

**MEETING AGENDA
ORANGE CITY COUNCIL
Orange Public Library Auditorium
220 N. Fifth Street
Orange, Texas**

**July 28, 2015
5:30 P.M.**

- | | |
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| 1. CALL TO ORDER | Mayor |
| 2. INVOCATION and PLEDGE OF ALLEGIANCE | Council Member Pullen |
| 3. MOTION | |
| a) Motion finding that the advance posting and notice requirements of Article 8.1200 of the Code of Ordinances of the City of Orange, Texas have been met in relation to all minutes and pending ordinances and resolutions on this agenda and that the reading of such items be confined to the captions as are agreed upon by the ordinances and resolutions. | 1 Mayor/Council |
| 4. APPROVAL OF MINUTES | |
| a) July 14, 2015 Joint Meeting of the Orange City Council and Economic Development Corporation | 5 Mayor/Council |
| 5. CITIZEN COMMENTS | |
| <i>At this time comments will be taken from the audience on any subject matter, whether or not that item is on the agenda. All comments are limited to a maximum three minutes for each speaker. Your comments are appreciated. As the Texas Open Meetings Act does not allow the Council to respond to items not listed on the agenda, your comments will be duly noted by the Council and forwarded to the appropriate department for prompt consideration.</i> | |
| 6. RESOLUTION | |
| a) Consider a resolution of the City Council of the City of Orange, Texas, nominating E. I. du Pont de Nemours and Company for designation as an Enterprise Project ("Project") under the Texas Enterprise Zone Program under the Texas Enterprise Zone Act, Chapter 2303, Texas Government Code ("Act"). | 14 Staff: Trahan |

7. PRESENTATION

- a) Presentation by Jim Gilley of U. S. Capital Advisors, LLC financial advisor to the City as to Tax & Waterworks Certificates of Obligation, Series 2015 (the "Certificates").

Jim Gilley, U. S. Capital Advisors, LLC

8. DISCUSSION/ACTION

- a) Consideration and possible action to award sale of Certificates as provided for in the Notice of Sale of the Certificates.

Jim Gilley, U. S. Capital Advisors, LLC

9. ORDINANCE

- a) Consider an ordinance authorizing the issuance of the "City of Orange, Texas, Tax & Revenue Certificates of Obligation, Series 2015"; specifying the terms and features of said certificates; providing for the payment of said certificates of obligation by the levy of an ad valorem tax upon all taxable property within the city; and a limited pledge of the net revenues of the City's water and wastewater system; and resolving other matters incident and relating to the issuance, payment, security, sale and delivery of said certificates, including the approval and execution of a paying agent/registrar agreement and authorizing an official statement and distribution thereof; and providing an effective date. (This ordinance only requires one reading).

18 Jim Gilley, U. S. Capital Advisors, LLC

10. DISCUSSION/ACTION

- a) Consideration and possible action to authorize and provide for the distribution of an Official Statement as to the Certificates.
- b) Consideration and possible action to authorize Mayor, Mayor Pro Tem, City Secretary, City Manager and/or other City officials to execute and deliver such certificates, agreements, affidavits, notices and documents as may be necessary to proceed with the issuance and sale of the Certificates and authorizing said Mayor, Mayor Pro Tem, City Secretary, City Manager and/or other City officials to take such action as may be necessary for the issuance and sale of said Certificates.

Jim Gilley, U. S. Capital Advisors, LLC

Jim Gilley, U. S. Capital Advisors, LLC

11. ORDINANCES

- a) First Reading:

Consider an ordinance granting a petition for the voluntary annexation of a 30 foot private road right of way owned by International Paper Company; providing for the annexation of said tract; approving and adopting a service plan for annexed territory; and providing for severability, repealer, proper notice and meeting, and an effective date.

53 Staff: Culpepper

b) First Reading:

Consider an ordinance granting a petition for the voluntary annexation of a 1160.870 acre tract or parcel of land out of the Charles Morgan Survey Abstract No. 18, the William Morgan Survey, Abstract No. 266, the Jacob Towensend Survey, Abstract No. 180, and the John Allen Survey Abstract No. 1, all in Orange County, Texas; providing for the annexation of said tract; approving and adopting a service plan for annexed territory; and providing for severability, repealer, proper notice and meeting, and an effective date.

74 Staff: Culpepper

12. RESOLUTIONS

a) Final Reading:

Consider a resolution authorizing the City Manager to execute a Development Agreement between the City of Orange, Texas and International Paper Company to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, specify the uses and development of the land before and after annexation, and other lawful terms and considerations the parties consider appropriate. First Reading July 14, 2015.

99 Staff: Culpepper

b) First Reading:

Consider a resolution authorizing the Orange Economic Development Corporation to undertake a project regarding the potential acquisition and/or construction of buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to promote new or expanded business development through an agreement with International Paper Company.

112 Staff: Culpepper

c) Consider a resolution authorizing the City's participation in the Texas Department of Emergency Management Fiscal Year 2015 Emergency Management Performance Grant application.

114 Staff: Brown

d) Consider a resolution authorizing the City Manager to execute a Standard Utility Agreement with the Texas Department of Transportation for the relocation of existing waterline along Bob Hall Road.

125 Staff: Wolf

- e) Consider a resolution authorizing the City Manager to enter into an agreement with Schaumburg & Polk, Inc. in the amount of \$54,000.00 for professional engineering services for the Bob Hall Road water utility relocation. 142 Staff: Wolf
 - f) Consider a resolution authorizing the City Manager to enter into an agreement with Fittz & Shipman, Inc. in the amount of \$40,025.00 for professional engineering services for the State Highway 62 water extension to TxDOT Office Building. 154 Staff: Wolf
- 13. DISCUSSION/ACTION**
- a) Consider a motion acknowledging receipt of the Orange Economic Development Corporation Financial Report for the period ending June 30, 2015. 161 Staff: English
 - b) Consider a motion acknowledging receipt of the Orange Economic Development Corporation Investment Report for the quarter ending June 30, 2015. 168 Staff: English
 - c) Consider a motion approving the Orange Economic Development Corporation's motion authorizing an amendment to the Fiscal Year 2015 Budget. 170 Staff: English
 - d) Consider a motion acknowledging receipt of the Quarterly Investment Report for the period ending June 30, 2015. 175 Staff: English
 - e) Consider a motion approving the Orange Economic Development Corporation's motion of intent to expend funds not to exceed \$48,000.00 for the upsizing to a 12" waterline for the waterline extension along State Highway 62. The upsizing to a 12" waterline will ensure adequate fire protection when required in the future and to promote new or expanded business development. 182 Staff: Trahan
 - f) Discussion and possible action regarding nominations for Orange County Appraisal District Board of Directors. 186 Staff: Oubre
- 14. REPORTS**
- a) City Manager Report
 - b) City Council Report
- 15. ADJOURN TO CLOSED EXECUTIVE SESSION**
- a) Deliberation regarding Personnel Matters pursuant to Chapter 551 of the Texas Government Code:
 - (1) Deliberation regarding personnel matters as authorized by subsection 551.074 involving City Manager's Contract. Mayor/Council
- 16. RECONVENE IN OPEN SESSION**
- a) Take action as necessary regarding item 15 a (1) above. Mayor/Council
- 17. ADJOURNMENT**

STATE OF TEXAS }

COUNTY OF ORANGE }

July 14, 2015

BE IT REMEMBERED THAT a Joint Meeting of the Orange City Council and the Orange Economic Development Corporation of the City of Orange, Orange County, Texas, was held in the Library Auditorium on Tuesday, July 14, 2015.

