



Elia Garcia
Mayor

Rene Rodriguez
At Large

Cesar Nevarez
District 1/Mayor ProTem

Ralph Duran
District 2

Victor Perez
District 3

Yvonne Colon-Villalobos
District 4

Adriana Rodarte
City Manager

**NOTICE OF REGULAR COUNCIL MEETING
OF THE CITY COUNCIL
OF THE
CITY OF SOCORRO**

.....
THE FACILITY IS WHEELCHAIR ACCESSIBLE AND ACCESSIBLE PARKING SPACES ARE AVAILABLE. REQUESTS FOR ACCOMMODATION FOR INTERPRETIVE SERVICES MUST BE MADE 48 HOURS PRIOR TO THIS MEETING. PLEASE CONTACT THE CITY CLERK’S OFFICE AT (915) 858-2915 FOR FURTHER INFORMATION.

SUPPLEMENTAL NOTICE OF MEETING BY VIRTUAL SERVICES

IN ACCORDANCE WITH ORDER OF THE OFFICE OF THE GOVERNOR ISSUED MARCH 16, 2020, THE CITY COUNCIL OF THE CITY OF SOCORRO WILL CONDUCT THE MEETING SCHEDULED FOR THURSDAY SEPTEMBER 17, 2020 AT 6:00 PM BROADCASTED FROM CITY CHAMBERS AT CITY HALL CHAMBERS 860 RIO VISTA., RD. SOCORRO, TEXAS VIA TELEPHONE CONFERENCE AND LIVED STREAMED IN ORDER TO ADVANCE THE PUBLIC HEALTH GOAL OF LIMITING THE NUMBER OF PEOPLE PHYSICALLY PRESENT AT OUR LOCATION (ALSO CALLED “SOCIAL DISTANCING”) TO SLOW THE SPREAD OF THE CORONAVIRUS (COVID-19). THERE WILL BE NO PUBLIC ACCESS TO THE LOCATION DESCRIBED BELOW.

THIS WRITTEN NOTICE, THE MEETING AGENDA, AND THE AGENDA PACKET, ARE POSTED ONLINE AT [HTTP://CL.SOCORRO.TX.US/CITY-CLERK-PUBLIC-NOTICE](http://cl.socorro.tx.us/city-clerk-public-notice) THE PUBLIC CAN ACCESS THE MEETING BY CALLING TOLL FREE-NUMBER 844-854-2222 ACCESS CPDE 323610.

THE PUBLIC MUST CALL IN 844-854-2222 ACCESS CODE 323610 BY 5:30 PM MOUNTAIN STANDARD TIME (MST) ON SEPTEMBER 17, 2020 TO SIGN UP FOR PUBLIC COMMENT AND THE AGENDA ITEM THEY WISH TO COMMENT ON. THE PUBLIC THAT SIGNED UP TO SPEAK WILL BE CALLED UPON BY THE PRESIDING OFFICER DURING THE MEETING.

-
1. Call to order
 2. Pledge of Allegiance and a Moment of Silence

3. Establishment of Quorum

PUBLIC COMMENT

- 4. Public Comment** (The maximum time for public comment will be 30 minutes and three minutes will be allotted for each speaker. Government Code 551.042 allows for responses by city council to be a statement of specific factual information given in response to the inquiry; or a recitation of existing policy in response to the inquiry; or a decision to add the public comment to a future agenda.)

NOTICE TO THE PUBLIC

ALL MATTERS LISTED UNDER THE CONSENT AGENDA, INCLUDING THOSE ON THE ADDENDUM TO THE AGENDA, WILL BE CONSIDERED BY THE CITY COUNCIL TO BE ROUTINE AND WILL BE ENACTED BY ONE MOTION. THERE WILL BE NO SEPARATE DISCUSSION ON THESE ITEMS UNLESS CITY COUNCIL MEMBERS REMOVE SPECIFIC ITEMS FROM THE CONSENT AGENDA TO THE REGULAR AGENDA FOR DISCUSSION PRIOR TO THE TIME THE CITY COUNCIL MEMBERS VOTE ON THE MOTION TO ADOPT THE CONSENT AGENDA.

ITEMS REMOVED FROM THE CONSENT AGENDA TO THE REGULAR AGENDA WILL BE CONSIDERED BY THE CITY COUNCIL AFTER ACTING ON THE CONSENT AGENDA.

ANY MATTERS LISTED ON THE CONSENT AGENDA AND THE REGULAR AGENDA MAY BE DISCUSSED IN EXECUTIVE SESSION AT THE OPTION OF THE CITY OF SOCORRO CITY COUNCIL FOLLOWING VERBAL ANNOUNCEMENT, IF AN APPROPRIATE EXCEPTION TO THE OPEN MEETING REQUIREMENT OF THE TEXAS OPEN MEETINGS ACT IS APPLICABLE.

CONSENT AGENDA

- 5. *Excuse*** absent council members.

Olivia Navarro

- 6. *Approval*** of Regular Council Minutes September 3 and Special Council Meeting Minutes of September 10, 2020.

Olivia Navarro

- 7. *Introduction, First Reading and Calling for a Public Hearing*** to approve an ordinance authorizing the issuance and sale of City of Socorro, Texas General Obligation Refunding Bonds, Series 2020a; establishing procedures and delegating authority for the sale and delivery of the bonds; levying an annual ad valorem tax for the payment of said bonds; providing an effective date; and enacting other provisions relating to the subject.

Adriana Rodarte

REGULAR AGENDA

POLICE DEPARTMENT

8. ***Discussion and action*** on approving a Memorandum of Understanding (MOU) with the Drug Enforcement Administration (DEA) for the fiscal year of 2021, and allowing the Mayor, City Attorney and Chief of Police to sign the memorandum. ***Chief David Burton***

PLANNING AND ZONING DEPARTMENT

9. ***Discussion and action*** on the Planning and Zoning Commission Board Members' Attendance Report. ***Job Terrazas***
10. ***Discussion and action*** on the Preliminary Plat Approval for Villas de Socorro Subdivision, being all of Tracts 13B & 18, Block 12 and Tracts 1, 3A & 3C, Block 27, Socorro Grant for a new development. ***Job Terrazas***

CITY MANAGER

11. ***Discussion and action*** to approve an ordinance authorizing the issuance and sale of City of Socorro, Texas General Obligation Refunding Bonds, Series 2020a; establishing procedures and delegating authority for the sale and delivery of the bonds; levying an annual ad valorem tax for the payment of said bonds; providing an effective date; and enacting other provisions relating to the subject. ***Adriana Rodarte***

The City Council of the City of Socorro may retire into EXECUTIVE SESSION pursuant to Section 3.08 of the City of Socorro Charter and the Texas Government Code, Sections 551, Subchapter D to discuss any of the following: (The items listed below are matters of the sort routinely discuss in Executive Session, but the City Council of the City of Socorro may move to Executive Session any of the items on this agenda, consistent with the terms of the Open Meetings Act.) The City Council will return to open session to take any final action and may also, at any time during the meeting, bring forward any of the following items for public discussion, as appropriate.

Section 551.071 CONSULTATIONS WITH ATTORNEY

Section 551.072 DELIBERATION REGARDING REAL PROPERTY

Section 551.073 DELIBERATION REGARDING PROSPECTIVE GIFT

Section 551.074 PERSONNEL MATTERS

Section 551.076 DELIBERATION REGARDING SECURITY

Section 551.087 DELIBERATION REGARDING ECONOMIC DEVELOPMENT NEGOTIATIONS

Discussion on the following:

12. ***Discussion and action*** on advice received from City Attorney in closed session, and action to approve real estate transaction; authorize filing or settlement of legal action; authorize employment of expert witnesses and consultants, and employment of special counsel with respect to pending legal matters. ***Adriana Rodarte***

13. **Discussion and action** on qualifications of individuals for employment and for appointment to Boards & Commissions, job performance of employees, real estate acquisition and receive legal advice from City Attorney regarding legal issues affecting these matters.

Adriana Rodarte

14. **Discussion and action** regarding pending litigation and receive status report regarding pending litigation.


Adriana Rodarte

15. **Discussion and action** regarding request from Texas Gas Service to approve use of Financial Hedging [551.071].

James A. Martinez

16. **Adjourn**

DATED THIS 14th DAY OF SEPTEMBER, 2020

By: 
Olivia Navarro, City Clerk

I, the undersigned authority, hereby certify that the above notice of the meeting of the City Council of Socorro, Texas is a correct copy of the notice and that I posted this notice at least Seventy-two (72) hours preceding the scheduled meeting at the City Administration Building, 124 S. Horizon Blvd., in Socorro, Texas.

DATED THIS 14TH DAY OF SEPTEMBER, 2020

By: 
Olivia Navarro, City Clerk

Agenda posted: 9-14-2020 @ 3:00 pm On
Removed: _____ Time: _____ by: _____

Elia Garcia
Mayor

Rene Rodriguez
At Large

Cesar Nevarez
District 1



Ralph Duran
District 2

Victor Perez
District 3/Mayor Pro Tem

Yvonne Colon-Villalobos
District 4

**REGULAR COUNCIL MEETING MINUTES
SEPTEMBER 3, 2020 @ 6:00 P.M.
VIRTUAL MEETING**

MEMBERS PRESENT:

Mayor Elia Garcia
Rene Rodriguez
Ralph Duran
Victor Perez
Yvonne Colon-Villalobos

MEMBERS ABSENT:

Cesar Nevarez

STAFF PRESENT:

Adriana Rodarte, City Manager
Olivia Navarro, City Clerk
Jim Martinez (*joined virtually*)

Mayela Granados, Executive Assistant
Alicia Aguilar, Recreation Leader
Diana Rodriguez, Recreation Leader

1. CALL TO ORDER

The meeting was called to order at: 6:11 p.m.

2. PLEDGE OF ALLEGIANCE AND A MOMENT OF SILENCE

Pledge of Allegiance was led by Adriana Rodarte

3. ESTABLISHMENT OF QUORUM

A quorum was established with all members present.

4. PUBLIC COMMENT

No speakers for Public Comment.

