ARTICLE I

FINDINGS AND DETERMINATIONS

Section 1: Findings and Determinations. It is hereby officially found and determined that:

(a) The Village of Jamaica Beach, Texas (the "City") owns and operates a water and sewer system (hereinafter defined as the System).

(b) The City is authorized pursuant to Articles 111, 112, 113, and 114 of the Texas Water Code, Texas Civil Statutes, as amended, and Chapter 252, Texas Local Government Code, as amended, to issue bonds to provide money for acquisitions, extensions, construction, improvement or repair of such system.

(c) The Village Council of the City, by ordinance adopted on December 7, 1987, authorized the issuance of bonds to provide money for acquisitions, extensions, construction, improvement or repair of such system.

(d) Such notice was posted for the time required by law at the City Hall of the City, and the City has not received any petition for a referendum concerning the issuance of such bonds.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1: Definitions. In this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates otherwise:
would otherwise impair the payment of bonds payable from net
revenue, necessary to meet some physical accident or condition
which the City and the Inhabitants thereof, or such a manner be
necessary to keep the System in operation and render adequate service to
Judgment of the Government Body of the City, are necessary to
serve such repairs and extensions necessary to render efficient
maintenance and efficient operation and maintenance.

"Maintenance and operation expenses" shall mean the

Issuance Date shall mean the date on which the Bonds
are delivered to and paid for by the Texas Water Development
Board.

Interest Payment Date shall mean in connection with
such Bond.

October 1 succeeding until maturity of any Bond, shall mean October 1, 1988, and April 1 and
October 1 thereafter.

"Interest Payment Date" when used in connection with
Bonds.

Revenue hereafter pledged to the payment of all Party
and, where applicable, the interest thereon, and any other
investment or deposit of money in any of the funds created
from the operation and operation or maintenance of the System (but exclusive
receipts or any nature derived or received by the City
"Gross Revenue" shall mean all revenues, income and
successor to the City as owner of the System.
and, which shall mean the City of Jamaica Beach, Texas;
"City" shall mean the Village of Jamaica Beach, Texas;

Bonds.

Ordinance amending the issuance of additional Party Bond and set forth in each
and which shall be recorded upon the issuance of each,
and which shall be delivered upon the issuance of each

6.1 of this Ordinance

Bonds" shall mean the additional
"Additionan Prior to ten Bonds" shall mean the additional

"Furniture for all Prior to ten Bonds, which, upon the issue
average annual principal and Interest Requirements"
excess of and the principal amounts registered to each owner.

October 1.

And the register in which are maintained the names and addresses of each owner shall mean the books of registration kept by the register.

This ordinance.

Party bond means the bonds, issued as a part of a particular date, all such bonds, shall mean.

"Payable Agent" shall mean the person, to whom used with respect to any bond used for the purposes of the City.

"Outstanding" shall mean the bonds, as of a particular date, all such bonds, shall mean. Any reference to a bond used with reference to prior lien amendments hereof and supplementary hereto.

"Ordinance" shall mean this bond ordinance and all operation expenses.

Net revenue shall mean all gross revenue remaining after deducting the maintenance and operation expenses.

Operation expense shall never be considered as a maintenance and operation expenses by the register of Texas.
set forth in the following schedule, and may be transferred in the principal amounts and bearing interest at the rates specified. The bonds shall be issued bearing the numbers, denominations, interest rates and dates of issuance.

Section 3.3: Designation, Date and Interest

Section 3.2: Designation, Date and Interest

The bonds shall be designated as "Villages of Jamaica Beach," Texas, Water and Sewer System Revenue Bonds, Series 1987.