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| COUNCIL MEMBERS PRESENT: | Jimmy Sims | Mayor |
| | Mary McKenna | Mayor Pro Tem |
| | Patrick A. Pullen | Council Member |
| | Essie Bellfield | Council Member |
| | Bill Mello | Council Member |
| | Larry Spears Jr. | Council Member |

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| COUNCIL MEMBERS ABSENT: | Dr. Wayne Guidry | Council Member |
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| EDC MEMBERS PRESENT: | George Mortimer | President |
| | Dean Granger | Vice-President |
| | David Meaux | Secretary |
| | Ebb Moore | Treasurer |
| | Jimmy Sims | Director |
| | Larry Spears Jr. | Director |
| | Mary McKenna | Director |

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| DIRECTORS ABSENT: | None |
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| STAFF MEMBERS PRESENT: | Dr. Shawn Oubre | City Manager |
| | Jay Trahan | Assistant City Manager, Director of Economic Development |
| | Rhonda Haskins | City Secretary |
| | Patricia Anderson | Deputy City Secretary |
| | Lane Martin | Chief of Police |
| | David Frenzel | Fire Chief |
| | Jim Wolf | Director of Public Works |
| | Gail English | Director of Finance |
| | Kelvin Knau | Director of Planning and C o m m u n i t y Development |
| | Brenna Manasco | Library Director |
| | Kelly Griffin | Police Evidence and ID Tech |
| | Lee Anne Brown | Deputy Fire Chief |
| | Keith Longlois | Police Captain |
| | Eric Ellison | Police Lieutenant |

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|------------------|---|
| David Thornton | Police Evidence and ID Tech |
| Ashley Mahana | Convention and Visitors Bureau Coordinator |
| Chris Smith | City Attorney |
| Andrew Culpepper | City Attorney |
| John Cash Smith | C i t y A t t o r n e y (Conference Call) |

STAFF MEMBERS ABSENT: None

Mayor Sims called the meeting to order at 9:00 A.M.

MOTION FINDING THAT THE ADVANCE POSTING AND NOTICE REQUIREMENTS OF ARTICLE 8.1200 OF THE CODE OF ORDINANCES OF THE CITY OF ORANGE, TEXAS HAVE BEEN MET IN RELATION TO ALL MINUTES AND PENDING ORDINANCES AND RESOLUTIONS ON THIS AGENDA AND THAT THE READING OF SUCH ITEMS BE CONFINED TO THE CAPTION OF THE ORDINANCES AND RESOLUTIONS.

Council Member Pullen moved to approve the motion. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

DISCUSSION/ACTION

DISCUSSION AND POSSIBLE ACTION REGARDING RENEWAL OF FUNDING FOR THE 2015-2016 ORANGE COUNTY ECONOMIC DEVELOPMENT CORPORATION.

Mr. Trahan briefed the City Council and the Orange Economic Development Corporation on the Interlocal Agreement regarding the Orange County Economic Development Corporation annual membership dues.

Council Member Mello advised he would like to continue the City’s portion of membership dues.

President Mortimer advised one year ago this same concern was discussed. Several members from the Orange EDC and City Council met with representatives from the Orange County EDC and came up with guidelines and as of this date, the guidelines have not been met. He is concerned whether the Orange EDC is doing the right thing spending Orange EDC funds on the dues.

Council Member Spears asked what benefits the City is receiving from the Orange County EDC.

Dr. Oubre advised the City’s concerns have been conveyed to the Board and Directors and there has been no results.

Vice-President Granger advised the City’s concerns were conveyed a year ago and there has been no results, but would like to have further discussion with the Orange County EDC before a decision

is made about renewing the dues.

Mayor Pro Tem McKenna advised she is frustrated. A meeting was held and guidelines were set, but nothing has happened.

Council Member Spears advised it's hard to explain to tax payers about spending the funds, but getting no results.

MOTION NOT TO APPROVE THE RENEWAL OF MEMBERSHIP PARTICIPATION FOR THE ORANGE COUNTY ECONOMIC DEVELOPMENT CORPORATION FOR FISCAL YEAR 2016 AS PART OF THE INTERLOCAL AGREEMENT WITH THE PORT OF ORANGE, ORANGE COUNTY, AND THE CITIES OF PINEHURST, WEST ORANGE, BRIDGE CITY AND VIDOR.

Director McKenna moved to approve the motion. Second to the motion was made by Secretary Meaux which carried with the following vote:

DIRECTORS VOTING AYE: President Mortimer, Secretary Meaux, Treasurer Moore, Director Sims, Director McKenna and Director Spears

DIRECTORS VOTING NO: Vice-President Granger

MOTION NOT TO APPROVE THE RENEWAL OF MEMBERSHIP PARTICIPATION FOR THE ORANGE COUNTY ECONOMIC DEVELOPMENT CORPORATION FOR FISCAL YEAR 2016 AS PART OF THE INTERLOCAL AGREEMENT WITH THE PORT OF ORANGE, ORANGE COUNTY, AND THE CITIES OF PINEHURST, WEST ORANGE, BRIDGE CITY AND VIDOR.

Council Member Bellfield moved to approve the motion. Second to the motion was made by Mayor Pro Tem McKenna which carried with the following vote.

COUNCIL MEMBERS VOTING AYE: Mayor Sims, Mayor Pro Tem McKenna, Council Member Pullen, Council Member Bellfield and Council Member Spears

COUNCIL MEMBERS VOTING NO: Council Member Mello

ADJOURN THE ECONOMIC DEVELOPMENT CORPORATION

There being no further business before the Corporation, Secretary Meaux moved to adjourn the meeting. Second to the motion was made by Vice-President Granger which carried unanimously.

The meeting adjourned at 9:17 A.M.

APPROVAL OF MINUTES

Mayor Pro Tem McKenna moved to approve the minutes of the June 23, 2015 Regular Meeting of the City Council. Second to the motion was made by Council Member Pullen which carried unanimously.

Council Member Pullen moved to approve the minutes of the June 24, 2015 Special Call Meeting of the City Council. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

Council Member Mello moved to approve the minutes of the June 29, 2015 Special Call Meeting of the City Council. Second to the motion was made by Council Member Pullen which carried unanimously.

CITIZEN COMMENTS

Joseph Robinson, 1913 Silver Oak Drive, advised he has a petition signed by eighty-nine citizens asking the City to look into the basketball courts located at Solomon Johnson Park. He is in favor of the basketball courts being located at the Park. He is asking the Council to reconsider the project.

Brenda Cooks, 87 W. Elm Street, has concerns about placing a Confederate Flag on Martin Luther King Drive, the pavement on 2nd Street and trash on Elm Street and Mill Street.

Ashley Mahana, Convention and Visitors Bureau Coordinator, thanked the Mayor and Council for supporting the July 4th Celebration. She also thanked other entities and departments for their help. National Dance Day is the next event and will be held July 25, 2015. The Tunnel Boat Races will be held September 18 - 20, 2015.

Henry Lowe, 106 W. Dewey Avenue, would like for the name of the Orange Riverfront Pavilion be changed to Clarence Gatemouth Brown. He gave history of Mr. Brown and his achievements.

Thelma McClelland, 3106 Byley, has concerns about the safety of black citizens and black neighborhoods in Orange. She advised two cars of white men drove in her neighborhood with Confederate Flags.

Chuck Copeland, 41st Street, has concerns about the parking on 41st Street. He feels the road is not wide enough. He would like for there to be no parking on the street.

