

ORDINANCE NO. 78-88

ORDINANCE APPROVING CLAIMS AND AUTHORIZING
THE ISSUANCE OF CERTIFICATES OF OBLIGATION

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

WHEREAS, the City Council of the CITY OF DANBURY, TEXAS (the "City"), by ordinance adopted August 9, 1978, affirmed the intention of the City to issue Certificates of Obligation for the purpose of evidencing the indebtedness of the City for all or any part of (1) the cost of constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, including the cost of professional services in connection therewith, and (2) the cost of certain professional engineering services in addition to those mentioned immediately above in connection with proposed further extensions of and improvements to the City's sanitary sewer system; and

WHEREAS, the City Council desires to approve, ratify and readopt said ordinance heretofore adopted by the City Council on August 9, 1978; and

WHEREAS, the City Council gave due and proper notice to bidders of the time and place when and where a contract, or contracts, for such construction would be let and gave due and proper notice of its intention to issue such certificates of obligation; and

WHEREAS, the City Council thereafter awarded a contract to MERCER CONSTRUCTION CO., Edna, Texas (the "Contractor") in the amount of \$33,084.90 (later adjusted to \$32,936.00 by change orders approved by the City), as the lowest and best bid for such construction and the Contractor at the time of the receipt of such bid elected to assign such certificates in payment for all or any part of the cost of the contract in accordance with the arrangements made by the City Council; and

WHEREAS, the Contractor, as shown on a true copy of its Claim No. 1, attached hereto as Exhibit "A" and made a part hereof as if fully written herein, has submitted said claim for furnishing such materials and supplies; and

WHEREAS, WALSH ENGINEERING, INC., Pearland, Texas, pursuant to contract with the City has performed professional engineering services in connection with such construction and, as shown on a true copy of its Claim No. 1, attached hereto as Exhibit "B" and made a part hereof as if fully written herein, has submitted said claim for such professional services; and

WHEREAS, Vinson & Elkins, bond market attorneys, Houston, Texas, pursuant to contract with the City has performed professional legal services in connection with such construction and, as shown on a true copy of its Claim No. 1, attached hereto as Exhibit "C" and made a part hereof as if fully written herein, has submitted said claim for such professional services; and

WHEREAS, the City has received the full benefits of such contracts represented by said claims to the full extent thereof and to the full extent of the certificates of obligation hereinafter authorized to be delivered; and no person, corporation or trust estate has given notice in writing or otherwise to the City, or to any official thereof, of any liens for any materials, apparatus, fixtures, machinery or labor furnished to the Contractor as provided by Chapter 17, Acts of the Legislature of Texas, 1925 (Article 5472-a, Vernon's Texas Civil Statutes), or any other provision of law; and

WHEREAS, the City does not hold a claim of any kind or character which might be properly charged or interposed as an offset or counterclaim to the payment of the aforesaid claims; and

WHEREAS, said claims, or portions thereof, have been assigned, as shown on each such claim, to the ANGLETON BANK

OF COMMERCE, Angleton, Texas, without discount, and said bank is now the legal owner and holder thereof; and

WHEREAS, the City Council of the City wishes to approve said claims and authorize the payment thereof by the issuance and delivery of certain of said certificates of obligation, all as shown on said Exhibits "A", "B" and "C", respectively, and as hereinafter set out:

<u>CLAIMANT</u>	<u>AMOUNT TO BE PAID NOW BY ISSUANCE OF CERTIFICATES OF OBLIGATION</u>	<u>AMOUNT TO BE PAID IN CASH BY CITY OR CARRIED FORWARD</u>
Mercer Construction Co.	\$15,337.38	NIL
Walsh Engineering, Inc.	1,361.25	NIL
Vinson & Elkins	301.37	\$698.63

and

WHEREAS, the City Council desires to rescind a previous ordinance adopted on October 26, 1978, wherein a partial settlement of two of such claims was contemplated;

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

Section 1. The matters and facts contained in the preamble of this ordinance are hereby found and declared to be true and correct.

Section 2. The ordinance heretofore adopted by the City Council of the City on August 9, 1978, and entitled "Ordinance Authorizing Issuance of \$40,000 City of Danbury, Texas, Certificates of Obligation, Series 1978; Ratifying Contract; And Containing Other Provisions Relating to the Subject" is hereby approved, ratified and readopted in full; and the ordinance heretofore adopted by the City Council of the City on October 26, 1978, and entitled "Ordinance Approving Claims and Authorizing Issuance of Certificates of Obligation" is hereby rescinded and cancelled in full.