TERMS OF THE BONDS

ARTICLE III

Bonds

The terms, provisions, and conditions of this issue shall be interpreted in accordance with the terms and provisions of the articles and sections of this Ordinance which have been hereinafter set out and are not to be considered a part of any Act or Ordinance of the City of Jamaica Beach. The term "water" shall mean the water and sewer system of the City, including all future extensions, replacements, and additions to said system."Texas, and the successors in that capacity, "Receivables" shall mean First Republic Bank, Houston, "Register."
and exchanged as set out in this Ordinance. The Bonds shall mature in accordance with this Ordinance, on April 1 in each of the years and in the amounts set out in such schedule. Bonds delivered on or before the date for which they were delivered are numbered in order of their authentication by the Registrar, shall bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

<table>
<thead>
<tr>
<th>Bond Number</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-1</td>
<td>$35,000</td>
<td>5.70%</td>
</tr>
<tr>
<td>R-2</td>
<td>40,000</td>
<td>5.95%</td>
</tr>
<tr>
<td>R-3</td>
<td>45,000</td>
<td>5.63%</td>
</tr>
<tr>
<td>R-4</td>
<td>45,000</td>
<td>6.20%</td>
</tr>
<tr>
<td>R-5</td>
<td>50,000</td>
<td>6.68%</td>
</tr>
<tr>
<td>R-6</td>
<td>60,000</td>
<td>7.00%</td>
</tr>
<tr>
<td>R-7</td>
<td>65,000</td>
<td>7.20%</td>
</tr>
<tr>
<td>R-8</td>
<td>70,000</td>
<td>7.40%</td>
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<tr>
<td>R-9</td>
<td>75,000</td>
<td>7.50%</td>
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<tr>
<td>R-10</td>
<td>80,000</td>
<td>7.70%</td>
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<tr>
<td>R-11</td>
<td>90,000</td>
<td>7.80%</td>
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<tr>
<td>R-12</td>
<td>100,000</td>
<td>7.90%</td>
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<tr>
<td>R-13</td>
<td>150,000</td>
<td>8.00%</td>
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<tr>
<td>R-14</td>
<td>150,000</td>
<td>8.10%</td>
</tr>
<tr>
<td>R-15</td>
<td>150,000</td>
<td>8.15%</td>
</tr>
<tr>
<td>R-16</td>
<td>150,000</td>
<td>8.15%</td>
</tr>
<tr>
<td>R-17</td>
<td>150,000</td>
<td>8.15%</td>
</tr>
</tbody>
</table>

Section 3.4: Execution of Bonds; Seal. The Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Secretary, their official seal on each Bond shall have the same effect as if each of the Bonds had been signed manually and in facsimile, and if the official seal on each Bond shall have the same effect as if each of the Bonds had been signed manually and in facsimile. Such signature shall appear on the Bonds or before the delivery of such Bonds, unless otherwise valid and sufficient for all purposes.
execute order to close, and payment on such date shall have
day on which banking institutions are authorized by law or
day which is not such a Saturday, Sunday, legal holiday or
then the date for such payment shall be the next succeeding
recorded by the executive order to close,
not recorded by the executive order to close,
the city where the register is
which banking institutions in the city where the register is

If the date for the payment of principal or interest
bond to which such interest appears.

Section 3.7. Payment of principal and interest.

was delivered by the register, the register.

shall be considered evidence that the bond so authenticated,
shall be considered evidence of authentication.

the bond so authenticated, except for any
of which subsection shall be attested or authenticated to the bonds to
be attached or authenticated to the bonds to
of the comptroller of the state of Texas, in the comptroller of
approved and shall be registered by the comptroller of
attorney general of Texas for examination

Section 3.5: Approval by Attorney General; Registration

Section 3.6: Authentication, registration, and record of

Section 4.1 of the comptroller, the comptroller of
of the comptroller.
transfer; the registrar shall authenticate and deliver in

the presence of the person or officers present at the transmis-
sion. Upon the registration of any bond for

the authorized representative in form satisfactory

accompanied by an assignment duly executed by the registrant,

officer of the registrar, duly endorsed for transfer, or

tion and surrender thereof at the printed corporate trust

each bond shall be transferable only upon the present-

Ordinance.

and transfer of bonds in accordance with the terms of this

precept, the registrar shall provide for the acceptance of

which, subject to such reasonable regulations as it may

keep at the printed corporate trust office the registrar. In

long as any bonds remain outstanding, the registrar shall

Section 3.10. Registration, transfer, exchange, and

the same.