Phillip Cooper also is concerned about the parking on 41st Street and would like for there to be no parking on the street.

PROCLAMATION

Lieutenant Eric Ellison accepted a proclamation in his honor. He advised there were several other individuals involved in this accident. Lt. Ellison gave an update on Kazzie Portie. He thanked the

Council for its support.

ORDINANCE

EMERGENCY READING:

ORDINANCE OF THE CITY OF ORANGE, TEXAS AUTHORIZING THE SUSPENSION OF THE EFFECTIVE DATE FOR AN ADDITIONAL NINETY (90) DAYS BEYOND THE JULY 17, 2015, EFFECTIVE DATE PROPOSED BY ENTERGY TEXAS, INC., IN CONNECTION WITH ITS RATE INCREASE APPLICATION ENTITLED "APPLICATION OF ENTERGY TEXAS, INC., FOR AUTHORITY TO CHANGE RATES", FILED ON JUNE 12, 2015; AUTHORIZING THE CITY'S PARTICIPATION TO THE FULL EXTENT PERMITTED BY LAW AT THE PUBLIC UTILITY COMMISSION OF TEXAS, REQUIRING REIMBURSEMENT OF MUNICIPAL RATE CASE EXPENSES; FINDING THAT THE MEETING COMPLIES WITH THE OPEN MEETINGS ACT; MAKING OTHER FINDINGS AND PROVISIONS RELATED TO THE SUBJECT, AND DECLARING AN EFFECTIVE DATE.

Dr. Oubre read the ordinance in its entirety.

Council Member Mello moved to approve the ordinance. Second to the motion was made by Mayor Pro Tem McKenna which carried with the following vote:

COUNCIL MEMBERS VOTING AYE: Mayor Sims, Mayor Pro Tem McKenna, Council Member Pullen, Council Member Mello and Council Member Spears

COUNCIL MEMBERS VOTING NO: Council Member Bellfield

A copy of this ordinance is being made a part of these minutes as Ordinance Number 2015-10.

RESOLUTIONS

FIRST READING:

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ORANGE, TEXAS AND INTERNATIONAL PAPER COMPANY TO PROVIDE FOR THE ANNEXATION OF THE LAND AS A WHOLE OR IN PARTS AND TO PROVIDE FOR THE TERMS OF ANNEXATION, SPECIFY THE USES AND DEVELOPMENT OF THE LAND BEFORE AND AFTER ANNEXATION, AND OTHER LAWFUL TERMS AND CONSIDERATIONS THE PARTIES CONSIDER APPROPRIATE.

Council Member Pullen moved to approve the resolution. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS STRONGLY SUPPORTING AND REQUESTING THE ESTABLISHMENT OF A VETERANS ADMINISTRATION MEDICAL INPATIENT HOSPITAL IN ORANGE COUNTY, TEXAS.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-50.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH NEWLIGHT HEALTHCARE IN THE AMOUNT OF \$37,750 PLUS APPROVED EXPENSES FOR THE FINANCIAL PRO FORMA OF NEW HOSPITAL CONSTRUCTION AND OPERATION AND DEMOGRAPHIC AND SERVICE NEEDS ASSESSMENT.

Council Member Spears moved to approve the resolution. Second to the motion was made by Mayor Pro Tem McKenna which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-51.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, AMENDING RESOLUTION NO. 2015-40 NOMINATING CLOEREN INCORPORATED TO THE OFFICE OF THE GOVERNOR, ECONOMIC DEVELOPMENT AND TOURISM THROUGH THE ECONOMIC DEVELOPMENT BANK FOR DESIGNATION AS AN ENTERPRISE PROJECT ("PROJECT") UNDER THE TEXAS ENTERPRISE ZONE PROGRAM UNDER THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT").

Council Member Spears moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-52.

RESOLUTION DESIGNATING THE WEST SIDE OF MARTIN LUTHER KING JR. DRIVE BETWEEN BANCROFT ROAD AND N. LUTCHER DRIVE A NO PARKING ZONE, FURTHER, N. LUTCHER DRIVE, ALSO KNOWN AS THE INTERSTATE 10 SERVICE ROAD BE DESIGNATED AS A NO PARKING ZONE APPROXIMATELY 265 FEET WEST FROM THE INTERSECTION OF MARTIN LUTHER KING JR. DRIVE.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Spears which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-53.

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE CITY OF WEST ORANGE, CITY OF PINEHURST, AND ORANGE COUNTY EMERGENCY SERVICES DISTRICT #4 (OCESD #4) FOR THE PROVISION OF AMBULANCE SERVICES BY ACADIAN AMBULANCE SERVICE.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-54.

RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LETTER OF INTENT WHICH SUBSTANTIATES THAT THE CITY OF ORANGE, TEXAS IS PARTICIPATING IN THE REVISION OF THE REGIONAL AND COUNTY MITIGATION ACTION PLANS BEING COORDINATED BY THE SOUTH EAST TEXAS REGIONAL PLANNING COMMISSION (SETRPC).

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Spears which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-55.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS APPROVING A LEASE AGREEMENT BETWEEN THE CITY OF ORANGE AND HIGMAN BARGE LINES, INC. FOR 0.3727 ACRES OF LAND, NATHAN CORDREY SURVEY, ABSTRACT NO. 59, ORANGE COUNTY, TEXAS MORE COMMONLY KNOWN AS JACKSON AVENUE FROM MARKET STREET TO THE EAST END OF JACKSON AVENUE; AND ESTABLISHING AN EFFECTIVE DATE.

Council Member Mello moved to approve the resolution. Second to the motion was made by Council Member Spears which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-56.

RESOLUTION AUTHORIZING THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS TO ALLOCATE FUNDS FOR MOWING AND FILING LIENS ON PROPERTIES VIOLATING CITY CODES AND ORDINANCES IN THE AMOUNT OF \$20,000.00.

Council Member Mello moved to approve the resolution. Second to the motion was made by Council Member Pullen which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-57.

DISCUSSION/ACTION

MOTION APPROVING THE REQUEST BY THE STARK FOUNDATION TO TEMPORARILY CLOSE SIXTH STREET BETWEEN GREEN AVENUE AND ELM STREET BEGINNING OCTOBER, 2015 FOR A PERIOD OF APPROXIMATELY 18 MONTHS. THE STARK FOUNDATION WILL BE CONSTRUCTING A MAJOR NEW ADDITION TO THE STARK MUSEUM.

Council Member Mello moved to approve the motion. Second to the motion was made by Council Member Pullen which carried unanimously.

CITY MANAGER REPORT

No report was given.

CITY COUNCIL REPORT

The Council advised the July 4th Celebration was a great event and thanked everyone involved for their hard work. They also thanked the Police Department and Fire Department for their work on the recent house fires in the City.

ADJOURN TO CLOSED EXECUTIVE SESSION

- a) Deliberation with City Attorney pursuant to Chapter 551 of the Texas Government Code:
 - (1) Deliberation with City Attorney regarding pending or contemplated litigation as authorized by subsection 551.071 involving a settlement offer from British Petroleum Oil Company.

The Council met in closed executive session at 10:43 A.M.

RECONVENE IN OPEN SESSION

The Council reconvened in open session at 10:53 A.M.

DISCUSSION AND POSSIBLE ACTION TO ACCEPT A SETTLEMENT OFFER REGARDING THE CITY OF ORANGE VERSUS BRITISH PETROLEUM WITH REGARD TO THE BRITISH PETROLEUM DEEPWATER HORIZON OIL SPILL DUE TO LOST REVENUE DISPUTE REGARDING THE SPILL.