A motion was made by Victor Perez seconded by Ralph Duran to *move item number twelve (12) out of the Consent Agenda.*

An amended motion was made by Victor Perez seconded by Ralph Duran to *approve the Consent Agenda and move item number twelve out of the Consent Agenda.*
Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

CONSENT AGENDA

5. ***EXCUSE ABSENT COUNCIL MEMBERS.*** ***OLIVIA NAVARRO***
6. ***DISCUSSION AND ACTION TO APPROVE JULY 2020 CASH RECEIPTS REPORT.*** ***CHARLES CASIANO***
7. ***DISCUSSION AND ACTION TO APPROVE JULY 2020 ACCOUNTS PAYABLE REPORT.*** ***CHARLES CASIANO***
8. ***DISCUSSION AND ACTION TO APPROVE JULY 2020 UNAUDITED FINANCIAL REPORT.*** ***CHARLES CASIANO***
9. ***INTRODUCTION, FIRST READING AND CALLING FOR A PUBLIC HEARING ON AN ORDINANCE AUTHORIZING THE ASSESSMENT AND COLLECTION OF PROPERTY TAXES WITHIN THE CITY OF SOCORRO, TEXAS AND FURTHER AUTHORIZING THE EL PASO CITY TAX OFFICE TO PERFORM THE ACTUAL ASSESSMENT AND COLLECTION OF SAID PROPERTY TAXES ON BEHALF OF THE CITY OF SOCORRO, TEXAS FOR THE FISCAL YEAR COMMENCING ON OCTOBER 1, 2020 AND ENDING ON SEPTEMBER 30, 2021.*** ***ADRIANA RODARTE***
10. ***INTRODUCTION, FIRST READING AND CALLING FOR A PUBLIC HEARING ON AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021 FOR THE CITY OF SOCORRO.*** ***ADRIANA RODARTE***
11. ***INTRODUCTION, FIRST READING AND CALLING FOR A PUBLIC HEARING ON AN ORDINANCE OF THE CITY OF SOCORRO, TEXAS ADOPTING THE AMENDED ORGANIZATIONAL CHART FOR THE CITY OF SOCORRO.*** ***ADRIANA RODARTE***

REGULAR AGENDA

12. ***INTRODUCTION FIRST READING AND CALLING FOR A PUBLIC HEARING OF ORDINANCE # 477 AMENDMENT # 2 AMENDMENT TO DECREASE FISCAL YEAR 2019-2020.*** ***ADRIANA RODARTE***

A motion was made by Victor Perez seconded by Rene Rodriguez to *delete item number twelve (12)*.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

A motion was made by Rene Rodriguez seconded by Yvonne Colon-Villalobos to *move up item number twenty-four (24)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

24. DISCUSSION AND ACTION ON INTERLOCAL AGREEMENT WITH CITY OF EL PASO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENTAL SERVICES AS OF SEPTEMBER 01, 2020 THROUGH AUGUST 31, 2021.
ADRIANA RODARTE

A motion was made by Victor Perez seconded by Rene Rodriguez to *approve item number twenty-four (24)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

PUBLIC HEARINGS / ORDINANCES

13. SECOND PUBLIC HEARING ON THE CITY OF SOCORRO'S PROPERTY TAX RATE OF .836995.
ADRIANA RODARTE

The doors to the building at 860 Rio Vista were opened to any speaker wishing to speaker regarding the Tax Rate.

Public Hearing opened at 6:18 pm.

No Speakers

Public Hearing closed at 6:19 pm

14. PUBLIC HEARING REGARDING THE FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM AND APPROVE RESOLUTION 627 PURSUANT TO SECTIONS 5.08 AND 5.09 OF THE SOCORRO CITY CHARTER.
ADRIANA RODARTE

Public Hearing opened at 6:19 pm

No speakers

Public Hearing closed at 6:20 pm

GRANTS DEPARTMENT

15. DISCUSSION AND ACTION TO APPROVE THE USE OF CARES ACT FUNDING FOR THE SOCORRO SMALL BUSINESS RELIEF PROGRAM.

ALEJANDRA VALADEZ

A motion was made by Victor Perez seconded by Rene Rodriguez to *approve item number fifteen (15)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

16. DISCUSSION AND ACTION REGARDING AN AGREEMENT BETWEEN THE CITY OF SOCORRO AND REDFORK MARKETING FOR THE DEVELOPMENT OF A PORTION OF THE SOCORRO YOUTH IN CULTURE (SY!C) PROGRAM WEBSITE AND TO AUTHORIZE THE CITY MANAGER OR HER DESIGNEE TO EXECUTE SAME.

ALEJANDRA VALADEZ

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number sixteen (16)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

PLANNING AND ZONING DEPARTMENT

17. DISCUSSION AND ACTION ON THE PRELIMINARY PLAT APPROVAL FOR ESTANCIAS DEL PARRAL SUBDIVISION. BEING TRACTS 19B & 20B, BLOCK 13, SOCORRO GRANT FOR A NEW DEVELOPMENT.

JOB TERRAZAS

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number seventeen (17)*. Motion passed.

Jorge Ascarate with the CEA Group spoke on this item.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

18. DISCUSSION AND ACTION ON THE AUTHORIZATION FOR THE ACQUISITION OF PROPERTIES RELATED TO THE NORTH NEVAREZ ROADWAY PROJECT. MICHAEL MEDINA

A motion was made by Rene Rodriguez seconded by Ralph Duran to *approve item number eighteen (18)*.

An amended motion was made by Rene Rodriguez seconded by Yvonne Colon-Villalobos to *move into Executive Session to consult with attorney regarding land acquisition*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

THE CITY COUNCIL CONVENED INTO EXECUTIVE SESSION AT 6:39 PM

EXECUTIVE SESSION

THE CITY COUNCIL RECONVENED IN OPEN SESSION AT 6:55 PM

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item eighteen (18) and proceed as discussed in Executive Session*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

**19. DISCUSSION AND ACTION TO APPROVE WORK AUTHORIZATION #5
BOVEE BRIDGE REPLACEMENT PROJECT. MICHAEL MEDINA**

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number nineteen (19)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

**20. DISCUSSION AND ACTION TO APPROVE WORK AUTHORIZATION #6
RIO VISTA BRIDGE REPLACEMENT PROJECT. MICHAEL MEDINA**

A motion was made by Rene Rodriguez seconded by Ralph Duran to *approve item number twenty (20)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

**21. DISCUSSION AND ACTION TO APPROVE WORK AUTHORIZATION #7
PASSMORE ROAD SHARED USE PATH. MICHAEL MEDINA**

A motion was made by Rene Rodriguez seconded by Ralph Duran to *approve item number twenty-one (21)*. Motion passed

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

CITY MANAGER

22. PRESENTATION AND DISCUSSION REGARDING TAX RATE CALCULATIONS, REVENUES AND EXPENDITURES FOR THE CITY OF SOCORRO'S PROPOSED BUDGET FOR FISCAL YEAR 2021.

ADRIANA RODARTE

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number twenty-two (22)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

23. DISCUSSION AND ACTION TO ANNOUNCE THE DATE ON WHICH CITY COUNCIL WILL TAKE FINAL ACTION ON THE TAX RATE AND ON THE MUNICIPAL BUDGET.

ADRIANA RODARTE

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number twenty-three (23)*.

An amended motion was made by Rene Rodriguez seconded by Victor Perez to *approve September 10, 2020 as the date on which council will take final action*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos

Nays:

Absent: Cesar Nevarez

MAYOR AND COUNCIL

25. DISCUSSION AND ACTION TO DIRECT STAFF TO START THE LIEN OF ABATEMENT COST PROCESS FOR PROPERTIES 10930 AND 10974 BURT ROAD.

RENE RODRIGUEZ

A motion was made by Victor Perez seconded by Rene Rodriguez to *approve item number twenty-five (25)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos
Nays:
Absent: Cesar Nevarez

26. DISCUSSION AND ACTION ON ADVICE RECEIVED FROM CITY ATTORNEY IN CLOSED SESSION, AND ACTION TO APPROVE REAL ESTATE TRANSACTION; AUTHORIZE FILING OR SETTLEMENT OF LEGAL ACTION; AUTHORIZE EMPLOYMENT OF EXPERT WITNESSES AND CONSULTANTS, AND EMPLOYMENT OF SPECIAL COUNSEL WITH RESPECT TO PENDING LEGAL MATTERS. ADRIANA RODARTE

27. DISCUSSION AND ACTION ON QUALIFICATIONS OF INDIVIDUALS FOR EMPLOYMENT AND FOR APPOINTMENT TO BOARDS & COMMISSIONS, JOB PERFORMANCE OF EMPLOYEES, REAL ESTATE ACQUISITION AND RECEIVE LEGAL ADVICE FROM CITY ATTORNEY REGARDING LEGAL ISSUES AFFECTING THESE MATTERS. ADRIANA RODARTE

28. DISCUSSION AND ACTION REGARDING PENDING LITIGATION AND RECEIVE STATUS REPORT REGARDING PENDING LITIGATION. ADRIANA RODARTE

A motion was made by Victor Perez seconded by Rene Rodriguez to *delete items twenty-six (26), twenty-seven (27) and twenty-eight (28)*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos
Nays:
Absent: Cesar Nevarez

29. ADJOURN

A motion was made by Victor Perez seconded by Victor Perez to *adjourn at 7:08 pm*. Motion passed.

Ayes: Rene Rodriguez, Ralph Duran, Victor Perez and Yvonne Colon-Villalobos
Nays:
Absent: Cesar Nevarez

Elia Garcia, Mayor

Olivia Navarro, City Clerk

Date minutes were approved

Elia Garcia
Mayor

Rene Rodriguez
At Large

Cesar Nevarez
District 1



Ralph Duran
District 2

Victor Perez
District 3/Mayor Pro Tem

Yvonne Colon-Villalobos
District 4

**SPECIAL COUNCIL MEETING MINUTES
SEPTEMBER 10, 2020 @ 6:00 P.M.
VIRTUAL MEETING**

MEMBERS PRESENT:

Mayor Elia Garcia
Rene Rodriguez
Cesar Nevarez
Ralph Duran

MEMBERS ABSENT:

Victor Perez (*joined meeting at 6:14 pm*)
Yvonne Colon-Villalobos

STAFF PRESENT:

Adriana Rodarte, City Manager
Olivia Navarro, City Clerk
Jim Martinez (*joined virtually*)

Mayela Granados, Executive Assistant
Alicia Aguilar, Recreation Leader

1. CALL TO ORDER

The meeting was called to order at: 6:12 p.m.

2. PLEDGE OF ALLEGIANCE AND A MOMENT OF SILENCE

Pledge of Allegiance was led by Adriana Rodarte.

3. ESTABLISHMENT OF QUORUM

A quorum was established with four members present.

4. PUBLIC COMMENT

No speakers for Public Comment.

CONSENT AGENDA

5. **EXCUSE ABSENT COUNCIL MEMBERS.** **OLIVIA NAVARRO**
6. **APPROVAL OF REGULAR COUNCIL MEETING MINUTES OF AUGUST 20, 2020.** **OLIVIA NAVARRO**
7. **INTRODUCTION, FIRST READING AND CALLING FOR A PUBLIC HEARING OF ORDINANCE # 477 AMENDMENT # 2 AMENDMENT TO INCREASE REVENUE BY \$400,000.00 AND DECREASE EXPENDITURES BY \$73,343.00 FOR FISCAL YEAR 20-19-2020.** **ADRIANA RODARTE**

A motion was made by ralph Duran seconded by Rene Rodriguez to *approve the Consent Agenda*. Motion passed.

Ayes: Rene Rodriguez, Cesar Nevarez, and Raph Duran

Nays:

Absent: Victor Perez and Yvonne Colon-Villalobos

Victor Perez joined the meeting at 6:14 pm

REGULAR AGENDA

PUBLIC HEARINGS / ORDINANCES

8. **PUBLIC HEARING ON AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2020 AND ENDING ON SEPTEMBER 30, 2021.** **ADRIANA RODARTE**

Public Hearing opened 6:14 pm
No speakers for Public Hearing
Public Hearing closed at 6:15 pm

9. **SECOND READING AND ADOPTION OF AN ORDINANCE ADOPTING A BUDGET FOR THE FISCAL YEAR COMMENCING OCTOBER 1, 2020 AND ENDING ON SEPTEMBER 30, 2021.** **ADRIANA RODARTE**

A motion was made by Rene Rodriguez seconded by Ralph Duran to *approve item number nine (9)*. Motion passed.

Ayes; Rene Rodriguez, Cesar Nevarez, Ralph Duran, and Victor Perez

Nays:

Absent: Yvonne Colon-Villalobos

10. DISCUSSION AND ACTION TO RATIFY THE TAX RATE SET FORTH IN ORDINANCE ADOPTING A BUDGET FOR THE CITY OF SOCORRO, TEXAS FOR FISCAL YEAR COMMENCING OCTOBER 1, 2020 AND ENDING SEPTEMBER 30, 2021. *ADRIANA RODARTE*

A motion was made by Ralph Duran seconded by Rene Rodriguez to *approve item number ten for discussion.*

An amended motion was made by Ralph Duran seconded by Rene Rodrigue to *approve item number ten (10) and to ratify the property tax increase reflected in the budget.* Motion passed.