Section 3. The claims described in the preamble of this ordinance and fully set forth in Exhibits "A", "B" and "C", respectively, mentioned in said preamble shall be, and the same are hereby, approved and allowed, and the City hereby acknowledges receipt of the full benefits represented by said claims to the full extent thereof and to the full extent of the certificates of obligation herein authorized to be delivered; and the City hereby recognizes and approves the transfer and assignment of said claims, or portions thereof as shown on each such claim, to the Angleton Bank of Commerce, Angleton, Texas.

Section 4. There is now due and owing to said bank the sum of \$17,000.00 and to Vinson & Elkins the sum of \$698.63.

Section 5. There shall be executed and delivered to said bank Certificates Nos. 1 through 17, both inclusive, aggregating \$17,000.00, of the CITY OF DANBURY, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 1978, dated August 1, 1978, and the sum of \$698.63, as shown in Section 4 above, shall be carried forward and later paid to Vinson & Elkins either in cash or by issuance of Certificates of Obligation.

Section 6. The Mayor, City Secretary, City Treasurer, and other appropriate City officials, are hereby authorized and directed to deliver said Certificates above mentioned and to do any and all things necessary or convenient to carry out the terms of this ordinance.

Section 7. It is hereby officially found and determined that the need of the City for such financing creates an emergency and an urgent public necessity for the holding, at the scheduled time, of the meeting at which this ordinance is adopted and for the adoption of this ordinance; and the NOTICE OF MEETING relating to said meeting and heretofore posted by the City Secretary, and the posting thereof, are hereby authorized, approved, adopted and ratified.

PASSED AND APPROVED this 30th day of November, 1978.

ATTEST: /s/ Ted Cooper
Mayor
CITY OF DANBURY, TEXAS

/s/ Marilyn Lampe
City Secretary
CITY OF DANBURY, TEXAS

(SEAL)

EXHIBIT "A"

Claim No. 1 (Final Claim)

Dated: November 30, 1978

of Mercer Construction Co. (the "Contractor"), against the City of Danbury, Texas (the "City"), as per contract in the amount of \$32,036.00, between the City and the Contractor:

1. Total completed to date \$32,036.00
2. Less 10% retainage. \$ Nil
3. Final payment due. \$32,036.00
4. Amount to be paid Contractor by issuance
of Certificates of Obligation \$15,337.38
5. Carry-over to next claim. \$ -0-
6. Amount paid to Contractor to date \$ -0-

The amount shown in line 3 above represents our claim against the City for our performance to date under and in conformity with the terms and conditions of the contract described above; and \$15,337.38 of such claim has been and is hereby assigned in full, without discount, to the Angleton Bank of Commerce, Angleton, Texas.

MERCER CONSTRUCTION CO.
P. O. Drawer "J"
Edna, Texas 77957

By _____
(Authorized Representative)

(SEAL)

(Title)

All construction and equipment represented by the claim shown in line 3 above are in full accordance with the terms and conditions of the contract described above, and such claim is hereby in all things approved for payment by the City.

WALSH ENGINEERING, INC.
P. O. Box 760
2010 Broadway
Pearland, Texas 77581

By _____
Mehran Bavarian
Project Designer

EXHIBIT "B"

Claim No. 1

Dated: November 30, 1978

of Walsh Engineering, Inc. (the "Engineer"), against the City of Danbury, Texas (the "City"), for professional engineering services rendered in connection with construction contracted to be done by Mercer Construction Co., is hereby rendered as follows:

1. Professional services rendered, and travel expenses incurred in connection therewith. . . \$1,361.25
2. Amount to be paid to Engineer by issuance of Certificates of Obligation. \$1,361.25
3. Carry-over to next claim \$ -0-
4. Amount paid Engineer to date \$ -0-

The amount shown in line 1 above represents our claim against the City for such professional engineering services rendered to date, and \$1,361.25 of such claim has been and is hereby assigned in full, without discount, to the Angleton Bank of Commerce, Angleton, Texas.

WALSH ENGINEERING, INC.
P. O. Box 760
2010 Broadway
Pearland, Texas 77581

By _____
(Authorized Representative)

(Title)

(SEAL)

EXHIBIT "C"

Claim No. 1

Dated: November 30, 1978

of Vinson & Elkins, bond market attorneys, against the City of Danbury, Texas (the "City"), for professional legal services rendered in connection with issuance of City of Danbury, Texas, Certificates of Obligation, Series 1978, dated August 1, 1978, is hereby rendered as follows:

1. Professional services rendered (not including out-of-pocket expenses or cost of translation of English to Spanish). \$1,000.00
2. Amount to be paid attorneys by issuance of Certificates of Obligation. \$ 301.37
3. Amount carried over to next claim. \$ 698.63

The amount shown in line 1 above represents our claim No. 1 against the City for such professional legal services rendered to date, and \$301.37 of such claim is hereby assigned in full, without discount, to the Angleton Bank of Commerce, Angleton, Texas.