RESOLUTION OF THE CITY OF ORANGE IN THE STATE OF TEXAS ACCEPTING A FULL AND FINAL SETTLEMENT OF ALL CLAIMS AGAINST BP AND OTHERS RESULTING FROM THE DEEPWATER HORIZON OIL SPILL, AUTHORIZING THE EXECUTION AND DELIVERY OF A GENERAL RELEASE AND OTHER NECESSARY DOCUMENTS AND PROVIDING AN IMMEDIATELY EFFECTIVE DATE.

Council Member Bellfield moved to approve the resolution. Second to the motion was made by Council Member Mello which carried unanimously.

A copy of this resolution is being made a part of these minutes as Resolution Number 2015-58.

ADJOURNMENT

There being no further business before the Council, Council Member Bellfield moved to adjourn the meeting. Second to the motion was made by Council Member Spears which carried unanimously.

The meeting adjourned at 10:53 A.M.

ATTEST:

Jimmy Sims, Mayor

Rhonda Haskins, City Secretary

George Mortimer, President

ATTEST:

David Meaux, Secretary

ECONOMIC DEVELOPMENT DEPARTMENT

MEMORANDUM

DATE: July 20, 2015

TO: Dr. Shawn Oubre, City Manager

FROM: Jay Trahan, EDC Director

**RE: E. I. DUPONT DE NEMOURS AND COMPANY – TEXAS ENTERPRISE PROJECT APPLICATION
NOMINATING RESOLUTION**

Please see the attached Nominating Resolution, which nominates DuPont Sabine River Works – Orange, Texas (DuPont), as a Texas Enterprise Project designation, through the Office of the Governor, Economic Development & Tourism through the Economic Development Bank.

DuPont, headquartered in Wilmington, Delaware, was founded in 1802 and is a world leader in science and technology in a range of disciplines, including biotechnology, electronics, materials science, safety and security, and synthetic fibers.

DuPont Sabine River Works opened in 1946 and currently has 900 employees and 420 contract employees in the manufacture of its various products. DuPont plans to invest approximately \$50,000,000 in capital investments at its site over the next five (5) years, and this designation is intended as a job retention effort, and is critical to its competitiveness in a global market. The plant operates under the leadership of Plant Manager, Ms. Janet Schepcoff.

Subject to your review and approval, please place this request on the next City Council agenda for discussion and possible action. Please contact me at extension #1077 for additional information.

RESOLUTION No. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS, NOMINATING E.I. DUPONT DE NEMOURS AND COMPANY FOR DESIGNATION AS AN ENTERPRISE PROJECT ("PROJECT") UNDER THE TEXAS ENTERPRISE ZONE PROGRAM UNDER THE TEXAS ENTERPRISE ZONE ACT, CHAPTER 2303, TEXAS GOVERNMENT CODE ("ACT").

WHEREAS, the City of **Orange, Texas** (City) has previously passed Ordinance No. 2014-28 electing to participate in the Texas Enterprise Zone Program, and the local incentives offered under this resolution are the same on this date as were outlined in Ordinance No. 2014-28;

WHEREAS, the Office of the Governor Economic Development and Tourism (EDT) through the Economic Development Bank (Bank) will consider **E. I. du Pont de Nemours and Company** as an enterprise project pursuant to a nomination and an application made by the City;

WHEREAS, the City desires to pursue the creation of the proper economic and social environment in order to induce the investment of private resources in productive business enterprises located in the City and to provide employment to residents of enterprise zones and to other economically disadvantaged individuals;

WHEREAS, pursuant to Chapter 2303, Subchapter F of the Texas Enterprise Zone Act, Texas Government Code (the "Act"), **E. I. du Pont de Nemours and Company** has applied to the City for designation as an enterprise project;

WHEREAS, the City finds that **E. I. du Pont de Nemours and Company** meets the criteria for designation as an enterprise project under Chapter 2303, Subchapter F of the Act on the following grounds:

1. **E. I. du Pont de Nemours and Company** is a "qualified business" under Section 2303.402 of the Act since it will be engaged in the active conduct of a trade or business at a qualified business site located outside of an enterprise zone and at least thirty-five percent (35.0%) of the business' new employees will be residents of an enterprise zone or economically disadvantaged individuals; and
2. There has been and will continue to be a high level of cooperation between public, private, and neighborhood entities within the area; and
3. The designation of **E. I. du Pont de Nemours and Company** as an enterprise project will contribute significantly to the achievement of the plans of the City for development and revitalization of the area.

WHEREAS, the City finds that **E. I. du Pont de Nemours and Company** meets the criteria for tax relief and other incentives adopted by the City and nominates **E. I. du Pont de Nemours and Company** for enterprise project status on the grounds that it will be located at the qualified business site, will help retain employment, fortify economic activity and enhance viability; and

WHEREAS, the City finds that it is in the best interest of the City to nominate **E. I. du Pont de Nemours and Company** as an enterprise project pursuant to the Act;

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

That the findings of the City and its actions approving this resolution taken at the council meeting are hereby approved, adopted and in effect.

BE IT FURTHER RESOLVED that **E. I. du Pont de Nemours and Company** is a "qualified business", as defined in Section 2303.402 of the Act, and meets the criteria for designation as an enterprise project, as set forth in Section 2303, Subchapter F of the Act.

BE IT FURTHER RESOLVED that the City nominates **E. I. du Pont de Nemours and Company** to the State of Texas for Enterprise Project status.

BE IT FURTHER RESOLVED that the enterprise project shall take effect on the date of designation of the enterprise project and terminate five (5) years from the date of designation.

PASSED, APPROVED and ADOPTED on this the ____ day of _____, 2015.

Jimmy Sims
Mayor

ATTEST:

Rhonda Haskins
City Secretary

Approved as to content:

Approved as to form:

Jay Trahan
Director of Economic Development

John Cash Smith
City Attorney

THE STATE OF TEXAS

COUNTY OF ORANGE

I, **Rhonda Haskins**, **City Secretary** of the City of **Orange**, Texas do hereby certify that the above and foregoing is a true and correct copy of Resolution Number _____ passed by the City of **Orange** City Council on the this ____ day of _____, 2015.

Rhonda Haskins
City Secretary

ORDINANCE NO. 2015- _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF THE “CITY OF ORANGE, TEXAS, TAX & REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015”; SPECIFYING THE TERMS AND FEATURES OF SAID CERTIFICATES; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES OF OBLIGATION BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE CITY; AND A LIMITED PLEDGE OF THE NET REVENUES OF THE CITY’S WATER AND WASTEWATER SYSTEM; AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AUTHORIZING AN OFFICIAL STATEMENT AND DISTRIBUTION THEREOF; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City Council deems it advisable to issue Certificates of Obligation in the amount of \$4,920,000, for the purpose of paying, in whole or in part, contractual obligations to be incurred for design, construction, repair, replacement, improvement, or rehabilitation and equipping (i)water system, water plant, wastewater system and wastewater treatment plant improvements for the City (collectively the “Projects”), (ii) professional services for engineering, surveying, geotechnical, auditing, financial advisory, bond counsel, legal counsel and (iii) cost of issuance of the Certificates.

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271 of the Local Government Code as amended.

WHEREAS, the City Council has heretofore, on the 28th day of July, 2015, adopted an ordinance authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation.

WHEREAS, said notice has been duly published in *The Orange Leader*, which is a newspaper of general circulation in said City, in its issues of June 13, 2015 and June 20, 2015, the date of the first publication of such notice being not less than thirty (30) days prior to the tentative date stated therein for the adoption of the Ordinance authorizing the issuance of such Certificates.