be valid and effective and shall discharge the liability of

certain of any bond in accordance with the provisions of

not be bound by any notice of knowledge to the

deemed to be the person to whom notice of knowledge to the

not such bond be overdrawn, and neither the city nor

the interest thereon and for all other purposes, whether or

other person may treat the person in whose name any bond is

Section 3.9. Owners. The city, the registrar, and any

be agreed to be the provisions of this section.

that hereafter, by acting in that capacity, shall be deemed

change and of the address of the owner of the

received thereon, the city shall deliver to each person a copy thereof to the

appointment of any successor registrar, the provisions of

interest payment date on the bonds. Provided a legal quintessence bank, trust

such payment was due.

the same force and effect as it made on the original date.
Section 3.12. Multiplied, lost, or stolen bonds. Upon receipt of such bonds, furnish the City with appropriate certification of destruction. The Registrar shall be entitled to the making of proper records of all bonds in accordance with this ordinance, and all bonds in such an exchange shall be required to transfer or cancelation of bonds. All bonds paid or

Section 3.11. Cancellation of bonds. All bonds paid or

that the interest rate and principal amount, bearing a number not

Exchange thereof a replacement bond of like maturity,

the Registrar shall authenticate and deliver in

used for redemption. The Registrar shall at the same rate as the bond or bonds so presented, a
and payable, the City in the discretion may, instead of
the monies taken bond has become or is about to become due
if any such mutilated, lost, apparently destroyed or
registered in connection therewith.

'host, damage, cost of expense incurred by the City or any
persons providing therefor, against or any
person taking therefor, except a bona
fidee unless such replacement bond was issued pursuant to
purchase of the original bond in lieu of which such bond
is, after the delivery of such replacement bond, a bona
fidee unless the City and the Registrar,
met any other reasonable requirements of
be imposed, and
and any tax or other governmental charge that may
be imposed, except fees, fees of the Registrar
paying costs, legal fees, fees of the Registrar,
section therewith, including, but not limited to,
pat all expenses and charges in con-

such bonds:

satisfactory evidence of the ownership of and the
Registrar to the City to

such bond,

circumstances of the loss, destruction or theft of
standing, provided that the owner thereof shall have:
replace bond of like maturity, interest rate and duties
and the Registrar shall authenticate and deliver a
been accepted by a bona fide purchaser, shall

if any bond is lost, apparently destroyed, or monstruously

registered.

registered in connection therewith and any other expenses
covered by any tax, or other governmental charge that may be
required to cover the amount of such bond to pay a sum sufficient to
}
redeemed. This accrued interest to the date fixed for
the redemption price of the bonds or portions thereof to be
redeemed, plus the redemption interest to the date of redemption, as determined by the administrator or the City, shall
be evidenced by a written notice by first class mail to the
holder of such certificate, by certified mail, return receipt
requested, at least thirty days prior to the date fixed for redemption,
at least thirty days prior to the date fixed for redemption,
of which the City reserves the right, at its option, to
redeem prior to maturity the
such bond.

Issuing a replacement bond, authorize the registrar to pay
The Village of Jamaica Beach, Texas, a municipality,

PRINCIPAL AMOUNT:

REGISTERED OWNER:

INTEREST RATE: MATURITY DATE: ISSUE DATE:

Series 1987
Water and Sewer System Revenue Bond
Village of Jamaica Beach, Texas

REGISTERED

$ AMOUNT

REGISTERED NUMBER

State of Texas
United States of America

Face of Bond

Section 4.1: Forms. The form of the bonds, including

FORM OF BONDS AND CERTIFICATES

ARTICLE IV

redemption, called for redemption shall terminate on the date fixed for

redemption. The call for redemption shall not affect the redemption date of any bond or portion thereof.