VINSON & ELKINS
2100 First City National Bank Bldg.
Houston, Texas 77002

By Howard W. Mays
Howard W. Mays
Attorney

CERTIFICATE FOR ORDINANCE APPROVING CLAIMS AND
AUTHORIZING THE ISSUANCE OF CERTIFICATES OF OBLIGATION

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

We, the undersigned officers of the CITY OF DANBURY, TEXAS (the "City"), do hereby certify as follows:

1. That we are the duly chosen, qualified and acting officers of the City for the offices shown below our signatures and that as such we are familiar with the facts herein certified.

2. That there is attached to and follows this certificate an excerpt of proceedings from the minutes of a meeting of the City Council of the City (the "City Council") which is a true, full and complete excerpt of all proceedings from the minutes of the City Council pertaining to the adoption of the ordinance described therein; and that the persons named in such excerpt as the officers and members of the City Council or as officers of the City are the duly chosen, qualified and acting officers and members as indicated therein.

3. That a true and complete copy of the ordinance (the "Ordinance"), as adopted at the meeting described in such excerpt from the minutes, is attached to and follows such excerpt.

4. That the Ordinance has been duly and lawfully adopted by the City Council and that the Mayor of the City has approved, and hereby approves, the Ordinance; that the Mayor and the City Secretary of the City have duly signed and attested the Ordinance and each, respectively, hereby declares that the signing of this certificate shall also constitute the signing of the Ordinance for all purposes; and that the Ordinance, as signed, has been duly recorded in the minutes of the City Council for such meeting.

5. That each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and subject of such meeting of the City Council, and that the Ordinance would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting to consider and act upon such subject.

6. That written notice of the meeting of the City Council described in the excerpt from the minutes was posted in the form and manner required by law; and that such meeting was open to the public as required by law at all times during which the Ordinance and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Article 6252-17, Vernon's Texas Civil Statutes, as amended.

SIGNED AND SEALED the 30th day of November, 1978.

City Secretary

Mayor

(SEAL)

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

The City Council of the City of Danbury, Texas, convened in special meeting, open to the public, on the 30th day of November, 1978, at the City Hall, and the roll was called of the duly constituted officers and members of the City Council and the City Secretary of the City, to-wit:

Ted Cooper	Mayor
W. Morris Dodson	Councilman
Gene Carpenter	Councilman
Carlos Simpson	Councilman
Harry Bogema	Councilman
Eugene Wollam	Councilman
Marilyn Lampe	City Secretary

and all of said persons were present, except the following absentees:

thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written ordinance entitled:

ORDINANCE APPROVING CLAIMS AND AUTHORIZING
THE ISSUANCE OF CERTIFICATES OF OBLIGATION

(the "Ordinance") was duly introduced for the consideration of the City Council and reviewed in full.. It was then duly moved and seconded that the Ordinance be passed; and, after due discussion, the motion, carrying with it the passage of the Ordinance, prevailed and carried by the following vote:

AYES: All members of the City Council shown
present above voted "Aye".

NOES: None.

The Mayor thereupon announced that the Ordinance had been duly and lawfully adopted. The Ordinance thus adopted follows:

Nº 975SKC

Please Refer To This Number

SAFEKEEPING DEPARTMENT
VICTORIA BANK & TRUST CO.

(512) 573-5151

REDEMPTION LETTER

DO NOT HOLD

RETURN IMMEDIATELY IF NOT PAID
ON FIRST PRESENTATION

CREDIT
WE ENCLOSE FOR REDEMPTION AND REMITTANCE ONLY WHEN ACTUALLY PAID.
UNLESS INSTRUCTED OTHERWISE, DELIVER SECURITIES OR DOCUMENTS ONLY UPON PAYMENT.
DO NOT HOLD UNLESS OTHERWISE REQUESTED BY US NO PROTEST-WITH EXCHANGE.

DATE	NUMBER	KIND OF PAPER & ENCLOSURES	DATE DUE	AMOUNT
2-22-90	1	Registered Cert#18 @ \$1M Rec#9679	3-01-90	\$1,000.00
DESCRIPTION Danbury Tex Cert. of Oblig., Ser 78 10.00% #236990AW7			PAYEE VBT-Central, Gonzales	BY PSchurig

SPECIAL INSTRUCTIONS

TO City of Danbury
ATTN: DEBBIE WARNER
6102 - 5th Street
Danbury, TX 77534

Please acknowledge receipt of the
securities listed by signing and
returning the attached copy.