WHEREAS, no petition protesting the issuance of the certificates of obligation and bearing valid petition signatures of at least 5% of the qualified electors of the City, has been presented to or filed with the Mayor, City Secretary or any other official of the City on or prior to the date of the passage of this Ordinance; and

WHEREAS, the Council hereby finds and determines the certificates of obligation described in the aforesaid notice should be issued and sold at this time in the amount and manner hereinafter provided; now, therefore,

WHEREAS, the meeting was open to the public and public notice of the time, place and purpose of said meeting was given pursuant to Chapter 551, Texas Government Code.

BE IT ORDAINED BY THE CITY COUNCIL OF ORANGE, TEXAS;

Section 1: Amount and Purpose of the Certificates of Obligation. The certificate of obligation or certificates of obligation of the City of Orange, Texas (the "City") are hereby authorized to be issued and delivered in the aggregate principal amount of \$4,920,000, for the purpose of paying, in whole or in part, contractual obligations to be incurred for design, construction, repair, replacement, improvement, or rehabilitation and equipping (i) water system, water plant, wastewater system and wastewater treatment plant improvements for the City (collectively the "Projects"), (ii) professional services for engineering, surveying, geotechnical, auditing, financial advisory, bond counsel, legal counsel and (iii) cost of issuance of the Certificates. Each certificate of obligation issued pursuant to this Ordinance shall be designated: "CITY OF ORANGE, TEXAS TAX REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015", and initially there shall be issued, sold, and delivered hereunder a single fully registered certificate of obligation to the initial purchaser or its designee without interest coupons, payable in installments of principal (the "Initial Certificate"), but the Initial Certificate of Obligation shall be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered certificates of obligation only, without interest coupons, having maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Certificates of Obligation" as used in this Ordinance shall mean and include collectively the Initial Certificate of Obligation and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate of Obligation" shall mean any of the Certificates of Obligation.

Section 2: Fully Registered Obligations - Authorized Denominations- Stated Maturities-Date. The Certificates are issuable in fully registered form only and shall be dated August 1, 2015 (the "Dated Date") and shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and the Certificates shall become due and payable, subject to the prior maturity in accordance with this Ordinance, on February 1 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the per annum rate(s) in accordance with the following schedule:

| <u>Stated Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|----------------------------|-----------------------------|--------------------------|
| 2018 | | |
| 2019 | | |
| 2020 | | |
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |
| 2028 | | |
| 2029 | | |

The Certificates shall bear interest on the unpaid principal amounts thereof from the date of delivery of the Initial Certificate or the most recent Interest Payment Date to which interest has been paid or duly provided for (calculated on the basis of a 360-day year of twelve 30-day months), and such interest shall be payable on February 1 and August 1 of each year, commencing February 1, 2016 until maturity or prior redemption as herein provided.

Section 3: Terms of Payment-Paying Agent/Registrar. The principal of and the interest on the Certificates, due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the registered owners or holders of the Certificates (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of BOKF, N.A., Austin, Texas to serve as Paying Agent/Registrar for the Certificates is hereby approved and confirmed. Books and records relating to the registration, payment, transfer and exchange of the Certificates (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, as provided herein and in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement" and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor, Mayor Pro Tem and City Secretary are authorized to execute and deliver such Agreement in connection with the delivery of the Certificates. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Certificates are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Certificates, the City agrees to promptly cause a

written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Certificates shall be payable at the Stated Maturities or the prior redemption thereof only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its designated offices in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Certificates shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date (the close of the business on the 15th calendar day of the month preceding the Interest Payment Date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the City where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when 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.

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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business next preceding the date of mailing of such notice.

Section 4: (a) Optional Redemption. The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 1, 2025, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 1, 2024, or any date thereafter, at par plus accrued interest from the most recent Interest Payment Date to the date fixed for redemption. If less than all the Certificates of a stated maturity are to be redeemed, the Certificates, or portions thereof, within such maturity to be redeemed shall be selected by lot or other customary method.

At least forty-five (45) days prior to a redemption date for the Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the City.

By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or the portions thereof which are to be redeemed, plus accrued interest to the date fixed for redemption. If a portion of any Bond is redeemed, a substitute Bond having the same maturity date, bearing interest at the same rate, and in the aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon surrender of the Bond redeemed, at the expense of the City, all as provided in the Ordinance.

(b) Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Certificates as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificates by \$5,000 and shall select the Certificates to be redeemed within such Stated Maturity by lot.

(c) Notice of Redemption. Not less than 30 days prior to a redemption date for the Certificates, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each Registered Owner of each Bond to be redeemed in whole or in part, at the address of the Registered Owner appearing on the registration books maintained by the Paying Agent/Registrar. Such notice shall state, among other matters, the redemption date, the redemption price, the place at which Certificates are to be surrendered for payment and, if less than all the Certificates are to be redeemed, the numbers of the Certificates or portions thereof to be redeemed. Any notice of redemption so mailed shall be conclusively presumed to have been duly given whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the redemption price of the Certificates or portions thereof to be redeemed. When Certificates have been called for redemption in whole or in part and due provision made to redeem the same, the Certificates or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of being paid solely from the finds so provided for redemption, and the rights of the Registered Owner to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof for redemption shall terminate on the date fixed for redemption.

(d) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain 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 Certificates 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 City, 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 City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 5: Registration - Transfer - Exchange of Certificates-Predecessor Certificates. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Certificates issued under and pursuant to the provisions of this Ordinance, or if appropriate, the nominee thereof. Any Certificate may be transferred or exchanged for Certificates of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Certificate (other than the Initial Certificate(s) authorized in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denominations and having the same Stated Maturity and of a like aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates (other than the Initial Certificate(s) authorized in Section 8 hereof) may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange, upon surrender of the Certificates to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Certificates are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Certificates to the Holder requesting the exchange.

All Certificates issued in any transfer or exchange of Certificates shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Certificates surrendered in such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Certificates," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Certificates" shall include any mutilated, lost, destroyed, or stolen Certificate for

which a replacement Certificate has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 19 hereof and such new replacement Certificate shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

Neither the City nor the Paying Agent/ Registrar shall be required to issue or transfer to an assignee of a Holder any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Certificate; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate called for redemption in part.

Section 6: Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained herein relating to the payment and transfer/exchange of the Certificates, the City hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Letter of Representation, by and between the City, the Paying Agent/Registrar and DTC (the "Depository Agreement") relating to the Certificates.

Pursuant to the Depository Agreement and the rules of DTC, the Certificates shall be deposited with DTC who shall hold said Certificates for its participants (the "DTC Participants"). While the Certificates are held by DTC under the Depository Agreement, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Certificates, the City covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and provide for the printed certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in printed form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Certificates shall be made in accordance with the provisions hereof.

Section 7: Execution - Registration. The Certificates shall be executed on behalf of the City by the Mayor or the Mayor Pro Tem under its seal reproduced or impressed thereon and countersigned by the City Secretary. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been impressed on each of the Certificates. Any such officer of the City whose manual or facsimile signature shall appear on the Certificates shall cease to be such officer before the authentication of such Certificates or before the delivery of such

Certificates, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office.

No Certificate shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified, registered and delivered.