The call for redemption shall not be regarded as outstanding in the same as the bond, provided, the bonds or portions thereof

redeemable. When bonds have been called for redemption in

redeemable. The call for redemption shall not affect the redemption date of any bond or portion thereof.
THIS BOND IS ONE OF A DAILY AUTHORIZED SERIES OF BONDS

Back panel of bond

City Secretary

Mayor

TXAAS

AUTHENTICATION CERTIFICATE (SEAL) VILLAGE OF JAMAICA BEACH

In witness whereof, the City has caused its corporate place

shall have the same force and effect as if set forth at this

Reference is hereby made to the further provisions of

From the issuance date,

but interest shall accrue on the principal amount hereof

the register. The date of this bond is December 1, 1987,

and March 15 as shown on the books of registration kept by

registered owner of record as of the proceeding September 15

registered matter of record at the

witnessed at the register's office of First Reputable Bank, Houston, Texas

mortgage and substituted to the registered owner identified above.

provided to the registered owner identified above or
THIS BOND IS TRANSFERABLE ONLY UPON PRESENTATION AND
NOTICE OF ANY REDEMPTION SHALL BE GIVEN AT LEAST THIRTY

On the date fixed for redemption, the amounts called for redemption shall be transferred to the books of registration, kept by the registrar, where bonds in that series, have been called for redemption, and the principal or portion thereof, have been paid, to be redeemed in whole or in part at the address shown on the back of this bond, or if none given, to the registrant's address. The date fixed to the right to redeem bonds maturing in the years 1996 and thereafter, to the registrant, to their face amount.

THE CITY RESERVES THE RIGHT TO REDEEM BONDS MATURING IN

To be redeemed by taxation.

Demand payment of this obligation out of any funds raised or

The owner hereby shall never have the right to

Interest thereon, are payable solely from such non-revenue

Bond and the series on which it is a part, together with the

This in full perfection and provided for a part by a first lien on certain net

This bond and the series thereof, of which it is a part, are

III. Section 26, Vernon's Texas Civil Statutes, as amended.

Improvements and facilities of the City, pursuant to Article
WITNESS MY SIGNATURE AND SEAL OF OFFICE THIS

OFFICE OF THE COMPTROLLER

THE STATE OF TEXAS

FORM OF REGISTRATION CERTIFICATE

This bond has this day been registered by me,

the same, and I do further certify that

these bonds and the securities of which they are a part,

are secured by a first lien on and pledge of, the

foregoing revenue bonds, subject to the restrictions contained

in the Ordinance, and that all party revenue bonds, subject to the restrictions contained

the Ordinance, are exchangeable at the principal corporate

THE CITY HAS RESERVORED THE RIGHT TO ISSUE ADDITIONAL.

THE BONDS ARE EXCHANGEABLE AT THE PRINCIPAL CORPORATE
ASESSMENT OF TAXPAYER IDENTITY

(Preferred)

Premeises.

Registration thereof, with full power of substitution in the

Attorney to transfer the within bond on the books kept for

Interests constitutes as apposes and apposes the

within bond and all rights therunder, and hereby

Number of Transferee

(Please Insert Social Security or Taxpayer Identification)

(Transferee)

(Please print or type name, address, and zip code of)

Agains, and transfers unto

For value received, the undersigned hereby sells,

ASSIGNMENT

FORM OF ASSIGNMENT

Date of Assignment

Authorized Signature

By

Austin, Texas

(Prepared)

Registrar of Public Accounts of Texas.

General of Texas and registered by the

authority approved by the Attorney

bond or bonds of a series which was

of a bond, bonds, or a portion of a

bond, in exchange for or in replacement

of the text of this

has been delivered pursuant to the bond

ON AUTHENTICATION CERTIFICATE

FORM OF AUTHENTICATION CERTIFICATE
The proceeds of the Prior Tenor Bonds shall be applied in the manner hereinafter set forth, in order to provide for the payment of all maturing and/or expired meters as collected and received by the City, and that shall be payable solely from, and shall be equivalent to, the proceeds of the Prior Tenor Bonds, and all expenses of paying same. The proceeds from the Prior Tenor Bonds, and all expenses of paying same, shall constitute the source and security of the Payment of the Prior Tenor Bonds.