Ayes; Rene Rodriguez, Cesar Nevarez, Ralph Duran, and Victor Perez
Nays:
Absent: Yvonne Colon-Villalobos

11. PUBLIC HEARING OF AN ORDINANCE AUTHORIZING THE ASSESSMENT AND COLLECTION OF PROPERTY TAXES WITHIN THE CITY OF SOCORRO, TEXAS AND FURTHER AUTHORIZING THE EL PASO CITY TAX OFFICE TO PERFORM THE ACTUAL ASSESSMENT AND COLLECTION OF SAID PROPERTY TAXES ON BEHALF OF THE CITY OF SOCORRO, TEXAS FOR THE FISCAL YEAR COMMENCING ON OCTOBER 1, 2020 AND ENDING ON SEPTEMBER 30, 2021. *ADRIANA RODARTE*

Public Hearing opened at 6:21 pm
No speakers for Public Hearing
Public Hearing closed at 6:22 pm

12. SECOND READING AND ADOPTION OF AN ORDINANCE AUTHORIZING THE ASSESSMENT AND COLLECTION OF PROPERTY TAXES WITHIN THE CITY OF SOCORRO, TEXAS AND FURTHER AUTHORIZING THE EL PASO CITY TAX OFFICE TO PERFORM THE ACTUAL ASSESSMENT AND COLLECTION OF SAID PROPERTY TAXES ON BEHALF OF THE CITY OF SOCORRO, TEXAS FOR THE FISCAL YEAR COMMENCING ON OCTOBER 1, 2020 AND ENDING OM SEPTEMBER 30, 2021. *ADRIANA RODARTE*

A motion was made by Rene Rodriguez seconded by Victor Perez to *approve item number twelve (12).*

An amended motion was made by Rene Rodriguez to *approve the property tax rate be increased by the adoption of a tax rate of \$0.836995 per \$100, which is effectively a .64729 percent increase in the tax rate.* Motion passed.

Ayes; Rene Rodriguez, Cesar Nevarez, Ralph Duran, and Victor Perez
Nays:
Absent: Yvonne Colon-Villalobos

13. PUBLIC HEARING ON AN ORDINANCE OF THE CITY OF SOCORRO, TEXAS ADOPTING THE AMENDED ORGANIZATIONAL CHART FOR THE CITY OF SOCORRO, TEXAS. ADRIANA RODARTE

Public Hearing opened at 6:26 pm
No speakers for Public Hearing
Public Hearing closed at 6:26 pm

14. SECOND READING AND ADOPTION OF AN ORDINANCE OF THE CITY OF SOCORRO, TEXAS ADOPTING THE AMENDED ORGANIZATIONAL CHART FOR THE CITY OF SOCORRO, TEXAS. ADRIANA RODARTE

A motion was made by Victor Perez seconded by Cesar Nevarez to *approve item number fourteen (14)*. Motion passed.

Ayes; Rene Rodriguez, Cesar Nevarez, Ralph Duran, and Victor Perez
Nays:
Absent: Yvonne Colon-Villalobos

15. DISCUSSION AND ACTION ON ADVICE RECEIVED FROM CITY ATTORNEY IN CLOSED SESSION, AND ACTION TO APPROVE REAL ESTATE TRANSACTION; AUTHORIZE FILING OR SETTLEMENT OF LEGAL ACTION; AUTHORIZE EMPLOYMENT OF EXPERT WITNESSES AND CONSULTANTS, AND EMPLOYMENT OF SPECIAL COUNSEL WITH RESPECT TO PENDING LEGAL MATTERS. ADRIANA RODARTE

16. DISCUSSION AND ACTION ON QUALIFICATIONS OF INDIVIDUALS FOR EMPLOYMENT AND FOR APPOINTMENT TO BOARDS & COMMISSIONS, JOB PERFORMANCE OF EMPLOYEES, REAL ESTATE ACQUISITION AND RECEIVE LEGAL ADVICE FROM CITY ATTORNEY REGARDING LEGAL ISSUES AFFECTING THESE MATTERS. ADRIANA RODARTE

17. DISCUSSION AND ACTION REGARDING PENDING LITIGATION AND RECEIVE STATUS REPORT REGARDING PENDING LITIGATION. ADRIANA RODARTE

A motion was made by Victor Perez seconded by Rene Rodriguez to *delete items fifteen (15), sixteen (16) and seventeen (17)*. Motion passed.

Ayes; Rene Rodriguez, Cesar Nevarez, Ralph Duran, and Victor Perez
Nays:
Absent: Yvonne Colon-Villalobos

18. ADJOURN

A motion was made by Victor Perez seconded by Rene Rodriguez to *adjourn at 6:29pm*. Motion passed.

Elia Garcia, Mayor

Olivia Navarro, City Clerk

Date minutes were approved

ITEM 7

From: [Orlando Jay Juarez](#)
To: [Adriana Rodarte](#); "[Adriana Rodarte](#)"; [Charles Casiano](#); onavarro@ci.socorro.tx.us
Cc: [Adrian Galvan](#); [Robert Tijerina](#); [Rudy Segura](#); [Sylvia Ibarra](#)
Subject: City of Socorro Refunding Bonds (Parameters Ordinance)
Date: Wednesday, September 9, 2020 4:38:50 PM
Attachments: [image001.jpg](#)
[Ordinance \(Parameters\) -1.pdf](#)

Good afternoon, all.

With regards to the City's General Obligation Refunding Bonds, Series 2020A, we would appreciate the City's use of substantially the following agenda language:

DISCUSSION AND ACTION TO APPROVE AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

The Ordinance itself is attached.

As always, please don't hesitate to contact either Rudy or me with any questions you may come across. I'm almost always available on my cell: 210.677.9940.

MPH Logo - 2020 - Copy



Orlando "Jay" Juarez, Jr.
700 N. St. Mary's Street, Suite 1525
San Antonio, TX 78205
T 210.225.2800 M 210.677.9940 F 210.225.2984

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TIJERINA
GALVAN
LAWRENCE LLC
Financial Consulting



Presentation to City of Socorro, Texas
Plan of Finance
September 17, 2020



Current Refunding Analysis

Summary of Preliminary Analysis



Based on current market rates and conditions, our analysis shows that the City could realize considerable annual debt service savings, an average of \$19,743 per year, by refunding the maturities shown here. This assumes current market rates exist in October 2020.

General Obligation Refunding Candidates

Series	Principal Amount to be Refunded	Maturities Refunded	Interest Rates	Call Date
Comb. Tax & Rev C/O, Series 2011	1,730,000	2022-2031	4.000-4.250%	3/1/2021
	<u>\$ 1,730,000</u>			

Projected Annual Savings				Present Value Savings
FYE 9/30	Prior Debt Service	Refunding Debt Service	Savings	
2021	70,025	66,459	3,566	3,388
2022	192,525	172,320	20,205	19,656
2023	197,325	179,920	17,405	16,655
2024	196,825	177,440	19,385	18,284
2025	196,125	174,960	21,165	19,670
2026	195,225	177,440	17,785	16,263
2027	194,125	174,880	19,245	17,341
2028	192,625	172,320	20,305	18,026
2029	195,613	174,720	20,893	18,272
2030	193,500	172,080	21,420	18,453
2031	382,500	362,880	19,620	16,664
	<u>\$ 2,206,413</u>	<u>\$ 2,005,419</u>	<u>\$ 200,994</u>	<u>\$ 182,671</u>

Key Assumptions

Delivery Date:	12/2/2020
Analysis Date:	9/3/2020
Rates:	Private Placement BQ Rate of 1.60%
TIC (Estimated):	1.600%

Projected Savings Summary

Par of Refunding Bonds:	\$1,825,000
Par of Refunded Bonds:	\$1,730,000
Average Refunded Coupon:	4.057%
NPV Savings:	\$182,671
% Savings of Refunded Bonds:	10.559%
Average Annual Savings:	\$19,743
Negative Arbitrage:	\$6,553



Timetable

Schedule of Events



September 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Thursday, September 17, 2020 Presentation of Refunding Plan of Finance. City authorizes Parameters Approval and instructs Financial Advisor and Bond Counsel to proceed with Plan of Finance to secure lowest borrowing cost via Private Placement for Obligations.

Thursday, September 17, 2020 Private Placement Agent sends out draft of private placement memorandum to Working Group for comments.

Friday, September 18, 2020 Comments due back to Private Placement Agent on first draft of placement memorandum from Working Group.

Friday, September 18, 2020 Private Placement Agent sends final version of private placement memorandum to prospective banks.

Wednesday, September 23, 2020 Placement Agent contacts potential bidders to confirm receipt, answers any outstanding questions, and gauges interest in Obligations.

Wednesday, September 30, 2020 Placement Agent polls frequent bidders to determine actual interest for financing.

Thursday, October 8, 2020 City, Financial Advisor, and Bond Counsel receive interest rate quotes from banks. Financial Advisor tabulates results and makes recommendation. Designated City officials sign and executes required legal documents.

Thursday, October 15, 2020 Financial Advisor presents Final Pricing results.

Friday, October 2, 2020 Submit document to Texas Attorney General.

Wednesday, December 2, 2020 Closing.

Monday, March 1, 2021 Call Bonds.

Federal Holidays

Important Working Group Dates

*Preliminary, subject to change.





Working Group Participants



Issuer	City of Socorro, Texas
Financial Advisor	TGL Financial Consulting
Bond Counsel	McCall Parkhurst & Horton L.L.P.
Purchaser/ Paying Agent	TBD
Placement Agent	FHN Financial



Legal Disclaimer



Although the information contained herein has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All assumptions are subject to change, and any change in one or more assumptions may have a material effect on projected results.

TGL is registered as a municipal advisor with the U.S. Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB). The website of the MSRB is www.msrb.org where you may obtain the MSRB's municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with an appropriate regulatory authority.

TGL is not affiliated with any other municipal advisor, broker-dealer, municipal securities dealer or investment advisor. However, two of TGL's principals, Robert A. Tijerina and Adrian Galvan, are minority shareholders and former employees of Estrada Hinojosa & Company, Inc. a registered broker-dealer and municipal advisor firm. Mr. Tijerina and Mr. Galvan are in the process of liquidating their combined 7.12% ownership interest and have no active role or voice in the company's operations.

TGL is not aware of any conflicts of interest that it or any of its associated persons may have with any existing or potential municipal entity clients, except for its industry-standard contingent fees, the timing and amount of which are subject to the closing and size of a financing.