Please Remit To:
Victoria Bank & Trust Company
ATTN: Safekeeping
One O'Connor Plaza
Victoria, Texas 77902

FIRST CLASS MAIL - INSURED

ORIGINAL

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BRAZORIACITY OF DANBURY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 1978

ON MARCH 1, 1990, the CITY OF DANBURY (hereinafter called the "City"), in the County of Brazoria, in the State of Texas, promises to pay to bearer or, if this Certificate is registered, to the registered owner hereof, the principal amount of

ONE THOUSAND DOLLARS

and to pay interest thereon, FROM THE DATE OF INITIAL DELIVERY SHOWN ON THE FACE HEREOF, to bearer or, if this Certificate is registered, to the registered owner hereof, at the rate of ~~9.25%~~ 10% per annum, interest payable March 1, 1979 and semiannually thereafter on each September 1 and March 1 while this Certificate is outstanding. Both the principal of and interest on this Certificate shall be payable, without exchange or collection charges to the owners or holders, upon presentation and, in the case of the principal when due, surrender of this Certificate at the ANGLETON BANK OF COMMERCE, Angleton, Texas, which shall be the paying agent for this series of Certificates.

THIS CERTIFICATE is one of a series of negotiable, registrable Certificates of Obligation, dated August 1, 1978, numbered from 1 through 40, in the denomination of \$1,000 each, aggregating \$40,000, issued in accordance with the Constitution and laws of the State of Texas, particularly Article 2368a.1, Vernon's Texas Civil Statutes, as amended, for the purpose of evidencing the indebtedness of the City for all or any part of (1) the cost of constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, including the cost of professional services in connection therewith, and (2) the cost of certain professional engineering services in addition to those mentioned immediately above in connection with proposed further extensions of and improvements to the City's sanitary sewer system, and pursuant to an ordinance adopted by the City Council of the City on the 9th day of August, 1978.

IT IS HEREBY certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Certificate, have been performed, existed, and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City and have been pledged for such payment within the limits prescribed by law; that this Certificate shall be a debt of the City within the meaning of Article XI, Sections 5 and 7 of the Constitution of Texas; and that, when delivered, this Certificate shall be deemed and construed (i) to be a "Security" within the meaning of Chapter 8, Investment Securities, Uniform Commercial Code (Chapter 785, Acts of the 60th Legislature, Regular Session, 1967), and (ii) to be a general obligation of the City within the meaning of Chapter 784, Acts of the 61st Legislature of Texas, Regular Session, 1969.

THIS CERTIFICATE shall be transferable by delivery unless registered as to principal in the owner's name upon books of the City to be kept for that purpose at the office of the City Secretary of the City, the registrar, such registration to be

noted hereon. After such registration, no transfer of this Certificate shall be valid unless made on said books at the request of the registered owner hereof, or his duly authorized agent, and similarly noted hereon; but this Certificate may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this Certificate may again and from time to time be registered or made payable to bearer as before.

IN WITNESS WHEREOF, this Certificate of Obligation has been signed by the Mayor of the City and countersigned by the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

DATE OF INITIAL DELIVERY OF THIS CERTIFICATE: _____

Jan. 22, 1981.

COUNTERSIGNED:

Raymond M. ...
Mayor
City of Danbury, Texas

Marilyn Lampe
City Secretary
City of Danbury, Texas

(SEAL)

IT IS HEREBY CERTIFIED that, at the request of the holder of the within Certificate, I have this day registered it as to principal in the name of such holder as indicated in the registration blank below, on the books kept by me for such purpose. The principal of and interest on this Certificate shall be payable only to the registered holder named in the below registration blanks. If the last transfer recorded on the books of the Registrar and in the below registration blank shall be to bearer, the principal and interest of this Certificate shall be payable to bearer, and such Certificate shall be in all respects negotiable.

Name of Registered Holder	Date of Registration	Signature of City Secretary (Registrar)
	<u>1-22-81</u>	<u>Marilyn Lampe</u>
<u>Victoria Park & Trust</u>	<u>5-10-90</u>	<u>Raymond M. ...</u>

Nº 974SKC
Please Refer To This Number

SAFEKEEPING DEPARTMENT
VICTORIA BANK & TRUST CO.
(512) 573-5151

REDEMPTION LETTER

DO NOT HOLD
RETURN IMMEDIATELY IF NOT PAID
ON FIRST PRESENTATION

CREDIT
WE ENCLOSE FOR REDEMPTION AND REMITTANCE ONLY WHEN ACTUALLY PAID.
UNLESS INSTRUCTED OTHERWISE, DELIVER SECURITIES OR DOCUMENTS ONLY UPON PAYMENT.
DO NOT HOLD UNLESS OTHERWISE REQUESTED BY US NO PROTEST-WITH EXCHANGE.