ARTICLE 1

Payment for Prior Tenor Bonds:

The City shall have no right to be assessed by taxation, except as provided in this Article, to pay the interest on the Prior Tenor Bonds or any funds, principal or interest, and the payment of any such fund, principal or interest, shall not be deemed to have been made unless the City shall have received the same and used it for the payment of the Prior Tenor Bonds, and the payment of the Prior Tenor Bonds shall be made in accordance with the terms of this Article.

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange, or a Commercial Bank or Trust Company.

Signature: ____________________________

Dated: ____________________________
The Revenue Fund shall be maintained as a separate account on the Waterworks and Sewer System Revenue Fund (the "Revenue Fund").

The Prior lien Waterworks and Sewer System Revenue Fund shall be maintained as an off-street depository bank of the City, the Prior lien Bond Reserve Fund established and accounted for as heretofore provided so that any of the Prior lien Bonds remain outstanding.

Section 5.3: Special Funds. The following special funds shall be maintained and accounted for as heretofore instructed to be operated by the City:

- System maintenance fund
- System operation fund

The City covenants that it will not grant or permit any obligations payable from the Net Revenues of the System, net of any other outstanding obligations, and to pay any other outstanding obligations established and required by this Ordinance, and to qualify for municipal bonds payable from Net Revenues, to maintain the Net Revenues at least equal to the amount necessary to meet all bond requirements on all bonds issued and sold by the City annually in each fiscal year at the net revenues available to the City to pay all Maintenance and Operation Expenses.

Section 5.2: Rates and Charges. So long as any Prior lien Bonds remain outstanding, there shall be fixed, charged and collected from all users and beneficiaries of the System, rates and charges for the use and service of the System, the amount to be fixed, charged and collected from all users and beneficiaries of the System, the amount to be fixed, charged and collected from all users and beneficiaries of the System.
any Prior Lease Bonds remain outstanding, there shall be on or before the last business day of each month so long as such

such Funds.

funds for the purpose of being paid with the money on deposit in

For the purpose of being regarded as being outstanding except

Prior Lease Bonds and Shanking Fund, and such prior

Bond Reserve Fund, Interest Income on the amounts in

Prior Lease Bonds and Shanking Fund or the Prior Lease

Amounts plus the aggregate amount of all Interest accrued and

Bond Reserve Fund shall be equivalent to the sum of the

aggregate principal amount of all outstanding Prior Lease

whenever the total amounts on deposit are the credit of the

Fifth, for any lawful purpose.

directed by the City.

issued of additional Prior Lease Bonds, or any Ordinance

Bond Reserve Fund required by this

Second, to make all deposits into the Prior

First, to pay Maintenance and Operation

expenses; and also to provide for the payment of all

Ordinance expenditures, which may include an operating reserve equal to one

month’s estimated Maintenance and Operation

order of priority; the following:

Revenue Fund shall be deposited as collected into the Revenue Fund.

Section 5.4: Flow of Funds. All Gross Revenues of the
Section 5.6: Prior Tree Bond Reserve Fund

The City's Prior Tree Bond Reserve Fund is established for the purpose of providing funds to acquire and maintain properties, facilities, and equipment necessary for the operation of the City's Parks, Recreation, and Cultural Affairs Department. The fund shall be used to pay the principal and interest on the Prior Tree Bonds and to pay any other expenses incurred in connection with the operation of the Department.

The fund shall be established in an amount equal to 1% of the total proceeds of the Prior Tree Bond Issue. The fund shall be invested in accordance with state law and regulations to ensure the preservation of the principal and the earning of interest income.

The City shall deposit into the fund an amount equal to 1% of the total proceeds of the Prior Tree Bond Issue. The fund shall be invested in accordance with state law and regulations to ensure the preservation of the principal and the earning of interest income.

The City shall use the fund to pay the principal and interest on the Prior Tree Bonds and to pay any other expenses incurred in connection with the operation of the Department.