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

WHEREAS, the Bonds hereinafter authorized to be issued are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code Chapters 1207, as amended; and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOCORRO, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds of the City of Socorro, Texas (the “Issuer”) are hereby authorized to be issued and delivered in the aggregate principal amount hereinafter provided for the public purpose of refunding the Refunded Obligations and to pay the costs incurred in connection with the issuance of the Bonds. The term “Bonds” as used in this Ordinance shall mean and include collectively the bond initially issued and delivered pursuant to this Ordinance (the “Initial Bond”) and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

(b) Each bond issued pursuant to this Ordinance shall be designated: “CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BOND, SERIES 2020A,” and initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, payable to the respective registered owners thereof (with the Initial Bond or Bonds being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the “Registered Owner”). The Bonds shall be in the respective principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1207.007, Texas Government Code, as amended, the City Manager (including any interim city manager) or Chief Financial Officer (including any interim chief financial officer) (each, a “Pricing Officer”) is hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption date for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Ordinance and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$1,900,000;
- (ii) the stated maturity of the Bonds shall be not later than March 1, 2031;
- (iii) the refunding must produce a present value debt service savings of at least 8.00%, net of any Issuer contribution;
- (iv) the true interest cost on the Bonds shall not exceed 2.00% per annum and the net effective interest rate shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended; and
- (v) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to the 180th day following adoption of this Ordinance.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the “Paying Agent/Registrar”), books or records for the

registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at

least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

(e) Authentication. Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying

Agent/Registrar described above, the Initial Bond delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

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

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

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

(i) Cancellation of Initial Bond. On the closing date, the Initial Bond, representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by this Ordinance have been met and 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 shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and

effect, the Issuer 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.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar’s Authentication Certificate, the form of Assignment and the form of Comptroller’s Registration Certificate to be attached to the Initial Bond shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Form of Bond to be modified pursuant to, and completed with information set forth in, the Pricing Certificate.

(a) [Form of Bond]

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BOND SERIES 2020A	PRINCIPAL AMOUNT \$_____
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Interest Rate	Dated Date	Maturity Date	CUSIP No.
	November 15, 2020	March 1, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Socorro, in El Paso County, Texas (the “Issuer”), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the “Registered Owner”), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 2, 2020 at the Interest Rate per annum specified above. Interest is payable on March 1, 2021 and semiannually on each September 1 and March 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the 15th calendar day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

THIS BOND is one of a series of Bonds dated November 15, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____ for the public purposes of refunding certain outstanding obligations of the Issuer and paying the costs incurred in connection with the issuance of the Bonds.

[ON _____, _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.]

[THE BONDS scheduled to mature on _____ in the years ____ and ____ (the “Term Bonds”) are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Bonds Maturing		Bonds Maturing		Bonds Maturing	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

⁽¹⁾ Stated maturity.

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

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

scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.]

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

payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

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

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

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

(signature)
City Clerk

(signature)
Mayor

(SEAL)

(INSERT BOND INSURANCE LEGEND, IF ANY)

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Comptroller's Registration Certificate)

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

Dated: _____

U.S. Bank National Association
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee:

Please print or typewrite name and address, including zip code, of Transferee:

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

Dated: _____

Signature Guaranteed:

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

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

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Bond Insertions]

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

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

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

"THE CITY OF SOCORRO, TEXAS, in El Paso County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on March 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
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(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 2, 2020 at the respective Interest Rate per annum specified above. Interest is payable on March 1, 2021 and semiannually on each September 1 and March 1 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear

interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Bond shall be numbered “T-1.”

Section 5. INTEREST AND SINKING FUND.

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

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

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a “Defeased Bond”) within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus

interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the “Future Escrow Agreement”) for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the

same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

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

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

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

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

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

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

(e) Authority for Issuing Replacement Bonds. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate

and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

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

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

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

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

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

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

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to

90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit B as the City's written procedures.

(g) Designation as Qualified Tax-Exempt Bonds. The Issuer hereby designates the Bonds as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the Issuer (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt bonds" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

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

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale, competitive sale or private placement and pursuant to the terms and provisions of a purchase contract or a notice of sale and bidding instructions and official bid form (in either case, the "Purchase Contract"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2, and in which the purchaser or purchasers (the "Purchaser") of the Bonds shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Contract for an on behalf of the Issuer. The Initial Bond shall be registered in the name of the lead Purchaser as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a preliminary official statement and a final official statement relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the

“Insurer”) a municipal bond insurance policy (the “Insurance Policy”) in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

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

Section 11. COMPLIANCE WITH RULE 15c2-12.

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

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

"*Financial Obligation*" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the City of the general type included in the final Official Statement under Tables 1 through 11. The City shall additionally provide audited financial statements within 12 months after the end of each fiscal year ending in or after 2020. Any financial

statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the financial statements appended to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

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

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

(c) Event Notices.

(i) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating Changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person .
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe

and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 7 of this Ordinance that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial

information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Amendment of the Rule. The provisions of this Section shall be revised by the Pricing Officer to reflect the requirements of the Rule if the Rule is amended after the adoption of this Ordinance but prior to the delivery of the Bonds so as to permit an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule. Any such revisions shall be set forth in the Pricing Certificate and are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary.

Section 12. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

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

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

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

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

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

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

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

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

Section 13. DEFAULT AND REMEDIES.

(a) 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:

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, 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 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered 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 Registered Owners hereunder or any combination of such remedies.

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

(c) Remedies Not Exclusive.

(i) 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.

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

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or the Pricing Officer are further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein (the "Escrow Agent"), an escrow or similar agreement (the "Escrow Agreement"), in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Mayor or the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities (as defined in the Escrow Agreement), if any, and to authorize such contributions for the escrow fund (the "Escrow Fund") as provided in the Escrow Agreement.

Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Contract with the Purchaser, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at

such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued notices of redemption of the Refunded Obligations in substantially the form set forth in Exhibit A attached hereto, completed with information from the Pricing Certificate, to each paying agent/registrars for the Refunded Obligations.

(b) In addition, the paying agent/registrars(s) for the Refunded Obligations shall be directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of such Refunded Obligations, and shall be directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrars(s) therefor, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent pursuant to the Escrow Agreement approved in Section 14 of this Ordinance.

Section 16. APPROPRIATION. To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Bonds, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

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EXHIBIT A

[FORM OF NOTICE OF REDEMPTION]

NOTICE OF REDEMPTION

[NOTICE IS HEREBY GIVEN that the City of Socorro, Texas has called for redemption the outstanding obligations of the City described as follows:

City of Socorro, Texas Combination Tax and Revenue Certificates of Obligation, Series 2011, dated August 15, 2011, scheduled to mature March 1 in the years 2023, 2025, 2027, 2029, and 2031, inclusive, aggregating \$1,730,000 (and being all of the outstanding Certificates of Obligation of said series scheduled to mature on and after March 1, 2023);

Redemption date: March 1, 2021 redeemable at a redemption price of par plus accrued interest at the Designated Payment/Transfer Office of U.S. Bank National Association, Dallas, Texas (the “Paying Agent”) only upon presentation and surrender thereof by the holder thereof.

If moneys sufficient for the payment of such redemption price are held by or on behalf of the Paying Agent, the described Bonds shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, the Paying Agent may be obligated to deduct and withhold 30 percent of such payment from the remittance to any payee who has failed to provide the Paying Agent with a valid taxpayer identification number. To avoid the imposition of the withholding of tax, such payees should submit a taxpayer identification number when surrendering the Bonds for redemption.]

NOTICE IS FURTHER GIVEN that all obligations should be submitted to the following address:

Delivery Instructions:
U. S. Bank National Association
Global Corporate Trust
111 Fillmore Ave E.
St. Paul, MN 55107

Dated: _____, 2020

By: U.S. Bank National Association

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the City's chief financial officer (the "*Responsible Person*"), which currently is the City's Finance Director, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six (6) months of the date of delivery of the Bonds (the "*Issue Date*");
- (ii) monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bonds after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

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

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

Elia Garcia
Mayor
Rene Rodriguez
At Large
Cesar Nevarez
District 1



Ralph Duran
District 2
Victor Perez
District 3 – Mayor Pro Tem
Yvonne Colon-Villalobos
District 4
Adriana Rodarte
City Manager

DATE: September 17, 2020

TO: Mayor and City Council Members

FROM: Chief David Burton

SUBJECT: Discussion and action on approving a Memorandum of Understanding (MOU) with the Drug Enforcement Administration (DEA) for the fiscal year of 2021, and allowing the Mayor, City Attorney and Chief of Police to sign the memorandum.

SUMMARY

The Socorro Police Department has been working with the DEA for numerous years and would like to continue for the fiscal year of 2021. This agreement is an annual agreement between the DEA and Socorro Police Department.

BACKGROUND

Attached

STATEMENT OF THE ISSUE

The Socorro Police Department Task Force Officer will be working with the DEA gathering intelligence related to drug trafficking organizations that are in and around the City of Socorro. Investigations will be worked jointly in order to curb the influx of dangerous drugs within the City of Socorro.

FINANCIAL IMPACT

Overtime will be reimbursed by the DEA for the Task Force Officer assigned from the Socorro Police Department.

ALTERNATIVE

N/A

STAFF RECOMMENDATION

The Staff is recommending the approval of this item.

REQUIRED AUTHORIZATION

1. City Manager _____ Date _____
2. CFO _____ Date _____
3. Attorney _____ Date _____

**PROGRAM - FUNDED STATE AND LOCAL TASK FORCE AGREEMENT
BETWEEN THE
DRUG ENFORCEMENT ADMINISTRATION
AND THE
SOCORRO POLICE DEPARTMENT
FISCAL YEAR 2021**

This agreement is made this 1st day of October 2020 , between the United States Department of Justice, Drug Enforcement Administration (hereinafter "DEA"), and the Socorro Police Department, ORI# TX0711600 (hereinafter "SPD"). The DEA is authorized to enter into this cooperative agreement concerning the use and abuse of controlled substances under the provisions of 21 U.S.C. § 873.

WHEREAS there is evidence that trafficking in narcotics and dangerous drugs exists in the El Paso area of responsibility (AOR) and that such illegal activity has a substantial and detrimental effect on the health and general welfare of the people of El Paso AOR, the parties hereto agree to the following:

1. The El Paso Division, Office of the Assistant Special Agent in Charge (hereinafter referred to as "Task Force" will perform the activities and duties described below:
 - a. disrupt the illicit drug traffic in the El Paso AOR by immobilizing targeted violators and trafficking organizations;
 - b. gather and report intelligence data relating to trafficking in narcotics and dangerous drugs; and
 - c. conduct undercover operations where appropriate and engage in other traditional methods of investigation in order that the Task Force's activities will result in effective prosecution before the courts of the United States and the State of Texas.
2. To accomplish the objectives of the Task Force, the SPD agrees to detail one (1) experienced officer for a period of not less than two years. During this period of assignment, the SPD officer will be under the direct supervision and control of DEA supervisory personnel assigned to the Task Force.
3. The SPD officer assigned to the Task Force shall adhere to DEA policies and procedures. Failure to adhere to DEA policies and procedures shall be grounds for dismissal from the Task Force.

