highland (commercial)	32. 1150 Houston
33. 4025 Howard & garage	34. 1385 Howell & shed
35. 2495 Jirou	36. 4396 Kenneth
37. 2270 Leight	38. 2298 Linson (garage apartment)
39. 2420 N. Lynwood	40. 2490 N. Lynwood
41. 2695 S. Major (rear house)	42. 3750 Marie
43. 3870 Marie	44. 2185 May (garage apartment only)
45. 2371 Monroe	46. 2085 Nora
47. 3945 Octavia	48. 2440 Omaha
49. 2478 Park	50. 4740 Park
51. 3595 Pine	52. 1207 Plum (garage apartment & shed)
53. 1135 Powell	54. 2195/97 Rusk (duplex)
55. 5250 Seale (garage only)	56. 419 N. 7 th (front structure only)
57. 186 Stratton	58. 2555 Sweet Gum (apartment complex)

59. 3375 Timberwood (garage only)	60. 695 Threadneedle & garage
61. 2296 Victoria (garage only)	62. 525 E. Virginia
63. 3820 Waco (rear two story bldg only)	64. 3840 Waco
65. 2210 Washington (auxiliary bldg only)	66. 2124 Wilson & shed

BACKGROUND

These structures have been inspected by the Building Codes Division and found to be unsafe structures as defined by the City of Beaumont's Code of Ordinances, Chapter 24, Article 24.04 Unsafe Substandard Structures, Division 1, Sec. 14.04.001 of the 2009 International Property Maintenance Code. Additionally, these structures have deteriorated to a condition that they are no longer considered suitable for repair.

FUNDING SOURCE

Sources may include General funds and Community Development Block Grant (CDBG) funding.

RECOMMENDATION

Approval of the ordinance.

ORDINANCE NO.

ENTITLED AN ORDINANCE FINDING CERTAIN STRUCTURES TO BE PUBLIC NUISANCES AND ORDERING THEIR DEMOLITION AND REMOVAL OR REPAIR; PROVIDING FOR SEVERABILITY AND PROVIDING FOR A PENALTY.

BE IT ORDAINED BY THE CITY OF BEAUMONT:

Section 1.

That the City Council of the City of Beaumont hereby finds and declares the buildings located at:

1. 3410 Astor – All structures	2. 4299 Avenue A (garages only)
3. 1505 Avenue E & shed	4. 1025 Avenue G (garage apt. only)
5. 1525 Avenue H	6. 9285 Baker (shed only)
7. 1398 Bradley	8. 2344 Broadway & garage apartment
9. 1590 Brockman	10. 1465 Burt
11. 1871 Cartwright	12. 270 E Chapin & carport
13. 2460 Coast & shed	14. 2047 Corley & shed
15. 1458 Edwin & shed	16. 1165 Elgie
17. 1433 Emile & shed	18. 1610 Euclid & carport
19. 1930 Euclid	20. 345 Garland
21. 3505 Glenwood	22. 3535 Glenwood (aux. bldg. only)
23. 758 Goliad (garage apt. only)	24. 4135 Grandberry (garage only)
25. 4195 Grandberry & garage	26. 4335 Grandberry (garage apt only)
27. 3030 Gulf (front structure)	28. 2330 Harriot
29. 4630 Hartel	30. 8055 Helbig
31. 4736 Highland (commercial)	32. 1150 Houston
33. 4025 Howard & garage	34. 1385 Howell & shed
35. 2495 Jirou	36. 4396 Kenneth

37. 2270 Leight	38. 2298 Linson (garage apartment)
39. 2420 N. Lynwood	40. 2490 N. Lynwood
41. 2695 S. Major (rear house)	42. 3750 Marie
43. 3870 Marie	44. 2185 May (garage apartment only)
45. 2371 Monroe	46. 2085 Nora
47. 3945 Octavia	48. 2440 Omaha
49. 2478 Park	50. 4740 Park
51. 3595 Pine	52. 1207 Plum (garage apartment & shed)
53. 1135 Powell	54. 2195/97 Rusk (duplex)
55. 5250 Seale (garage only)	56. 419 N. 7 th (front structure only)
57. 186 Stratton	58. 2555 Sweet Gum (apartment complex)
59. 3375 Timberwood (garage only)	60. 695 Threadneedle & garage
61. 2296 Victoria (garage only)	62. 525 E. Virginia
63. 3820 Waco (rear two story bldg only)	64. 3840 Waco
65. 2210 Washington (auxiliary bldg only)	66. 2124 Wilson & shed

to be public nuisances in that said buildings violate Chapter 24, Article 24.04, Section 24.04.001 of the Code of Ordinances of the City of Beaumont and are for want of repairs, or by reason of age or dilapidated, decayed, unsafe or unsanitary condition, or otherwise unfit for human habitation, or otherwise likely to endanger the health, safety or general welfare of the citizens of the City.

Section 2.

In accordance with Article XVII, Section 2, of the Charter of the City of Beaumont, Chapter 24, Article 24.04 of the Code of Ordinances of Beaumont, Texas, it is hereby ordered that the owner or owners of the above described buildings demolish and remove said structures within ten (10) days of the effective date of this ordinance.

If the property owner(s) fail(s) to comply within ten (10) days, Council orders that the property be demolished without further notification to the property owners or City Council action.

Section 3.

That if any section, subsection, sentence, clause or phrase of this ordinance, or the application of same to a particular set of persons or circumstances should for any reason be held to be invalid, such invalidity shall not affect the remaining portions of this ordinance, and to such end the various portions and provisions of this ordinance are declared to be severable.

Section 4.

That any person who violates any provision of this ordinance shall, upon conviction, be punished as provided in Section 1.01.009 of the Code of Ordinances of Beaumont, Texas.

PASSED BY THE CITY COUNCIL of the City of Beaumont this the 5th day of May, 2015.

- Mayor Becky Ames