The fund shall be subject to the terms and conditions of the Prior Tree Bond Agreement and shall be administered in accordance with the provisions of this section.
made in such manner that the money required to be expended

law; provided that all such deposits and investments shall be

instruments, or in any other obligations or property of any of the agencies or

Y, the United States of America, or any state or

amount to the amount required by law for public funds, as

be invested in time deposits or certificates of deposit

be invested in time deposits or certificates of deposit

Art. 8 of this Ordinance may, at the option of the City,

ment income, money in each fund maintained pursuant to

section 5.8: Investment of Funds; Transfer of Invest-

suspected to any such deficiencies.

suspected, the interest and charges for the system shall be

the amount otherwise required to be paid into such funds

the revenue fund, and such payment shall be in addition to

of funds from the least available and uncommitted money in

such deposits shall be set apart and paid into such fund

set and striking fund and the prior loan reserve fund.the

these shall not be deposited into the prior loan bond inter-

section 5.7: Deficiencies in Funds. If in any month

lien bonds to mature or be redeemed.

purpose and it may be used to pay and retire the last prior

the prior loan bond interest and striking fund for such

at any time when there is not sufficient money available in

the prior loan bond reserve fund until the prior

revenue fund. The prior loan bond reserve fund shall be used to the

whensoever the prior loan bond reserve fund contains any excess amount to the

the city may transfer the entire amount, or

reserve fund has been restored to such amount.

of such deposits until the prior

amount, and the balance in the prior loan bond reserve fund shall be

the prior loan bond reserve fund is reduced below such

further deposits shall be made into the prior

Interest Reimbursement. After such amount has accumulated in

interest at least equal to the average annual

months from the date of each sale of

replenish, as will be sufficient to accumulate thereon, by

lien bond reserve fund (such amounts), in equal monthly

after taking into account any other amounts in the prior
AUTHORIZING SUCH ADDITIONAL PRORIOR LEAN BONDS.

Proceeding the adoption of this ordinance period ending not more than ninety (90) days after the first day of the calendar month of the Fiscal Year of the City of any consecutive October in accordance with the provisions hereof.

Section 6.6: Additional Prior Lean Bonds

ADDITIONAL BONDS

ARTICLE

Security as provided by law in the State of Texas, including but not limited to this ordinance shall be secured by the proceeds of an advance of any other bonds heretofore authorized or the proceeds of any other bonds heretofore issued, which bonds may be issued unless otherwise provided, however, that no additional Prior Lean Bonds shall be issued with the proceeds of any other Prior Lean Bonds previously issued or sold.

Section 6.7: Security

Connection with the Prior Lean Bonds

Property sold when necessary to prevent any default in the payment of principal face amount and interest thereon, shall be secured by a pledge of any Prior Lean Bonds, the proceeds of which bonds be deposited in escrow to the satisfaction of the City and any other person or persons having a legal or equitable interest therein.

Section 6.8: Connection with Prior Lean Bonds

From any such fund will be available at the proper time or from any other funds as the bondholders may approve.
ARTICLE III
COVENANTS AND PROVISIONS

Section 7.1: Punctual Payment of Prior Loan Bonds

PETITIONING TO PRIOR LIEN BONDS

PAYMENTS AND PROVISIONS

Interest Requirements.

Interest requirements on the Prior Loan Bonds shall not exceed the average annual interest rate on such Prior Loan Bonds for the five years ending with the date of such petition. If the net revenues of the Prior Loan Bond Reserve Fund are insufficient to provide for the payment of the Prior Loan Bonds, the City may issue additional Prior Loan Bonds to cover any shortfall in the Prior Loan Bond Reserve Fund.