4. The SPD officer assigned to the Task Force shall be deputized as Task Force Officers of DEA pursuant to 21 U.S.C. Section 878.
5. To accomplish the objectives of the Task Force, DEA will assign one (1) Special Agent to the Task Force. DEA will also, subject to the availability of annually appropriated funds or any continuing resolution thereof, provide necessary funds and equipment to support the activities of the DEA Special Agent and SPD officer assigned to the Task Force. This support will include: office space, office supplies, travel funds, funds for the purchase of evidence and information, investigative equipment, training, and other support items.
6. During the period of assignment to the Task Force, the SPD will remain responsible for establishing the salary and benefits, including overtime, of the officers assigned to the Task Force, and for making all payments due them. DEA will, subject to availability of funds, reimburse the SPD for overtime payment. Annual overtime for each state or local law enforcement officer is capped at the equivalent of 25% of a GS-12, Step 1, of the general pay scale for the Rest of United States. Reimbursement for all types of qualified expenses shall be contingent upon availability of funds and the submission of a proper request for reimbursement which shall be submitted **monthly or quarterly** on a fiscal year basis, and which provides the names of the investigators who incurred overtime for DEA during the invoiced period, the number of overtime hours incurred, the hourly regular and overtime rates in effect for each investigator, and the total cost for the invoiced period. Invoices must be submitted at least quarterly within 10 business days of the end of the invoiced period. **Note: Task Force Officer's overtime "shall not include any costs for benefits, such as retirement, FICA, and other expenses."**
7. In no event will the SPD charge any indirect cost rate to DEA for the administration or implementation of this agreement.
8. The SPD shall maintain on a current basis complete and accurate records and accounts of all obligations and expenditures of funds under this agreement in accordance with generally accepted accounting principles and instructions provided by DEA to facilitate on-site inspection and auditing of such records and accounts.
9. The SPD shall permit and have readily available for examination and auditing by DEA, the United States Department of Justice, the Comptroller General of the United States, and any of their duly authorized agents and representatives, any and all records, documents, accounts, invoices, receipts or expenditures relating to this agreement. The SPD shall maintain all such reports and records until all audits and examinations are completed and resolved, or for a period of six (6) years after termination of this agreement, whichever is sooner.
10. The SPD shall comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, as amended, and all requirements imposed by or pursuant to the regulations of the United States Department of Justice implementing those laws, 28 C.F.R. Part 42, Subparts C, F, G, H and I.

11. The SPD agrees that an authorized officer or employee will execute and return to DEA the attached OJP Form 4061/6, Certification Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements. The SPD acknowledges that this agreement will not take effect and no Federal funds will be awarded to the SPD by DEA until the completed certification is received.

12. When issuing statements, press releases, requests for proposals, bid solicitations, and other documents describing projects or programs funded in whole in part with Federal money, the SPD shall clearly state (1) the percentage of the total cost of the program or project which will be financed with Federal money and (2) the dollar amount of Federal funds for the project or program.

13. The term of this agreement shall be effective from the date in paragraph number one until September 30, 2021. This agreement may be terminated by either party on thirty days' advance written notice. Billing for all outstanding obligations must be received by DEA within 90 days of the date of termination of this agreement. DEA will be responsible only for obligations incurred by SPD during the term of this agreement.

For the Drug Enforcement Administration:

Kyle W. Williamson
Special Agent in Charge
El Paso Division

Date: _____

For the Socorro Police Department:

David Burton
Chief
Socorro Police Department

Date: _____

For the City of Socorro, Texas:

James Martinez
City Attorney
City of Socorro, Texas

Date: _____

Elia Garcia
Mayor
City of Socorro, Texas

Date: _____

CERTIFICATIONS REGARDING LOBBYING, DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

U.S. DEPARTMENT OF JUSTICE
OFFICE OF JUSTICE PROGRAMS
OFFICE OF THE COMPTROLLER



Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature of this form provides for compliance with certification requirements under 28 CFR Part 69, "New Restrictions on Lobbying" and 28 CFR Part 67, "Government-wide Department and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon reliance will be placed when the Department of Justice determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 28 CFR Part 69 for persons entering into a grant or cooperative agreement over \$100,000, as defined at 28 CFR Part 69, the applicant certifies that:

- (a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or a Member of Congress, an officer or employee of any agency, or an employee of a Member of Congress, in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, Disclosure of Lobbying Activities, in accordance with its instructions.
- (b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or a Member of Congress, an officer or employee of any agency, in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, Disclosure of Lobbying Activities, in accordance with its instructions.

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts, grants and cooperative agreements, and subcontracts) and that all sub-recipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECEIPT)

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Pt. 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 67, Section 67.510-

- A. The applicant certifies that it and its principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a

public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, statements, or receiving stolen property;

- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause or default and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67, Sections 67.615 and 67.620-

- A. The applicant certifies that it will or will continue to provide a drug-free workplace by:
 - (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
 - (b) Establishing an on-going drug-free awareness program to inform employees about-

- (1) The dangers of drugs abuse in the workplace;
- (2) The grantee's policy of maintaining a drug-free workplace;
- (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
- (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

- (c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee, in the statement required by paragraph (b) that, as a condition of employment under the grant, the employee will-

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (d)(2), with respect to any employee who is so convicted-

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e), and (f).

B. The grantee may insert in the space provided below the site (s) for the performance of work done in connection with the specific grant.

Place of Performance (Street address, city, country, state, zip code)

660 S. Mesa Hills Dr., Suite 2000
El Paso, Texas 79912

Check if there are workplace on file that are not identified here.

Section 67. 630 of the regulations provides that a grantee that is a State may elect to make one certification in each Federal fiscal year. A copy of which should be included with each application for Department of Justice funding. States and State agencies may elect to use OJP Form 4061/7.

Check if the State has elected to complete OJP Form 4061/7.

**DRUG-FREE WORKPLACE
(GRANTEES WHO ARE INDIVIDUALS)**

As required by the Drug-Free Workplace Act of 1988, and implemented at 28 CFR Part 67, Subpart F, for grantees, as defined at 28 CFR Part 67; Sections 67.615 and 67.620-

A. As a condition of the grant, I certify that I will not engage in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance in connection with any activity with the grant; and

B. If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, I will report the conviction, in writing, within 10 calendar days of the conviction, to: Department of Justice, Office of Justice Programs, ATTN: Control Desk, 633 Indiana Avenue, N.W., Washington, D.C. 20531.

As the duly authorized representative of the applicant, I hereby certify that the applicant will comply with the above certifications.

1. Grantee Name and Address:

Socorro Police Department
670 Poona Rd.
Socorro, Texas 79927

2. Application Number and/or Project Name

3. Grantee IRS/Vendor Number

4. Typed Name and Title of Authorized Representative

David Burton, Chief of Socorro Police Department

5. Signature

6. Date

ITEM 9

Elia Garcia
Mayor

Rene Rodriguez
Representative
At Large

Cesar Nevarez
District 1
Mayor Pro-Tem



Ralph Duran
District 2

Victor Perez
District 3

Yvonne Colon-Villalobos
District 4

Adriana Rodarte
City Manager

DATE: September 17, 2020
TO: MAYOR AND CITY COUNCIL
FROM: Job Terrazas, Building Official
CC: Adriana Rodarte, City Manager

SUBJECT:

Discussion and Action on the Planning and Zoning Commission board members' attendance report.

SUMMARY:

The Planning and Zoning Commission is aware of a pattern of absenteeism of some of the commissioners.

- A quorum of three members is necessary to conduct the meetings of the P&ZC.
- According to the bylaws, commissioners must be appointed to serve a term of two years for a maximum of three consecutive terms.
- The Planning & Zoning Commission requested that the least reliable commission member be removed and replaced.

BACKGROUND:

There have been 22 meetings held by the board since August 2019 – August 2020.

PLANNING AND ZONING COMMISSION							
District	Appointer	Appointee	Appointment Date	Term Ends	Present	Absent	Total Absent Since August 2019
1	Cesar Nevarez						
2	Ralph Duran	Andrew Arroyos (<i>chairman</i>)	September 20, 2018	December 1, 2020	18	4	18%
3	Victor Perez	Arturo Lafuente	March 16, 2017	December 1, 2021	21	1	5%
4	Yvonne Colon-Villalobos	David Estrada	July 19, 2018	December 1, 2021	17	5	23%
At-Large	Rene Rodriguez						
Mayor	Mayor Elia Garcia	Enrique Cisneros	January 3, 2019	December 1, 2021	21	1	5%
Mayor	Mayor Elia Garcia	Ernest Gomez	January 3, 2019	December 1, 2021	10	12	55%

ALTERNATIVE:

Fill vacancies available and/or remove members with a high absenteeism record.

STAFF RECOMMENDATION:

The Planning and Zoning Department recommends that this situation is analyzed by Council.

FINANCIAL IMPACT:

Account Code (GF/GL/Dept):

Funding Source:

Amount:

Quotes (Name/Commodity/Price): Prices quoted to the EPCWID#1

AUTHORIZATION:

1. City Manager: _____ Date: _____

2. Attorney: _____ Date: _____

3. CFO: _____ Date: _____

Elia Garcia
Mayor

Rene Rodriguez
Representative
At Large

Cesar Nevarez
District 1
Mayor Pro-Tem



Ralph Duran
District 2

Victor Perez
District 3

Yvonne Colon-Villalobos
District 4

Adriana Rodarte
City Manager

DATE: September 17, 2020
TO: MAYOR AND CITY COUNCIL
FROM: Job Terrazas, Building Official
CC: Adriana Rodarte, City Manager

SUBJECT:

Consider and Take Action on the Preliminary Plat Approval for Villas de Socorro Subdivision, being all of Tracts 13B & 18, Block 12 and Tracts 1, 3A & 3C, Block 27, Socorro Grant for a new development.

SUMMARY:

The property is easterly located at approximately 950 feet from Socorro Rd and the intersection of Fray Olguin Ct. This development has a total area of 45.79 acres, owned by La Orilla, LLC.

This development will contain 146 single family lots, 3 ponding areas and 1 open space. Per FEMA panel #480212-0250B, the subdivision is located outside the 500-year flood plain.

BACKGROUND:

The property was rezoned to R-2, Medium Density Residential on May 16, 2019.

STATEMENT OF THE ISSUE:

The application for the preliminary plat has been submitted and approved by Council on March 15, 2020. The developer submitted a new plat adding an additional 34 lots and a ponding area.

STAFF RECOMMENDATION:

The Planning and Zoning Department recommends APPROVAL pending the following reports.

- Soils Analysis
- Schedule of Development

BOARD RECOMMENDATION:

The Planning and Zoning Commission recommends APPROVAL with staff recommendations.

FINANCIAL IMPACT

Account Code (GF/GL/Dept):

Funding Source:

Amount:

Quotes (Name/Commodity/Price) please see attached

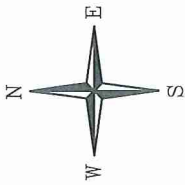
Co-op Agreement (Name/Contract#)