Section 8: Initial Certificate(s). The Certificates herein authorized shall be initially issued as a single fully registered certificate to be numbered T-1 (the "Initial Certificate") and, the Initial Certificate shall be registered in the name of the initial purchaser or the designee thereof. The Initial Certificate shall be submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser or the designee thereof. Any time after the delivery of the Initial Certificate, the Paying Agent/Registrar, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates in multiple fully registered certificates with one certificate for each Stated Maturity to be numbered consecutively from CR-1 and upward (the "Definitive Certificates") for transfer and delivery to the Cede & Co. as nominee for Depository Trust Company on behalf of Purchaser as specified in the Official Statement for issuance of the Certificates.

Section 9: Forms. (a) **Forms Generally.** The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements thereon as may, consistently herewith, be established by the City or determined by the officers executing such Certificates as evidenced by their execution. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate(s).

The Definitive Certificates and the Initial Certificate shall be printed, lithographed, or engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Certificates as evidenced by their execution.

(b) **Form of Definitive Certificates.**

**REGISTERED
NO. CR-__**

**REGISTERED
\$ _____**

**UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ORANGE, TEXAS,
TAX REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015**

Dated Date: August 1, 2015
Interest Rate:
Stated Maturity:
CUSIP:

Registered Owner:
Principal Amount: DOLLARS

THE CITY OF ORANGE, TEXAS (the "City"), a body corporate and municipal corporation in the County of Orange, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Closing Date as defined in the Ordinance authorizing the issuance of the Bonds at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 in each year, commencing February 1, 2016. Principal of this Certificate is payable at its Stated Maturity or redemption to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Certificate is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Certificate. Interest is payable to the registered owner of this Certificate (or one or more Predecessor Certificates, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$4,920,000 (herein referred to as the "Certificates") for the purpose of paying, in whole or in part, contractual obligations to be incurred for design, construction, repair, replacement, improvement, or rehabilitation and equipping (i)water system, water plant,

wastewater system and wastewater treatment plant improvements for the City (collectively the "Projects"), (ii) professional services for engineering, surveying, geotechnical, auditing, financial advisory, bond counsel, legal counsel and (iii) cost of issuance of the Certificates.; under and in strict conformity with the Constitution and laws of the State of Texas, particularly V.T.C.A., Local Government Code, Subchapter C of Chapter 271, as amended, and pursuant to an ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Certificates having stated maturities on or after February 1, 2025, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on February 1, 2024, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Certificate to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Certificate (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date such Certificate (or the portion of its principal sum to be redeemed) shall become due and payable, and, if moneys for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable from and after the redemption date on the principal amount redeemed.

In the event a portion of the principal amount of a Certificate is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Certificate to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the registered owner, without charge. If a Certificate is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Certificate to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Certificate redeemed in part.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City and are additionally payable from and, together with the "Previously Issued Obligations" (identified in the Ordinance), secured by a lien on and limited pledge not to exceed \$1,000 of the Net Revenues (as defined in the Ordinance) of the City's water and wastewater system (collectively the "System"), such lien and pledge, however, being junior and subordinate to the lien on and pledge of such Net

Revenues securing the payment of the "Prior Lien Obligations" (defined in the Ordinance) hereafter issued by the City. In the Ordinance, the City reserves and retains the right to issue Prior Lien Obligations without limitation as to principal amount but subject to any applicable terms, conditions or restrictions under law or otherwise as well as the right to issue additional obligations payable from the same sources as the Certificates.

Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of (i) the tax levied for the payment of the Certificates and (ii) the subordinate pledge of and lien on the Net Revenues for the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the tax levy and the pledge of the Net Revenues and covenants made in the Ordinance may be discharged at or prior to the maturity of this Certificate, and this Certificate deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Ordinance.

This Certificate, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the registered owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Certificates to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Certificates do not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Certificates as aforestated. In case any provision in this Certificate shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Certificate to be duly executed under the official seal of the City as of the Dated Date.

City of Orange, Texas

Mayor

COUNTERSIGNED:

City Secretary

(City Seal)

(c) *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Certificate only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

| | | |
|---------------------------|---|--------------------|
| OFFICE OF THE COMPTROLLER | § | |
| OF PUBLIC ACCOUNTS | § | REGISTER NO. _____ |
| | § | |
| THE STATE OF TEXAS | § | |

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Certificates

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Certificates only.

Registration Date: _____

AUTHENTICATION CERTIFICATE

It is hereby certified that this Certificate is one of the Certificates described in and delivered pursuant to the Ordinance described in the text of this Certificate, in exchange for or in replacement of a certificate, certificates or a portion of a certificate or certificates of a Series which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, N.A.

By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee:)

(Social Security or other identifying number _____) the within
Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer the within Certificate on the books kept for registration thereof, with full
power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular.

(f) **Form of Initial Certificate.** The Initial Certificate shall be in a form set forth in subsection (b) of this Section, except the heading and first paragraph shall be replaced and completed as set forth below:

**REGISTERED
NO. T-1**

**REGISTERED
\$4,920,000**

**UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ORANGE, TEXAS,
TAX AND WATERWORKS & SANITARY SEWER SYSTEM SUBORDINATE
LIEN REVENUE CERTIFICATES OF OBLIGATION, SERIES 2015**

Dated Date:
August 1, 2015

CUSIP:

Registered Owner:
Principal Amount:

DOLLARS

THE CITY OF ORANGE, TEXAS (the "City"), a body corporate and municipal corporation in the County of Orange, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the principal amount above stated on February 1 in the years and in principal installments in accordance with the following schedule:

| <u>Stated Maturity</u> | <u>Principal Amount</u> | <u>Interest Rate</u> |
|----------------------------|-----------------------------|--------------------------|
| 2018 | | |
| 2019 | | |
| 2020 | | |
| 2021 | | |
| 2022 | | |
| 2023 | | |
| 2024 | | |
| 2025 | | |
| 2026 | | |
| 2027 | | |

2028
2029

(or so much thereof as shall not have been redeemed prior to maturity) and to pay interest on the unpaid principal amounts hereof from the Closing Date as defined in the Ordinance authorizing the issuance of the Bonds at the per annum rate(s) of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year, commencing February 1, 2016, until maturity or prior redemption. Principal installments of this Certificate are payable at its Stated Maturity or on a redemption date to the registered owner hereof by BOKF, N.A., Austin, Texas (the 'Paying Agent/Registrar'), upon presentation and surrender, at its designated offices in Dallas, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Certificate whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the close of business on the 15th calendar day of the month preceding the interest payment date hereof and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prep aid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when 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. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 10: Definitions. For purposes of this Ordinance and for clarity with respect to the issuance of the Certificates herein authorized, and the levy of taxes and appropriation of Net Revenues therefor, the following words or terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

(a) The term "**Additional Obligations**" shall mean additional tax and revenue obligations hereafter issued under and pursuant to the provisions of V.T.C.A., Local Government Code, Subchapter C of Chapter 271 or other law that are payable from ad valorem taxes and additionally payable from and secured by a lien on and pledge of the Net Revenues of the System.

(b) The term "**Certificates**" shall mean the City of Orange, Texas \$4,920,000 Tax Revenue Certificates of Obligation, Series 2015 authorized by this Ordinance.

(c) The term "**Certificate Fund**" shall mean the special Fund created and established under the provisions of Section 13 of this Ordinance.

(d) The term "**City**" shall mean the City of Orange, Texas.

(e) The term "**City Council**" shall mean the governing body of the City.

(f) The term "**Closing Date**" shall mean the date of the initial delivery of and payment for the Certificates.

(g) The term "**Code**" shall mean the Internal Revenue Code of 1986, as amended.

(h) The term "**Collection Date**" shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the City become delinquent.