Net Revenues are calculated by the City Administrator.
the choice of each of the fiscal years cause an audit report.

gross revenues or the net revenues. The City shall after
which in any way affect or pertain to the system. Every
of all debts, transactions, businesses and accounts
of the system to which this title, title and proper entities will be
Section 7.5: Accounts, records, audits, so long as any prior

the Maintenance and Operation Expenses. Any
in addition to insurance shall be a part of
the insurance is available, the cost of all such insurance
operation or property, to the extent that such
are certified by the proper auditors of the city, and
cannot be expected to be or are expected to be
the city further covenants, the city will keep the system insured
with insurers and agrees that it will maintain a proper and complete
Maintenance and Operation Expenses.

encumbrance of the system.

shall not be considered as an

industry agreement pursuant to which the city contracts with a
portion of the operation of the system.

notsell, dispose of or, except as permitted in the
are any prior lean bonds remain outstanding, the city will

Section 7.3: Sale or Encumbrance of System. So long as any

Section 7.2: Maintenance of System. So long as any

addition to insurance and in any ordinance authorizing the issuance of
ordinance and in any ordinance authorizing the issuance of
Section 7.6: Competition. To the extent it legally may, the City will not grant any franchise or permit for the acquisition, construction or operation of any competing facilities, which might be used as a substitute for the system and will prohibit the operation of any such competing facilities.

Section 7.7: Pledge and Encumbrance. The City covenants and agrees that it will not pledge the Net Revenues from the operation of the City's water system for the payment of the debt of any other governmental unit or enterprise unless such pledge or encumbrance is junior and subordinate to the lien of the prior Lien Bonds, and will not be pledged to the payment of any debt of any other governmental unit or enterprise.

Section 7.8: Bondholders' Remedies. This Ordinance shall constitute a contract between the City and the holders of the Bonds, and the holders thereof shall have a right to enforce the provisions of this Ordinance and shall be entitled to the remedies provided herein. In the event of a default in the payment of the principal of or interest on the Bonds or a default in the performance of the obligations of the City provided in this Ordinance, the holders of the Bonds may pursue all remedies provided by law or in equity and may compel the City to carry out such default and to prevent further default or defaults. Without limiting the generality of the foregoing, it is expressly provided that any holder of any of the Bonds may at law or in equity compel the City under this Ordinance, including the making and collection of reasonable and sufficient rates and charges.
Section 7.11: No Recourse Against City Officials.

Therefor,

be in compliance with the requirements for publication of
the bonds shall, therefore, cause and undertake
the manner shall for all purposes of the ordinance be deemed to
manner of the City shall most effectuate approximate such
be in such manner and at such time or times as in the
notice of such ordinance shall be given
by the provisions of the ordinance shall be given
prepared by the provisions of the ordinance and any
renewing, no notice required, any notice required to be
notice cannot be made meeting any
reason, publication of notice cannot be made meeting any
of any newspaper, journal, or other publication, or, for any
reason. If, because of the temporariness of such provision
for the publication of notice, or for any
Section 7.10: Unavailability of Authority of Authorized Publisher.

the bonds shall, therefore, cause and undertake
the bonds shall, therefore, cause and undertake to
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bonds shall, therefore, cause and undertake to

Section 7.9: Defeasance. The City may defease the

the manner required by this ordinance
and the application of excess revenues into the special funds as herein provided,
for the use and expense of the system, the deposit of the
Section 8.5: Tax Exemption. The City covenees that this ordinance shall be used for the purpose set forth in Section 3.1 of the Bonds and the excess thereof from the sale of the Bonds shall be deposited into the Interest and sinking fund.

(a) Accrued interest shall be deposited into the receipt by the City, be applied as follows:

272, Texas local government code.

Section 8.3: Appropriation of proceeds of Bonds. Proceeds from the sale of the Bonds shall be deposited into the receipt by the City, be applied as follows:

75% of the proceeds, the Village Council, the Village Council.

General of the State of Texas and of the Village & District, bond

Section 8.1: Sale of the Bonds. Sale of the Bonds is

OF PROCEEDS OF SERIES 1987 BONDS

PROVISIONS CONCERNING SALE AND APPLICATION

ARTICLE VIII

have it if we're not paying agent.