ALTERNATIVE

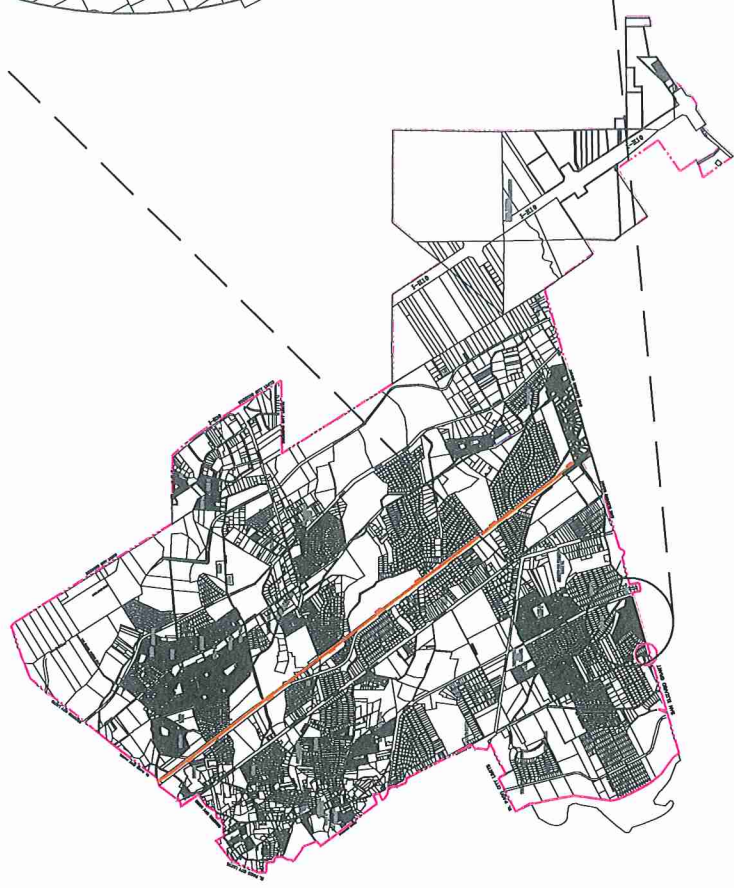
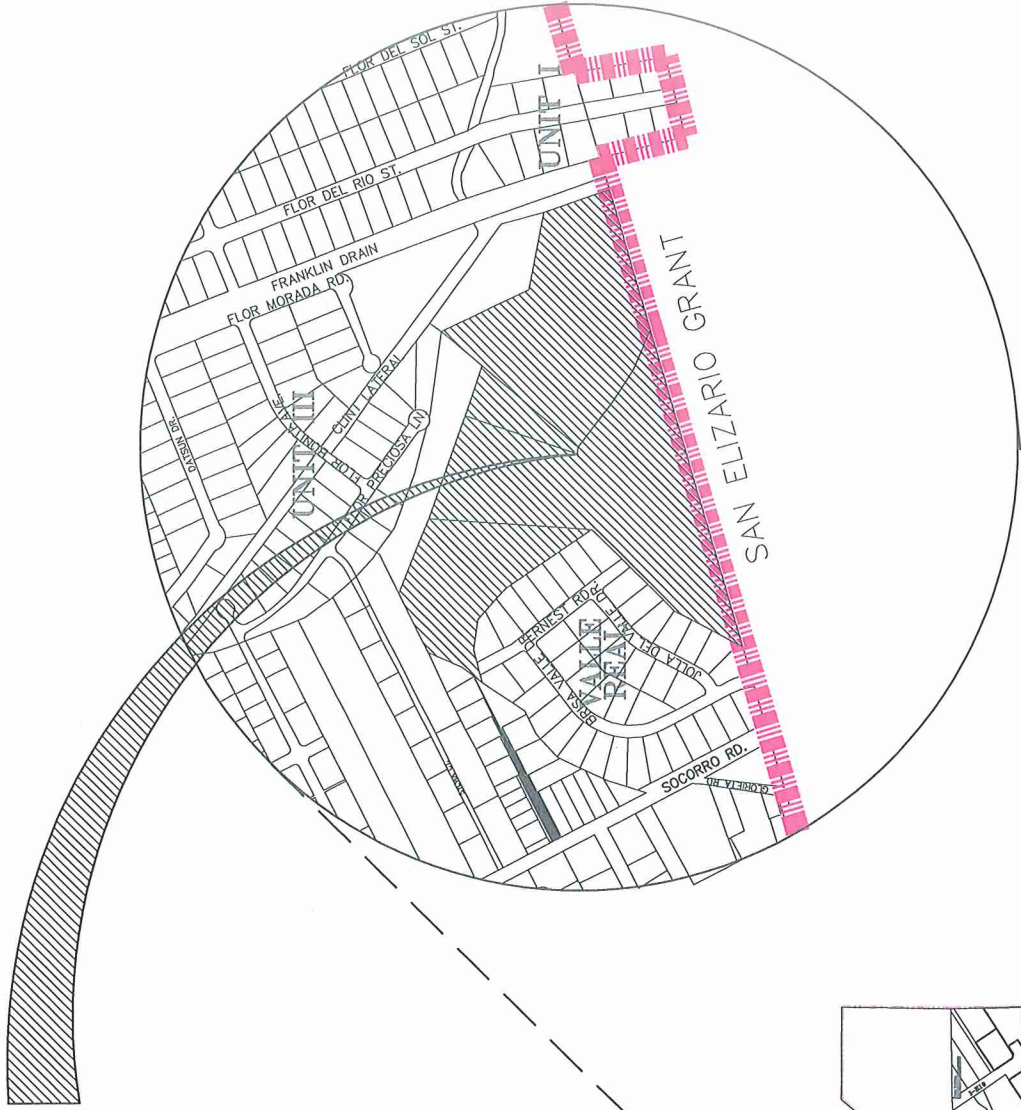
Deny

REQUIRED AUTHORIZATION

1. City Manager _____ Date _____
2. CFO _____ Date _____
3. Attorney _____ Date _____



PROJECT SITE;
Villas Del Valle
Tr.13-B & 18, Block 12
Tr.1, 3-A & 3-C,Block 27
Socorro Grant



CITY OF SOCORRO



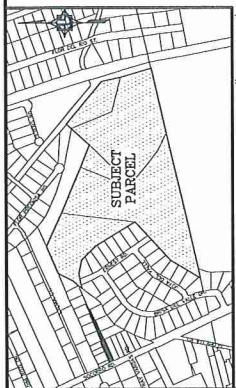
LOCATION MAP

Scale: AS SHOWN

VILLAS DE SOCORRO

LOT 1, BLOCK 1, VALLE REAL SUBDIVISION, EL PASO COUNTY, TEXAS, ACCORDING TO VOL. 60, PG. 80, RECORDED WITH THE PLAT RECORDS OF EL PASO COUNTY, TEXAS, TRACT 13-B AND TRACT 18, BLOCK 12, AND TRACTS 1, 3-A, AND 3-C, BLOCK 27, SOCORRO GRANT, EL PASO COUNTY, TEXAS.

TOTAL CONTAINING: 46.2477 ACRES



- NOTES:**
- VEHICULAR ACCESS TO LOTS IS THROUGH EXISTING ROAD.
 - PURPOSE FOR THIS PLAT IS TO SUBDIVIDE AND DEVELOP LOTS.
 - SET BACKS ARE AS SHOWN IN SECTION 46-32E AND SHALL BE 20' FROM THE FRONT AND 10' FROM THE SIDES AND 5' FROM THE REAR PROPERTY LINE.
 - SET 1" FEET BEARS WITH CAP MARKED TO BEAS AT ALL EXTERIOR BOUNDARY.
 - LOT CORNERS WILL BE SET ON ALL EXTERIOR LOT CORNERS.
 - BEARING BASES, U.S. STATE PLANE COORDINATE SYSTEM, TEXAS CENTRAL ZONE, AND THE STATE PLANE COORDINATE SYSTEM, TEXAS CENTRAL ZONE, 1983, THIS PLAT MAP IS A REPRODUCTION OF THE ORIGINAL PLAT MAP AND SHALL BE CONSIDERED AS SUCH.
 - ALL SERVICES EXPRESSED IN U.S. SURVEY FEET CONFORMANCE ANGLE=79.0274°.
 - PROPERTY MANAGEMENT ADVISORY BOARD MEMBERSHIP SHALL BE COMPOSED OF FIVE (5) MEMBERS AS SHOWN ON THIS PLAT.
 - 10 FOOT BUFFER ZONE (OF U.S.) THROUGH AND PARALLEL TO DRAIN.

SYMBOL LEGEND

●	PROPOSED CITY MONUMENT
○	FOUND CONTROL POINT
◻	SMALLER CENTER MANHOLE
○	CLEAN CUT
○	UTILITY CENTER
○	POWERS POLE
<	UTILITY WIRE
○	UTILITY BOX
○	CABLE BOX
○	TELEPHONE BOX
○	GAS VALVE
○	GAS METERS
○	TRASHING BIN
○	BOARD POST

CLIQUE TABLE

CLIQUE	LENGTH	BEARING	AREA	PERIMETER	PERCENTAGE
C1	100.00	0.00	100.00	100.00	100.00
C2	100.00	90.00	100.00	100.00	100.00
C3	100.00	180.00	100.00	100.00	100.00
C4	100.00	270.00	100.00	100.00	100.00
C5	100.00	360.00	100.00	100.00	100.00
C6	100.00	450.00	100.00	100.00	100.00
C7	100.00	540.00	100.00	100.00	100.00
C8	100.00	630.00	100.00	100.00	100.00
C9	100.00	720.00	100.00	100.00	100.00
C10	100.00	810.00	100.00	100.00	100.00
C11	100.00	900.00	100.00	100.00	100.00
C12	100.00	990.00	100.00	100.00	100.00
C13	100.00	1080.00	100.00	100.00	100.00
C14	100.00	1170.00	100.00	100.00	100.00
C15	100.00	1260.00	100.00	100.00	100.00
C16	100.00	1350.00	100.00	100.00	100.00
C17	100.00	1440.00	100.00	100.00	100.00
C18	100.00	1530.00	100.00	100.00	100.00
C19	100.00	1620.00	100.00	100.00	100.00
C20	100.00	1710.00	100.00	100.00	100.00
C21	100.00	1800.00	100.00	100.00	100.00
C22	100.00	1890.00	100.00	100.00	100.00
C23	100.00	1980.00	100.00	100.00	100.00
C24	100.00	2070.00	100.00	100.00	100.00
C25	100.00	2160.00	100.00	100.00	100.00
C26	100.00	2250.00	100.00	100.00	100.00
C27	100.00	2340.00	100.00	100.00	100.00
C28	100.00	2430.00	100.00	100.00	100.00
C29	100.00	2520.00	100.00	100.00	100.00
C30	100.00	2610.00	100.00	100.00	100.00
C31	100.00	2700.00	100.00	100.00	100.00
C32	100.00	2790.00	100.00	100.00	100.00
C33	100.00	2880.00	100.00	100.00	100.00
C34	100.00	2970.00	100.00	100.00	100.00
C35	100.00	3060.00	100.00	100.00	100.00
C36	100.00	3150.00	100.00	100.00	100.00
C37	100.00	3240.00	100.00	100.00	100.00
C38	100.00	3330.00	100.00	100.00	100.00
C39	100.00	3420.00	100.00	100.00	100.00
C40	100.00	3510.00	100.00	100.00	100.00
C41	100.00	3600.00	100.00	100.00	100.00
C42	100.00	3690.00	100.00	100.00	100.00
C43	100.00	3780.00	100.00	100.00	100.00
C44	100.00	3870.00	100.00	100.00	100.00
C45	100.00	3960.00	100.00	100.00	100.00
C46	100.00	4050.00	100.00	100.00	100.00
C47	100.00	4140.00	100.00	100.00	100.00
C48	100.00	4230.00	100.00	100.00	100.00
C49	100.00	4320.00	100.00	100.00	100.00
C50	100.00	4410.00	100.00	100.00	100.00
C51	100.00	4500.00	100.00	100.00	100.00
C52	100.00	4590.00	100.00	100.00	100.00
C53	100.00	4680.00	100.00	100.00	100.00
C54	100.00	4770.00	100.00	100.00	100.00
C55	100.00	4860.00	100.00	100.00	100.00
C56	100.00	4950.00	100.00	100.00	100.00
C57	100.00	5040.00	100.00	100.00	100.00
C58	100.00	5130.00	100.00	100.00	100.00
C59	100.00	5220.00	100.00	100.00	100.00
C60	100.00	5310.00	100.00	100.00	100.00
C61	100.00	5400.00	100.00	100.00	100.00
C62	100.00	5490.00	100.00	100.00	100.00
C63	100.00	5580.00	100.00	100.00	100.00
C64	100.00	5670.00	100.00	100.00	100.00
C65	100.00	5760.00	100.00	100.00	100.00
C66	100.00	5850.00	100.00	100.00	100.00
C67	100.00	5940.00	100.00	100.00	100.00
C68	100.00	6030.00	100.00	100.00	100.00
C69	100.00	6120.00	100.00	100.00	100.00
C70	100.00	6210.00	100.00	100.00	100.00
C71	100.00	6300.00	100.00	100.00	100.00
C72	100.00	6390.00	100.00	100.00	100.00
C73	100.00	6480.00	100.00	100.00	100.00
C74	100.00	6570.00	100.00	100.00	100.00
C75	100.00	6660.00	100.00	100.00	100.00
C76	100.00	6750.00	100.00	100.00	100.00
C77	100.00	6840.00	100.00	100.00	100.00
C78	100.00	6930.00	100.00	100.00	100.00
C79	100.00	7020.00	100.00	100.00	100.00
C80	100.00	7110.00	100.00	100.00	100.00
C81	100.00	7200.00	100.00	100.00	100.00
C82	100.00	7290.00	100.00	100.00	100.00
C83	100.00	7380.00	100.00	100.00	100.00
C84	100.00	7470.00	100.00	100.00	100.00
C85	100.00	7560.00	100.00	100.00	100.00
C86	100.00	7650.00	100.00	100.00	100.00
C87	100.00	7740.00	100.00	100.00	100.00
C88	100.00	7830.00	100.00	100.00	100.00
C89	100.00	7920.00	100.00	100.00	100.00
C90	100.00	8010.00	100.00	100.00	100.00
C91	100.00	8100.00	100.00	100.00	100.00
C92	100.00	8190.00	100.00	100.00	100.00
C93	100.00	8280.00	100.00	100.00	100.00
C94	100.00	8370.00	100.00	100.00	100.00
C95	100.00	8460.00	100.00	100.00	100.00
C96	100.00	8550.00	100.00	100.00	100.00
C97	100.00	8640.00	100.00	100.00	100.00
C98	100.00	8730.00	100.00	100.00	100.00
C99	100.00	8820.00	100.00	100.00	100.00
C100	100.00	8910.00	100.00	100.00	100.00