DATE	NUMBER	KIND OF PAPER & ENCLOSURES	DATE DUE	AMOUNT
2-22-90	1	Registered Cert #17 @ \$1M Rec #9678	3-1-90	\$1,000.00
DESCRIPTION Danbury, TX Cert of Oblig Ser 78, 9.00% #236990AV9			PAYEE VBT-Centr., Gonzales	BY PSchurig

SPECIAL INSTRUCTIONS

TO City of Danbury
ATTN: DEBBIE WARNER
6102 - 5th Street
Danbury, TX 77534

Please acknowledge the receipt of this
security letter and return the enclosed copy.

Please Remit To:
Victoria Bank & Trust Company
ATTN: Safekeeping
One O'Connor Plaza
Victoria, Texas 77902

FIRST CLASS MAIL - INSURED

ORIGINAL

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BRAZORIACITY OF DANBURY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 1978

ON MARCH 1, 1990, the CITY OF DANBURY (hereinafter called the "City"), in the County of Brazoria, in the State of Texas, promises to pay to bearer or, if this Certificate is registered, to the registered owner hereof, the principal amount of

ONE THOUSAND DOLLARS

and to pay interest thereon, FROM THE DATE OF INITIAL DELIVERY SHOWN ON THE FACE HEREOF, to bearer or, if this Certificate is registered, to the registered owner hereof, at the rate of 9.00% per annum, interest payable March 1, 1979, and semiannually thereafter on each September 1 and March 1 while this Certificate is outstanding. Both the principal of and interest on this Certificate shall be payable, without exchange or collection charges to the owners or holders, upon presentation and, in the case of the principal when due, surrender of this Certificate at the ANGLETON BANK OF COMMERCE, Angleton, Texas, which shall be the paying agent for this series of Certificates.

THIS CERTIFICATE is one of a series of negotiable, registrable Certificates of Obligation, dated August 1, 1978, numbered from 1 through 40, in the denomination of \$1,000 each, aggregating \$40,000, issued in accordance with the Constitution and laws of the State of Texas, particularly Article 2368a.1, Vernon's Texas Civil Statutes, as amended, for the purpose of evidencing the indebtedness of the City for all or any part of (1) the cost of constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, including the cost of professional services in connection therewith, and (2) the cost of certain professional engineering services in addition to those mentioned immediately above in connection with proposed further extensions of and improvements to the City's sanitary sewer system, and pursuant to an ordinance adopted by the City Council of the City on the 9th day of August, 1978.

IT IS HEREBY certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Certificate, have been performed, existed, and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City and have been pledged for such payment within the limits prescribed by law; that this Certificate shall be a debt of the City within the meaning of Article XI, Sections 5 and 7 of the Constitution of Texas; and that, when delivered, this Certificate shall be deemed and construed (i) to be a "Security" within the meaning of Chapter 8, Investment Securities, Uniform Commercial Code (Chapter 785, Acts of the 60th Legislature, Regular Session, 1967), and (ii) to be a general obligation of the City within the meaning of Chapter 784, Acts of the 61st Legislature of Texas, Regular Session, 1969.

THIS CERTIFICATE shall be transferable by delivery unless registered as to principal in the owner's name upon books of the City to be kept for that purpose at the office of the City Secretary of the City, the registrar, such registration to be

noted hereon. After such registration, no transfer of this Certificate shall be valid unless made on said books at the request of the registered owner hereof, or his duly authorized agent, and similarly noted hereon; but this Certificate may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this Certificate may again and from time to time be registered or made payable to bearer as before.

IN WITNESS WHEREOF, this Certificate of Obligation has been signed by the Mayor of the City and countersigned by the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Certificate.

DATE OF INITIAL DELIVERY OF THIS CERTIFICATE: December 1, 1978

COUNTERSIGNED:

T. L. Green
Mayor
City of Danbury, Texas

M. L. Brown
City Secretary
City of Danbury, Texas

(SEAL)

IT IS HEREBY CERTIFIED that, at the request of the holder of the within Certificate, I have this day registered it as to principal in the name of such holder as indicated in the registration blank below, on the books kept by me for such purpose. The principal of and interest on this Certificate shall be payable only to the registered holder named in the below registration blanks. If the last transfer recorded on the books of the Registrar and in the below registration blank shall be to bearer, the principal and interest of this Certificate shall be payable to bearer, and such Certificate shall be in all respects negotiable.