(i) The term "**Comptroller**" shall mean the Comptroller of Public Accounts of the State of Texas.

(j) The term "**Dated Date**" shall have the meaning as stated in Section 2 of this Ordinance.

(k) The term "**Debt Service Requirement**" shall mean (i) the interest on the Certificates and (ii) a sinking fund for payment of principal of the Certificates at Stated Maturity or earlier redemption or a sinking fund of 2% (whichever amount is greater).

(l) The term "**Fiscal Year**" shall mean the twelve month period ending on September 30th of each year, unless otherwise designated by the City.

(m) The term "**Government Securities**" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(n) The term "**Gross Revenues**" shall mean all revenues, income and receipts of every nature derived or received by the City from the operation and ownership of the System (excluding refundable meter deposits, restricted gifts and grants in aid of construction), including earnings and income derived from the investment or deposit of monies in any special funds or accounts created and established for the payment and security of the Certificates and other obligations payable solely from and secured only by a lien on and pledge of the Net Revenues.

(o) The term "**Interest Payment Date**" when used in connection with any Certificate, shall mean February 1, 2016 and each August 1 and February 1 thereafter until maturity or redemption.

(p) The term "**Maintenance and Operating Expenses**" shall mean, for any defined period, all current expenses and costs of operating and maintaining the System, including all salaries, labor, materials, repairs and extensions necessary to render efficient service; provided, however, that only such repairs and extensions, as in the judgment of the City Council, reasonably and fairly exercised, are necessary to maintain the operations and render adequate service to the City and the inhabitants thereof, or such as might be necessary to meet some physical accident or condition which would otherwise impair any obligations payable therefrom and secured by a lien on and pledge of the Net Revenues thereof, shall be deducted in determining Net Revenues. Depreciation charges shall not be considered Maintenance and Operating Expenses. Maintenance and Operating Expenses shall include payments under contracts for the purchase of water supply, treatment of sewage or other materials, goods, services, or facilities for the System to the extent authorized by law and the provisions of such contract.

(q) The term "**Ordinance**" shall mean this Ordinance authorizing the Certificates.

(r) The term "**Outstanding**" when used in this Ordinance with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Ordinance, except:

- (1) those Certificates cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates for which payment has been duly provided by the City in accordance with the provisions of Section 20 hereof; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 19 hereof.

(s) The term "**Owner**" or "**Registered Owner**" when used with respect to any Certificate, shall mean the person or entity, in whose name such Certificate is registered in the Register.

(t) The term "**Paying Agent**" shall mean the Registrar.

(u) The term "**Previously Issued Obligations**" shall mean the outstanding and unpaid:

(1) \$5,095,000.00 Water and Sewer System Revenue Bonds, Series 2007

(v) The term "**Prior Lien Obligations**" shall mean all bonds, notes, warrants, certificates of obligation, or similar obligations as described in Section 17 of this Ordinance.

(w) The term "**Purchaser**" shall mean _____.

(x) The term "**Record Date**", for any Interest Payment Date, the close of business on the 15th calendar day of the month preceding such Interest Payment Date.

(y) The term "**Register**" shall mean the books of registration kept by the Registrar in which are maintained in name and addresses and the principal amount registered to each Owner.

(z) The term "**Registrar**" shall mean BOKF., N.A., Austin, Texas and its successors in that capacity. The office of the Registrar herein designated shall be designated as the office of the Registrar for the presentment of certificates.

(aa) The term "**Net Revenues**" shall mean the revenues of the System remaining after deduction of the expense of operation and maintenance of the System in any particular fiscal year or period to which the term is applicable, or charges made therefor during that fiscal year or period, including all salaries, labor, materials, interest, repairs, and extensions necessary to render efficient service, but only if such charges are made in conformity with generally accepted accounting principles, including amounts reasonably required under generally accepted accounting principles to be set aside in reserves for items of operation and maintenance expenses, the payment of which is not then immediately required; provided, however, that only such repairs and extensions, as in the judgment of the governing body, reasonably and fairly exercised, are necessary to keep the System in operation and render adequate service to the City and the inhabitants thereof; or

such as might be necessary to otherwise impair security of the Registered Owners and any prior lien obligations shall constitute operation and maintenance expenses.

(bb) The term “**System**” shall mean all of the City’s water and wastewater system, together with all future extensions, improvements, and additions thereto and replacements thereof, excluding from the foregoing, however, to the extent now or hereafter authorized or permitted by law, facilities of any kind which are declared by the governing body, prior to the acquisition or construction thereof by the City, not to be a part of the System and which are acquired or constructed by or on behalf of the City with the proceeds from the issuance of “Special Facilities Obligations”, which are hereby defined as being special revenue obligations of the City which are not payable from Net Revenues but which are payable from and secured by other liens on and pledges of any revenues, sources, or payments, not pledged to the payment of the Certificates.

Section 11: Tax Levy. To provide for the payment of the "Debt Service Requirements" on the Certificates being (i) the interest on said Certificates and (ii) a sinking fund for their payment at maturity or redemption or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while said Certificates or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in said City, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. The City Council hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said Debt Service Requirements, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) Prior to the date the City Council establishes the annual tax rate and passes an ordinance levying ad valorem taxes each year, the Council shall determine:

(1) The amount on deposit in the Certificate Fund after (i) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (ii) adding thereto the amount of the Net Revenues of the System appropriated and allocated to pay such Debt Service Requirements prior to the Collection Date for the ad valorem taxes to be levied.

(2) The amount of Net Revenues of the System, appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates

between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(3) The amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding calendar year.

(b) The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (3) above less the sum total of the amounts established in paragraphs (1) and (2), after taking into consideration delinquencies and costs of collecting such annual taxes.

Section 12: Limited Pledge of Net Revenues. The City hereby covenants and agrees that Net Revenues of the System are hereby irrevocably pledged in an amount not to exceed \$1,000, to the extent and in the manner required in the proceedings relating to their issuance, to the payment of the principal of and interest on the Previously Issued Obligations, the Certificates and, if and when issued, Additional Obligations. The pledge of Net Revenues of the System herein made for the payment of the Certificates shall constitute a subordinate lien on the Net Revenues of the System in accordance with the terms and provisions hereof and be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Net Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code.

Chapter 1208 applies to the issuance of the Certificates and the pledge of Net Revenues of the System granted by the City under this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Certificates are Outstanding such that the pledge of the Net Revenues of the System granted by the City under this Section of the Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, as amended, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code, as amended, and enable a filing to perfect the security interest in said pledge to occur.

Section 13: Certificate Fund. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there shall be and is hereby created a special account or fund on the books and records of the City known as the "SERIES 2015 TAX REVENUE CERTIFICATES OF OBLIGATION FUND", and all moneys deposited to the credit of such Fund shall be kept and maintained in a special banking account at the City's depository bank. Authorized officials of the City are hereby authorized and directed to make withdrawals from said Fund sufficient to pay the principal of and interest on the Certificates as the same become due and payable, and, shall cause to be

transferred to the Paying Agent/Registrar from moneys on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest falling due on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money in the Certificate Fund may, at the option of the City, be invested in obligations identified in, and in accordance with the provisions of the "Public Funds Investment Act" (V.T.C.A., Government Code, Chapter 2256) relating to the investment of "bond proceeds"; provided that all such investments shall be made in such a manner that the money required to be expended from said Fund will be available at the proper time or times. All interest and income derived from deposits and investments in said Certificate Fund shall be credited to, and any losses debited to, the said Certificate Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

Section 14: Water and Sewer Fund. The City covenants and agrees that all Gross Revenues shall be deposited as collected into a fund maintained at an official depository of the City and known on the books of the City as the "Water and Sewer Fund" (the "Water and Sewer Fund"). All Gross Revenues deposited to the credit of the System Fund shall be allocated, appropriated and budgeted to the extent required for the following purposes and in the order of priority shown, to wit:

First: To the payment of all Maintenance and Operating Expenses of the System as defined herein or required by statute to be a first charge on and claim against the revenues of the System,

Second: To the payment of all amounts required to be deposited in the special Funds created and established for the payment, security and benefit of Prior Lien Obligations in accordance with the terms and provisions of the ordinances authorizing the issuance of Prior Lien Obligations.