DATE OF PREPARATION
FEBRUARY 3, 2025



LA ORELLA LLC
Mailing Address:
700 N. 7th Street
El Paso, TX 79901-0100

SCHOOL DISTRICT:
EL PASO ISD DISTRICT 10, EL PASO, TX 79901

LAND USE TABLE:
R-1 RESIDENTIAL SINGLE-FAMILY
R-2 RESIDENTIAL MEDIUM-DENSITY
R-3 RESIDENTIAL HIGH-DENSITY

LINE TABLE:
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PLANNING AND ZONING DEPARTMENT
APPLICATION FOR SUBDIVISION APPROVAL

Date: 08/13/2020

REQUIRED DOCUMENTS

1. Plat of proposed subdivision done by a registered engineer and land surveyor showing easements.
2. Title guarantee by a Certified Abstractor showing that the applicant owns or controls the proposed property and that the property is free from any liens or other encumbrances.
3. Property deed of proposed subdivision.
4. Property Tax Certificate.

Application must be completed and validated prior to subdivision processing.

Subdivision Name: Villas de Socorro

1. Legal description of Area: LOT 1, BLOCK 1, VALLE REAL SUBDIVISION, EL PASO COUNTY, TEXAS, ACCORDING TO VOL. 60, PG, 80, RECORDED WITH THE PLAT RECORDS OF EL PASO COUNTY, TEXAS, TRACT 13-B AND TRACT 18, BLOCK 12, AND TRACTS 1, 3-A, AND 3-C, BLOCK 27, SOCORRO GRANT, EL PASO COUNTY, TEXAS.
TOTAL CONTAINING: 46.2477 ACRES

2. Proposed Land Uses:

	Acres	Sites		Acres	Sites
Single Family	24.9162	146	Office		
Duplex			Street & Alley	7.9584	
Apartment			Ponding/Drainage	4.9213	3
Mobile Home			Institutional		
P.U.D.			Other (Specify)	8.4518	1
Park/Pond					
School					
Commercial			Total No. Sites		
Industrial			Total Acreage	46.2477	

3. What is existing zoning of the above described property? R-2
4. Will the residential sites, as proposed, permit development in full compliance with all zoning requirements of the existing residential zone(s). Yes No

5. Which of the following public improvements will be installed in this development:

Pavement	X	Water Lines	X
Sidewalks, Curb and Gutter	X	Street Name Signs	X
Storm Sewer	X	Protective Fence	X
Flood Retention Pond	X	Guardrails	
Fire Protection	X	Street Lights	X
Survey Monuments	X	U/G Electric Lines	
Sanitary Sewer	X	Other (Specify)	

6. Are sidewalks proposed along all dedicated streets? Yes X No _____
 If only along some streets, which ones? _____

7. What type of telephone easements are proposed?
 Underground _____ Overhead _____ Both X

What type of electrical easements are proposed?
 Underground _____ Overhead _____ Both X

What type of cable T.V. easements are proposed?
 Underground _____ Overhead _____ Both X

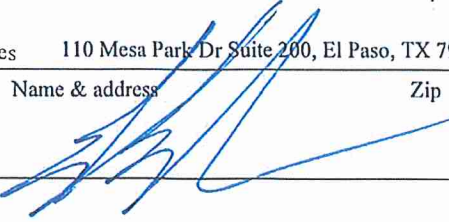
8. What type of drainage is proposed?
Storm runoff will sheet flow within the street to the proposed inlet discharging into proposed retention pond with enough capacity to hold a 100- year storm unit.

9. Remarks and/or explanation of special circumstances:
N/A

10. Owner of record: Villas De Socorro, LLC 337 E.Borderland Rd Apt.7 El Paso, TX 79912 (915)474-1404
 Name & address Zip Phone

11. Developer: Villas De Socorro, LLC 337 E.Borderland Rd Apt.7 El Paso, TX 79912 (915)474-1404
 Name & address Zip Phone

12. Engineer: TRE & Associates 110 Mesa Park Dr Suite 200, El Paso, TX 79912 (915) 852-9093
 Name & address Zip Phone

Applicant's Signature: 
 Capacity: _____

ITEM 11

From: [Orlando Jay Juarez](#)
To: [Adriana Rodarte](#); "[Adriana Rodarte](#)"; [Charles Casiano](#); onavarro@ci.socorro.tx.us
Cc: [Adrian Galvan](#); [Robert Tijerina](#); [Rudy Segura](#); [Sylvia Ibarra](#)
Subject: City of Socorro Refunding Bonds (Parameters Ordinance)
Date: Wednesday, September 9, 2020 4:38:50 PM
Attachments: [image001.jpg](#)
[Ordinance \(Parameters\) -1.pdf](#)

Good afternoon, all.

With regards to the City's General Obligation Refunding Bonds, Series 2020A, we would appreciate the City's use of substantially the following agenda language:

DISCUSSION AND ACTION TO APPROVE AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

The Ordinance itself is attached.

As always, please don't hesitate to contact either Rudy or me with any questions you may come across. I'm almost always available on my cell: 210.677.9940.

MPH Logo - 2020 - Copy



Orlando "Jay" Juarez, Jr.
700 N. St. Mary's Street, Suite 1525
San Antonio, TX 78205
T 210.225.2800 M 210.677.9940 F 210.225.2984

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TIJERINA
GALVAN
LAWRENCE LLC
Financial Consulting



Presentation to City of Socorro, Texas
Plan of Finance
September 17, 2020



Current Refunding Analysis

Summary of Preliminary Analysis



Based on current market rates and conditions, our analysis shows that the City could realize considerable annual debt service savings, an average of \$19,743 per year, by refunding the maturities shown here. This assumes current market rates exist in October 2020.

General Obligation Refunding Candidates

Series	Principal Amount to be Refunded	Maturities Refunded	Interest Rates	Call Date
Comb. Tax & Rev C/O, Series 2011	1,730,000	2022-2031	4.000-4.250%	3/1/2021
	<u>\$ 1,730,000</u>			

Projected Annual Savings				Present Value Savings
FYE 9/30	Prior Debt Service	Refunding Debt Service	Savings	
2021	70,025	66,459	3,566	3,388
2022	192,525	172,320	20,205	19,656
2023	197,325	179,920	17,405	16,655
2024	196,825	177,440	19,385	18,284
2025	196,125	174,960	21,165	19,670
2026	195,225	177,440	17,785	16,263
2027	194,125	174,880	19,245	17,341
2028	192,625	172,320	20,305	18,026
2029	195,613	174,720	20,893	18,272
2030	193,500	172,080	21,420	18,453
2031	382,500	362,880	19,620	16,664
	<u>\$ 2,206,413</u>	<u>\$ 2,005,419</u>	<u>\$ 200,994</u>	<u>\$ 182,671</u>

Key Assumptions

Delivery Date:	12/2/2020
Analysis Date:	9/3/2020
Rates:	Private Placement BQ Rate of 1.60%
TIC (Estimated):	1.600%

Projected Savings Summary

Par of Refunding Bonds:	\$1,825,000
Par of Refunded Bonds:	\$1,730,000
Average Refunded Coupon:	4.057%
NPV Savings:	\$182,671
% Savings of Refunded Bonds:	10.559%
Average Annual Savings:	\$19,743
Negative Arbitrage:	\$6,553



Timetable

Schedule of Events



September 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Thursday, September 17, 2020 Presentation of Refunding Plan of Finance. City authorizes Parameters Approval and instructs Financial Advisor and Bond Counsel to proceed with Plan of Finance to secure lowest borrowing cost via Private Placement for Obligations.

Thursday, September 17, 2020 Private Placement Agent sends out draft of private placement memorandum to Working Group for comments.

Friday, September 18, 2020 Comments due back to Private Placement Agent on first draft of placement memorandum from Working Group.

Friday, September 18, 2020 Private Placement Agent sends final version of private placement memorandum to prospective banks.

Wednesday, September 23, 2020 Placement Agent contacts potential bidders to confirm receipt, answers any outstanding questions, and gauges interest in Obligations.

Wednesday, September 30, 2020 Placement Agent polls frequent bidders to determine actual interest for financing.

Thursday, October 8, 2020 City, Financial Advisor, and Bond Counsel receive interest rate quotes from banks. Financial Advisor tabulates results and makes recommendation. Designated City officials sign and executes required legal documents.

Thursday, October 15, 2020 Financial Advisor presents Final Pricing results.

Friday, October 2, 2020 Submit document to Texas Attorney General.

Wednesday, December 2, 2020 Closing.

Monday, March 1, 2021 Call Bonds.

Federal Holidays

Important Working Group Dates

*Preliminary, subject to change.