Section 7.12: Paying agent may own bonds. The paying

holder of pledgee of the bonds with the same rights it would
The city will not use, nor permit to be used, proceeds of the bonds to finance loans to any amount exceeding the lesser of (i) $5,000,000 or (ii) 5 percent of the net proceeds of the bonds (as defined in the notes of the bonds). Proceeds of the bonds will not be used or permitted to be used, directly or indirectly, for a general purpose, or to make payments to any governmental unit, except that any governmental unit, other than a governmental unit as defined in this section, may use such proceeds of the bonds in a trade or business of such governmental unit. Any net proceeds of the bonds in a trade or business of any governmental unit other than a governmental unit as defined in this section, are not proceeds of the bonds to which such government expenses are applicable, or proceeds of the bonds, notwithstanding the provisions of any governmental unit, other than a governmental unit as defined in this section, may use such proceeds of the bonds in a trade or business of such governmental unit. Any net proceeds of the bonds in a trade or business of any governmental unit, other than a governmental unit as defined in this section, may use such proceeds of the bonds in a trade or business of any governmental unit.
The City will take all necessary steps to comply with the requirements that "excess arbitrage profits" calculated such "excess arbitrage profits" proceeds of the bonds as may be required to cover the investment of the City's expenditures, the City with the payment of the proceeds of the bonds (within the "cross proceeds" of the bonds) to be in accordance with the requirements that "excess arbitrage profits" and in accordance with the requirements of the Code (Sec. 144.9 of the Code) that may be modified in any applicable tax law. The City shall not cause the bonds to be redeemed as "Federal Guaranteed Obligations" or other obligations or the income thereon. The City shall not cause the bonds to be redeemed as "Federal Guaranteed Obligations" or any other obligations. The City shall not cause the proceeds of the bonds to be used for any purpose other than the payment of the bonds. The City shall not cause the proceeds of the bonds to be used for any purpose other than the payment of the bonds.
the City has covenant in this Ordinance that it will take

Section 8.6: Repeal Exception. It is hereby found and

Section 8.6: Repeal Exception. It is hereby found and

for federal income tax purposes under existing law

the provisions of the bonds to be issued in accordance

the provisions of the bonds to be issued in accordance

the City may, from time to time, to the extent, and subject to the

the City may, from time to time, to the extent, and subject to the

All officers, employees and agents of the City are autho-

meaning of "Investment, Interests. No person, or the

meaning of "Investment, Interests. No person, or the

not less than the amount of the bonds, all amounts

not less than the amount of the bonds, all amounts

are delivered. In complying with the foregoing provision, or the

are delivered. In complying with the foregoing provision, or the

estimates and to provide certifications of facts and

estimates and to provide certifications of facts and

separately from records of amounts on deposit.
Section 9.2: Open Meeting. If it is hereby found, deter-

or this ordinance.

Section 9.3: Separability. If any section, paragraph,

ordinance.

further proceedings. The City, the City

ARTICLE IX

the meaning of section 265(q) of the code, other than "guaranteed tax-exempt obligations", does not include "project activity bonds" within the meaning of section 142 of the code, for purposes of this section 21, the term "tax-exempt bonds" includes all governmental units which are subordinate to the City. In addition, for purposes of this section 21, the term "tax-exempt activity bonds within the meaning of section 142" means the bonds which the City during calendar year 1988, including the bonds issued by the City prior to calendar year 1988, including the bonds, which have been designated as "guaranteed tax-exempt obligations" under section 265(q) of the code, that are not tax-exempt bonds, with the meaning of section 265(q) of the code, "cross proceeds of the bonds" or "reimbursable advances on the investment of the excess proceeds of the bonds" designated by the Federal government, if any, be referred to the Federal government.

hereto referred to the extent of such consistency.

Section 9.6: Repealer. All orders, resolutions and

behalf of the City,

is hereby authorized to execute such agreement for and on

Section 9.5: Paying Agent/Register Agreement

heretofore

possibility and without delay for the purposes set forth

Sec. 9.4: Declaraton of Emergency. It is hereby

and the contents and passing thereof.

further ratifies, approves and confirms such written notice

Council considered and Formally adopted upon, The Village Council

ordinance and the subject matter thereof has been discussed,

Sec. 9.3: Open Meeting Law. ARTICLE 625-217, VENOM'S TEXAS CIVIL

the public as required by law at all times during which this

general public at the City Hall of the City for the time