Name of Registered Holder	Date of Registration	Signature of City Secretary (Registrar)
<u>Angleton Bank of Commerce</u>	<u>December 1, 1978</u>	<u>M. L. Brown</u>
<u>Victorian Bank & Trust</u>	<u>5-10-80</u>	<u>M. L. Brown</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

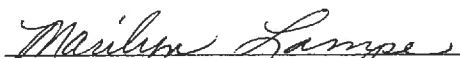
CERTIFICATE FOR ORDINANCE AUTHORIZING ISSUANCE OF
\$40,000 CITY OF DANBURY, TEXAS, CERTIFICATES OF
OBLIGATION, SERIES 1978; RATIFYING CONTRACT; AND
CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

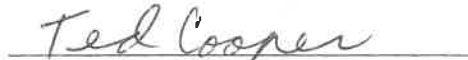
THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

We, the undersigned officers of the CITY OF DANBURY, TEXAS
(the "City"), do hereby certify as follows:

1. That we are the duly chosen, qualified and acting officers of the City for the offices shown below our signatures and that as such we are familiar with the facts herein certified.
2. That there is attached to and follows this certificate an excerpt of proceedings from the minutes of a meeting of the City Council of the City (the "City Council") which is a true, full and complete excerpt of all proceedings from the minutes of the City Council pertaining to the adoption of the ordinance described therein; and that the persons named in such excerpt as the officers and members of the City Council or as officers of the City are the duly chosen, qualified and acting officers and members as indicated therein.
3. That a true and complete copy of the ordinance (the "Ordinance"), as adopted at the meeting described in such excerpt from the minutes, is attached to and follows such excerpt.
4. That the Ordinance has been duly and lawfully adopted by the City Council and that the Mayor of the City has approved, and hereby approves, the Ordinance; that the Mayor and the City Secretary of the City have duly signed and attested the Ordinance and each, respectively, hereby declares that the signing of this certificate shall also constitute the signing of the Ordinance for all purposes; and that the Ordinance, as signed, has been duly recorded in the minutes of the City Council for such meeting.
5. That each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and subject of such meeting of the City Council, and that the Ordinance would be introduced and considered for passage at such meeting, and each of such officers and members consented, in advance, to the holding of such meeting to consider and act upon such subject.
6. That written notice of the meeting of the City Council described in the excerpt from the minutes was posted in the form and manner required by law; and that such meeting was open to the public as required by law at all times during which the Ordinance and the subject matter thereof were discussed, considered and formally acted upon, all as required by the Open Meetings Act, Article 6252-17, Vernon's Texas Civil Statutes, as amended.

SIGNED AND SEALED the 9th day of August, 1978.


City Secretary


Mayor

(SEAL)

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

The City Council of the City of Danbury, Texas, convened in special meeting, open to the public, on the 9th day of August, 1978, at the City Hall, and the roll was called of the duly constituted officers and members of the City Council and the City Secretary of the City, to-wit:

<i>Ted Cooper</i>	Mayor
W. Morris Dodson	Councilman
<i>Gene Carpenter</i>	Councilman
Carlos Simpson	Councilman
Harry Bogema	Councilman
Eugene Wollam	Councilman
Marilyn Lampe	City Secretary

and all of said persons were present, except the following absentees: None, thus constituting a quorum. whereupon, among other business, the following was transacted at said meeting: a written ordinance entitled:

ORDINANCE AUTHORIZING ISSUANCE OF \$40,000 CITY OF
DANBURY, TEXAS, CERTIFICATES OF OBLIGATION,
SERIES 1978; RATIFYING CONTRACT; AND CONTAINING
OTHER PROVISIONS RELATING TO THE SUBJECT

(the "Ordinance") was duly introduced for the consideration of the City Council and reviewed in full. It was then duly moved and seconded that the Ordinance be passed; and, after due discussion, the motion, carrying with it the passage of the Ordinance, prevailed and carried by the following vote:

AYES: All members of the City Council shown
present above voted "Aye".

NOES: None.