Working Group Participants



Issuer	City of Socorro, Texas
Financial Advisor	TGL Financial Consulting
Bond Counsel	McCall Parkhurst & Horton L.L.P.
Purchaser/ Paying Agent	TBD
Placement Agent	FHN Financial



Legal Disclaimer



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ORDINANCE NO. _____

AUTHORIZING THE ISSUANCE AND SALE OF CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020A; ESTABLISHING PROCEDURES AND DELEGATING AUTHORITY FOR THE SALE AND DELIVERY OF THE BONDS; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID BONDS; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

THE STATE OF TEXAS §
COUNTY OF EL PASO §
CITY OF SOCORRO §

WHEREAS, the City has previously issued, and there are presently outstanding, certain obligations of the City of Socorro, Texas (the “Issuer” or the “City”), including the “City of Socorro, Texas Combination Tax and Revenue Certificates of Obligation, Series 2011” scheduled to mature on March 1 in each of the years 2023, 2025, 2027, 2029 and 2031, inclusive, in the aggregate principal amount of \$1,730,000 (the “Eligible Refunded Obligations”), and;

WHEREAS, the Issuer now desires to refund all or part of the Eligible Refunded Obligations, and those Eligible Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the “Refunded Obligations”;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow or similar agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, this City Council hereby finds and determines that it is a public purpose and in the best interests of the Issuer to refund the Refunded Obligations in order to achieve debt service savings, with such savings, among other information and terms to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1207.007, Texas Government Code;

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

WHEREAS, the Bonds hereinafter authorized to be issued are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code Chapters 1207, as amended; and

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

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOCORRO, TEXAS:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds of the City of Socorro, Texas (the “Issuer”) are hereby authorized to be issued and delivered in the aggregate principal amount hereinafter provided for the public purpose of refunding the Refunded Obligations and to pay the costs incurred in connection with the issuance of the Bonds. The term “Bonds” as used in this Ordinance shall mean and include collectively the bond initially issued and delivered pursuant to this Ordinance (the “Initial Bond”) and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

(b) Each bond issued pursuant to this Ordinance shall be designated: “CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BOND, SERIES 2020A,” and initially there shall be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, payable to the respective registered owners thereof (with the Initial Bond or Bonds being made payable to the Purchaser as described in Section 10 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the “Registered Owner”). The Bonds shall be in the respective principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

Section 2. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1207.007, Texas Government Code, as amended, the City Manager (including any interim city manager) or Chief Financial Officer (including any interim chief financial officer) (each, a “Pricing Officer”) is hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Ordinance, including, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption date for and effecting the redemption of the Refunded Obligations and obtaining municipal bond insurance for all or any portion of the Bonds, including the execution of any commitment agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Ordinance and providing for the terms and provisions thereof applicable to the Bonds, all of which shall be specified in the Pricing Certificate; provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$1,900,000;
- (ii) the stated maturity of the Bonds shall be not later than March 1, 2031;
- (iii) the refunding must produce a present value debt service savings of at least 8.00%, net of any Issuer contribution;
- (iv) the true interest cost on the Bonds shall not exceed 2.00% per annum and the net effective interest rate shall not exceed the maximum rate set forth in Chapter 1204, Texas Government Code, as amended; and
- (v) the delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to the 180th day following adoption of this Ordinance.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) hereof, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (the “Paying Agent/Registrar”), books or records for the

registration of the transfer, conversion and exchange of the Bonds (the “Registration Books”), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar’s standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at

least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

(e) Authentication. Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying

Agent/Registrar described above, the Initial Bond delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

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

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

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

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

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

(i) Cancellation of Initial Bond. On the closing date, the Initial Bond, representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless the prerequisites to such redemption required by this Ordinance have been met and 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 shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and

effect, the Issuer 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.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar’s Authentication Certificate, the form of Assignment and the form of Comptroller’s Registration Certificate to be attached to the Initial Bond shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance, and with the Form of Bond to be modified pursuant to, and completed with information set forth in, the Pricing Certificate.

(a) [Form of Bond]

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF SOCORRO, TEXAS GENERAL OBLIGATION REFUNDING BOND SERIES 2020A	PRINCIPAL AMOUNT \$_____
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Interest Rate	Dated Date	Maturity Date	CUSIP No.
	November 15, 2020	March 1, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Socorro, in El Paso County, Texas (the “Issuer”), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the “Registered Owner”), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 2, 2020 at the Interest Rate per annum specified above. Interest is payable on March 1, 2021 and semiannually on each September 1 and March 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association which is the “Paying Agent/Registrar” for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the “Bond Ordinance”) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the 15th calendar day of the month preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

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

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

THIS BOND is one of a series of Bonds dated November 15, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____ for the public purposes of refunding certain outstanding obligations of the Issuer and paying the costs incurred in connection with the issuance of the Bonds.

[ON _____, _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.]

[THE BONDS scheduled to mature on _____ in the years ____ and ____ (the “Term Bonds”) are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Bonds Maturing		Bonds Maturing		Bonds Maturing	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

⁽¹⁾ Stated maturity.

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

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

scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.]

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

payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

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

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

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

(signature)
City Clerk

(signature)
Mayor

(SEAL)

(INSERT BOND INSURANCE LEGEND, IF ANY)

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

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an executed Comptroller's Registration Certificate)

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

Dated: _____

U.S. Bank National Association
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee:

Please print or typewrite name and address, including zip code, of Transferee:

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

Dated: _____

Signature Guaranteed:

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

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

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Bond Insertions]

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

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

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

"THE CITY OF SOCORRO, TEXAS, in El Paso County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on March 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Amounts</u>	<u>Interest Rates</u>
--------------	--------------------------	-----------------------

(Information from Pricing Certificate to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from December 2, 2020 at the respective Interest Rate per annum specified above. Interest is payable on March 1, 2021 and semiannually on each September 1 and March 1 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear

interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

C. The Initial Bond shall be numbered “T-1.”

Section 5. INTEREST AND SINKING FUND.

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

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

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a “Defeased Bond”) within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus

interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the “Future Escrow Agreement”) for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the

same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

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

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

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

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

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

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

(e) Authority for Issuing Replacement Bonds. In accordance with Sec. 1206.022, Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate

and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

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

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

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

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

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

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

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

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to

90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

(d) Allocation of, and Limitation on, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Ordinance on its books and records in accordance with the requirements of the Internal Revenue Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the City may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the City shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City Council hereby adopts and establishes the instructions attached hereto as Exhibit B as the City's written procedures.

(g) Designation as Qualified Tax-Exempt Bonds. The Issuer hereby designates the Bonds as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the Issuer (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt bonds" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

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

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 2 hereof through a negotiated sale, competitive sale or private placement and pursuant to the terms and provisions of a purchase contract or a notice of sale and bidding instructions and official bid form (in either case, the "Purchase Contract"), the terms and provisions of which are to be determined by the Pricing Officer in accordance with Section 2, and in which the purchaser or purchasers (the "Purchaser") of the Bonds shall be designated. The Pricing Officer is hereby authorized to execute and deliver the Purchase Contract for an on behalf of the Issuer. The Initial Bond shall be registered in the name of the lead Purchaser as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a preliminary official statement and a final official statement relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

(c) The Pricing Officer is authorized, in connection with effecting the sale of the Bonds, to obtain from a municipal bond insurance company so designated in the Pricing Certificate (the

“Insurer”) a municipal bond insurance policy (the “Insurance Policy”) in support of the Bonds. To that end, should the Pricing Officer exercise such authority and commit the Issuer to obtain a municipal bond insurance policy, for so long as the Insurance Policy is in effect, the requirements of the Insurer relating to the issuance of the Insurance Policy as set forth in the Pricing Certificate are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary. The Pricing Officer shall have the authority to execute any documents to effect the issuance of the Insurance Policy by the Insurer.

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

Section 11. COMPLIANCE WITH RULE 15c2-12.

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

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

"*Financial Obligation*" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports. The City shall provide annually to the MSRB through EMMA within six months after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the City of the general type included in the final Official Statement under Tables 1 through 11. The City shall additionally provide audited financial statements within 12 months after the end of each fiscal year ending in or after 2020. Any financial

statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the financial statements appended to the Official Statement, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide (1) unaudited financial statements for such fiscal year within such six month period, and (2) audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements become available.

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

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

(c) Event Notices.

(i) The City shall notify the MSRB through EMMA in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of Bondholders, if material;
8. Bond calls, if material, and tender offers;

9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating Changes;
12. Bankruptcy, insolvency, receivership or similar event of an obligated person .
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.
15. Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City, and (b) the City intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(d) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe

and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 7 of this Ordinance that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the City so amends the provisions of this Section, it shall include with any amended financial

information or operating data next provided in accordance with paragraph (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Amendment of the Rule. The provisions of this Section shall be revised by the Pricing Officer to reflect the requirements of the Rule if the Rule is amended after the adoption of this Ordinance but prior to the delivery of the Bonds so as to permit an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule. Any such revisions shall be set forth in the Pricing Certificate and are incorporated by reference into this Ordinance and made a part hereof for all purposes, notwithstanding any other provision of this Ordinance to the contrary.

Section 12. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

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

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

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

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

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

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

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

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

Section 13. DEFAULT AND REMEDIES.

(a) 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:

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, 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 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered 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 Registered Owners hereunder or any combination of such remedies.

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

(c) Remedies Not Exclusive.

(i) 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.

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

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

Section 14. APPROVAL OF ESCROW AGREEMENT AND TRANSFER OF FUNDS. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Mayor or the Pricing Officer are further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein (the "Escrow Agent"), an escrow or similar agreement (the "Escrow Agreement"), in the form and substance as shall be approved by the Pricing Officer, which agreement will provide for the payment in full of the Refunded Obligations. In addition, the Mayor or the Pricing Officer is authorized to purchase such securities, to execute such subscriptions for the purchase of the Escrowed Securities (as defined in the Escrow Agreement), if any, and to authorize such contributions for the escrow fund (the "Escrow Fund") as provided in the Escrow Agreement.

Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Contract with the Purchaser, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at

such prices as set forth in the Pricing Certificate. The Pricing Officer is hereby authorized and directed to issue or cause to be issued notices of redemption of the Refunded Obligations in substantially the form set forth in Exhibit A attached hereto, completed with information from the Pricing Certificate, to each paying agent/registrars for the Refunded Obligations.

(b) In addition, the paying agent/registrars(s) for the Refunded Obligations shall be directed to provide the appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of such Refunded Obligations, and shall be directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrars(s) therefor, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent pursuant to the Escrow Agreement approved in Section 14 of this Ordinance.

Section 16. APPROPRIATION. To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Bonds, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

[Remainder of page intentionally left blank]

EXHIBIT A

[FORM OF NOTICE OF REDEMPTION]

NOTICE OF REDEMPTION

[NOTICE IS HEREBY GIVEN that the City of Socorro, Texas has called for redemption the outstanding obligations of the City described as follows:

City of Socorro, Texas Combination Tax and Revenue Certificates of Obligation, Series 2011, dated August 15, 2011, scheduled to mature March 1 in the years 2023, 2025, 2027, 2029, and 2031, inclusive, aggregating \$1,730,000 (and being all of the outstanding Certificates of Obligation of said series scheduled to mature on and after March 1, 2023);

Redemption date: March 1, 2021 redeemable at a redemption price of par plus accrued interest at the Designated Payment/Transfer Office of U.S. Bank National Association, Dallas, Texas (the “Paying Agent”) only upon presentation and surrender thereof by the holder thereof.

If moneys sufficient for the payment of such redemption price are held by or on behalf of the Paying Agent, the described Bonds shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, the Paying Agent may be obligated to deduct and withhold 30 percent of such payment from the remittance to any payee who has failed to provide the Paying Agent with a valid taxpayer identification number. To avoid the imposition of the withholding of tax, such payees should submit a taxpayer identification number when surrendering the Bonds for redemption.]

NOTICE IS FURTHER GIVEN that all obligations should be submitted to the following address:

Delivery Instructions:

U. S. Bank National Association
Global Corporate Trust
111 Fillmore Ave E.
St. Paul, MN 55107

Dated: _____, 2020

By: U.S. Bank National Association

EXHIBIT B

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the City's chief financial officer (the "*Responsible Person*"), which currently is the City's Finance Director, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six (6) months of the date of delivery of the Bonds (the "*Issue Date*");
- (ii) monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bonds after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the City (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the City, the employees of the City, the agents of the City or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the City, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Ordinance related to the public use of the facilities.

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

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the City's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.