The Mayor thereupon announced that the Ordinance had been duly and lawfully adopted. The Ordinance thus adopted follows:

ORDINANCE AUTHORIZING ISSUANCE OF \$40,000 CITY
OF DANBURY, TEXAS, CERTIFICATES OF OBLIGATION,
SERIES 1978; RATIFYING CONTRACT; AND CONTAINING
OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
CITY OF DANBURY §

WHEREAS, the City Council of the CITY OF DANBURY, TEXAS (the "City"), authorized the publication of a notice to bidders to the effect that competitive bids would be received by the City Council on August 2, 1978, for constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, and that the City intends to issue certificates of obligation for all or any part of such construction; and

WHEREAS, such notice was published at the times and in the manner required by the Constitutions and laws of the State of Texas and of the United States of America, respectively, particularly Article 2368a.1, Vernon's Texas Civil Statutes, as amended; and

WHEREAS, on the date specified in said notice the City Council caused the bids received to be opened and tabulated and the following has been determined to be the lowest and best bid:

<u>Bidder</u>	<u>Amount of Bid</u>
<u>Mereer, Construction Co.</u> <u>Edna, Texas</u>	<u>\$ 33,084.90</u>

and the City Council has heretofore determined to accept such bid and desires to enter into a contract for such construction; and

WHEREAS, it is hereby found and determined that such bid in every respect meets the specifications mentioned in the notice to bidders; and

WHEREAS, the said bidder elected at the time of the receipt by the City Council of such bid to assign such certificates without discount to the Angleton Bank of Commerce, Angleton, Texas, with whom the City Council has made provision for such assignment; and

WHEREAS, it is hereby found and determined that the City Council is authorized to proceed with the issuance of said certificates of obligation in accordance with the terms and provisions of this ordinance;

THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DANBURY THAT:

Section 1. The facts and recitations contained in the preamble of this ordinance are hereby found and declared to be true and correct.

Section 2. The City Council hereby approves, ratifies, and confirms in all respects the contract mentioned in the preamble of this ordinance.

Section 3. The City's negotiable certificates of obligation, to be designated CITY OF DANBURY, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 1978 (hereinafter called the "Certificates"), are hereby authorized to be issued and delivered in the principal amount of \$40,000 for the purpose of evidencing the indebtedness of the City for all or any part of (1) the cost of constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, including the cost of professional services in connection therewith, and (2) the cost of certain professional engineering services in addition to those mentioned immediately above in connection with proposed further extensions of and improvements to the City's sanitary sewer system, in strict conformity with the Constitution and laws of the State of Texas, particularly Article 2368a.1, Vernon's Texas Civil Statutes, as amended.

Section 4. The Certificates shall be dated August 1, 1978, shall be numbered consecutively from 1 through 40, shall be in the denomination of \$1,000 each and shall mature serially on March 1 of each of the years, and in the amounts, respectively, set forth in the following schedule:

YEAR	AMOUNT	YEAR	AMOUNT
1978 79	\$1,000	1988 89	\$2,000
1979 80	1,000	1989 90	2,000
1980 81	1,000	1990 91	2,000
1981 82	1,000	1991 92	2,000
1982 83	1,000	1992 93	3,000
1983 84	1,000	1993 94	3,000
1984 85	2,000	1994 95	3,000
1985 86	2,000	1995 96	3,000
1986 87	2,000	1996 97	3,000
1987 88	2,000	1997 98	3,000

Section 5. The Certificates shall bear interest from the date of initial delivery shown on the face of each Certificate at the rate of 9 % per annum, interest payable on the dates indicated in the FORM OF CERTIFICATE set forth in this ordinance.

Section 6. The Certificates shall be registrable both as to principal and interest, shall be payable, and shall have the characteristics, and shall be signed and executed (and the Certificates shall be sealed), all as provided and in the manner indicated in the FORM OF CERTIFICATE set forth in this ordinance.

Section 7. The form of Certificates, including the form of the Certificate of Registration, shall be, respectively, substantially as follows:

FORM OF CERTIFICATE:

NO. _____

\$1,000

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BRAZORIA

CITY OF DANBURY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 1978

ON MARCH 1, _____, the CITY OF DANBURY (hereinafter called the "City"), in the County of Brazoria, in the State of Texas,

promises to pay to bearer or, if this Certificate is registered, to the registered owner hereof, the principal amount of

ONE THOUSAND DOLLARS

and to pay interest thereon, FROM THE DATE OF INITIAL DELIVERY SHOWN ON THE FACE HEREOF, to bearer or, if this Certificate is registered, to the registered owner hereof, at the rate of 9 % per annum, interest payable March 1, 1979, and semiannually thereafter on each March 1 and Sept. 1st while this Certificate is outstanding. Both the principal of and interest on this Certificate shall be payable, without exchange or collection charges to the owners or holders, upon presentation and, in the case of the principal when due, surrender of this Certificate at the Angleton Bank of Commerce Angleton, Texas, which shall be the paying agent for this series of Certificates.

THIS CERTIFICATE is one of a series of negotiable, registrable Certificates of Obligation, dated August 1, 1978²⁹, numbered from 1 through 40, in the denomination of \$1,000 each, aggregating \$40,000, issued in accordance with the Constitution and laws of the State of Texas, particularly Article 2368a.1, Vernon's Texas Civil Statutes, as amended, for the purpose of evidencing the indebtedness of the City for all or any part of (1) the cost of constructing permanent improvements for the City, to-wit: extensions of and improvements to the City's sanitary sewer system, including the cost of professional services in connection therewith, and (2) the cost of certain professional engineering services in addition to those mentioned immediately above in connection with proposed further extensions of and improvements to the City's sanitary sewer system, and pursuant to an ordinance adopted by the City Council of the City on the 9th day of August, 1978.

IT IS HEREBY certified, recited, and covenanted that this Certificate has been duly and validly authorized, issued, and

delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Certificate, have been performed, existed, and been done in accordance with law; that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the City and have been pledged for such payment within the limits prescribed by law; that this Certificate shall be a debt of the City within the meaning of Article XI, Sections 5 and 7 of the Constitution of Texas; and that, when delivered, this Certificate shall be deemed and construed (i) to be a "Security" within the meaning of Chapter 8, Investment Securities, Uniform Commercial Code (Chapter 785, Acts of the 60th Legislature, Regular Session, 1967), and (ii) to be a general obligation of the City within the meaning of Chapter 784, Acts of the 61st Legislature of Texas, Regular Session, 1969.

THIS CERTIFICATE shall be transferable by delivery unless registered as to principal in the owner's name upon books of the City to be kept for that purpose at the office of the City Secretary of the City, the registrar, such registration to be noted hereon. After such registration, no transfer of this Certificate shall be valid unless made on said books at the request of the registered owner hereof, or his duly authorized agent, and similarly noted hereon; but this Certificate may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; and this Certificate may again and from time to time be registered or made payable to bearer as before.

IN WITNESS WHEREOF, this Certificate of Obligation has been signed by the Mayor of the City and countersigned by the City Secretary of the City, and the official seal of the City

has been duly impressed, or placed in facsimile, on this Certificate.

DATE OF INITIAL DELIVERY OF THIS CERTIFICATE: _____

COUNTERSIGNED:

XXXXXXXXXXXX

Mayor

City of Danbury, Texas

XXXXXXXXXXXX

City Secretary

City of Danbury, Texas

(SEAL)

CERTIFICATE OF REGISTRATION:

IT IS HEREBY CERTIFIED that, at the request of the holder of the within Certificate, I have this day registered it as to principal in the name of such holder as indicated in the registration blank below, on the books kept by me for such purpose. The principal of and interest on this Certificate shall be payable only to the registered holder named in the below registration blanks. If the last transfer recorded on the books of the Registrar and in the below registration blank shall be to bearer, the principal and interest of this Certificate shall be payable to bearer, and such Certificate shall be in all respects negotiable.

Name of Registered Holder	Date of Registration	Signature of City Secretary (Registrar)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Section 8. A special fund or account, to be designated the "City of Danbury, Texas, Certificates of Obligation, Series 1978, Interest and Sinking Fund" (hereinafter called the

"Interest and Sinking Fund"), is hereby created and shall be established and maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the City Council of the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures but never less than 2% of the original principal amount of the Certificates as a sinking fund each year; and said tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax are hereby levied, and are hereby ordered to be levied, against all taxable property in the City for each year while any of the Certificates are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment within the limits prescribed by law.

Section 9. Claims incurred for the purposes set forth in Section 3 hereof may be funded and exchanged for a like total principal amount of Certificates, and any amount in excess of the principal amount of Certificates delivered at any one time may be paid in cash or carried forward to a subsequent exchange,

or exchanges, of claims for Certificates. However, none of the Certificates authorized by this ordinance shall be delivered except pursuant to a further ordinance, or ordinances, to be adopted by this City Council.

Section 10. The Mayor and all other appropriate officers of the City are hereby authorized and directed to do any and all things necessary or convenient to carry out the provisions of this ordinance.

Section 11. This ordinance shall take effect immediately upon its passage.

Section 12. It is hereby officially found and determined that the need of the City for such financing creates an emergency and an urgent public necessity for the holding, at the scheduled time, of the meeting of the City Council at which this ordinance is adopted and for the adoption of this ordinance; and the NOTICE OF MEETING relating to said meeting and heretofore posted by the City Secretary, and the posting thereof, are hereby authorized, approved, adopted and ratified.

PASSED AND APPROVED this 9th day of August, 1978.

ATTEST:

/s/ Marilyn Lampe

City Secretary
CITY OF DANBURY, TEXAS

/s/ Ted Cooper
~~Harry Ward~~

Mayor
CITY OF DANBURY, TEXAS

(SEAL)