Third: To the payment, equally and ratably, of the amounts required to be deposited in the special funds and accounts created and established for the payment of the Previously Issued Obligations, the Certificates (the Certificate Fund) and Additional Obligations.

Any Net Revenues remaining in the System Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment thereof, may be appropriated and used for any other City purpose now or hereafter permitted by law.

Section 15: Construction Fund. The City shall establish a separate fund to be entitled the "City of Orange, Texas 2015 Series Construction Account" (the "Construction Fund"). Immediately after the sale and delivery of the Certificates, that portion of the proceeds of the Certificates save and except the cost of issuance of the Certificates payable at the Closing shall

be deposited into the Construction Fund and disbursed for such purposes as authorized by this Ordinance. Pending completion of the purposes for paying contractual obligations to be incurred for the Facilities and related professional services incurred in connection therewith, interest earned on such proceeds may be used, at the City's discretion, for the purpose of paying contractual obligations to be incurred for the Facilities for professional services related thereto, and shall be accounted for, maintained, deposited and expended as permitted by §1201.043, Government Code, as from time to time in effect, or as otherwise required by applicable law. Thereafter, such interest shall be deposited in the Certificate Fund. Upon completion of the paying of the contractual obligations for the Facilities and the payment of professional services incurred in connection therewith, the monies, if any, remaining in the Construction Fund shall be transferred and deposited by the City into the Certificate Fund.

Section 16: Special Covenants. The City hereby further covenants as follows:

(a) **Security for Funds.** All moneys on deposit in the Funds for which this Ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and moneys on deposit in such Funds shall be used only for the purposes permitted by this Ordinance.

(b) **Pledge of Revenues.** It has the lawful power to pledge the Net Revenues of the System to the payment of the Certificates in the manner herein contemplated and has lawfully exercised such power under the Constitution and laws of the State of Texas, including said power existing under V.T.C.A., Local Governmental Code, Subchapter C of Chapter 271 and V.T.C.A., Government Code, Chapter 1502.

(c) **Prior Obligations.** Other than for the payment of the (i) Previously Issued Obligations and (ii) the Certificates, the Net Revenues of the System have not in any manner been pledged to the payment of any debt or obligation of the City or of the System.

(d) **System Operation.** The City covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance on the properties of the System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are hereby pledged as security for the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such

loss or damage must be made within 90 days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered operations and maintenance expenses of the System. Nothing in this Ordinance may be construed as requiring the City to expend any finds which are derived from sources other than the operation of the System but nothing herein may be construed as preventing the City from doing so.

(e) **Rates and Charges.** The City hereby covenants and agrees that rates and charges for services afforded by the System will be established and maintained to provide revenues of the System sufficient at all times to (i) pay all operations and maintenance expenses of the System; (ii) produce Net Revenues sufficient, together with any other lawfully available finds, to produce an amount of Net Revenues sufficient to pay the interest on and principal of the Certificates and any additional obligations of the City hereafter issued on a parity therewith; and (iii) pay other legally incurred indebtedness payable from the Gross Revenues or secured by a lien on the System or the Gross Revenues thereof.

(f) **Records.** The City covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto, as provided by applicable law.

(g) **Sale or Encumbrance of System.** As long as any Certificates or any interest thereon remain Outstanding, the City will not sell, lease or encumber (except in the manner provided in Section 17 of this Ordinance) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System.

(h) **Franchises.** To the extent that it legally may, the City further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing systems other than those owned by the City, and the operation of any such systems by anyone other than the City is hereby prohibited.

Section 17: Issuance of Prior Lien Obligations/Additional Obligations. The City hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues.

Revenues of the System prior and superior in right to, on a parity with, or subordinate to the pledge of and lien on the Net Revenues in favor of the Certificates, without limitation as to

principal amount, but subject to any terms, conditions, or restrictions applicable thereto under existing ordinances, laws, or otherwise.

Section 18: Application of Previously Issued Debt Covenants and Agreements. It is the intention of this governing body and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the System, and the administering and application of revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the ordinances authorizing the issuance of the previously issued debt, and to the extent of any irreconcilable conflict between the provisions contained herein and in the ordinances authorizing the issuance of the previously issued debt, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Ordinance but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of the previously issued debt. Notwithstanding the above, any change or modification affecting the application of revenues derived from the operation of the System shall not impair the obligation of contract with respect to the pledge of revenues herein made for the payment and security of the Certificates.

Section 19: Mutilated - Destroyed - Lost and Stolen Certificates. In case any Certificate shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Certificate of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Certificate, or in lieu of and in substitution for such destroyed, lost or stolen Certificate, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Certificate, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Certificate shall be borne by the Holders of the Certificate mutilated, or destroyed, lost or stolen.

Every replacement Certificate issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Certificates; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Certificates.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Certificates.

Section 20: Satisfaction of Obligation of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements, and other

obligations of the City to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/ Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Certificates such moneys were deposited and are held in trust to pay shall upon the request of the City be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

Section 21: Ordinance as a Contract – Amendments. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Certificate remains Outstanding except as permitted in this Section. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding, amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time

or times of payment of the principal of, premium, if any, and interest on the Certificates, reduce the principal amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required to be held by Holders for consent to any such amendment, addition, or rescission.

Section 22: Covenants To Maintain Tax-Exempt Status. (a) Definitions. When used in this Section, the following terms have the following meanings:

"**Computation Date**" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"**Gross Proceeds**" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

"**Investment**" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"**Nonpurpose Investment**" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purposes of the Certificates.

"**Rebate Amount**" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"**Regulations**" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"**Yield**" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

(b) **Not to Cause Interest to Become Taxable.** The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will

not adversely affect the exemption from federal income tax of the interest on any Certificate, the City shall comply with each of the specific covenants in this Section.

(c) **No Private Use or Private Payments.** Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) **No Private Loan.** Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) **Not to Invest at Higher Yield.** Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Certificates.

(f) **Not Federally Guaranteed.** Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) **Information Report.** The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) **No Rebate Required.** The City warrants and represents that it satisfies the requirements of paragraph (2) and (3) of section 148(f) of the Code with respect to the Certificates without making the payments for the United States described in such section. Specifically, the City warrants and represents that:

- (1) the City is a governmental unit with general taxing powers;
- (2) at least 95% of the Gross Proceeds of the Certificates will be used for the local governmental activities of the City;
- (3) the aggregate face amount of all tax-exempt obligations issued or expected to be issued by the City (and all subordinate entities thereof) in the calendar year in which the Certificates are issued is not reasonably expected to exceed \$10,000,000.

PROVIDED, HOWEVER, should additional tax exempt obligations be issued or incurred, including lease purchase financings, in the next twelve calendar months which would cause the total face amount of tax exempt obligations issued and incurred in such calendar year to exceed \$10,000,000, the City agrees and covenants that it will maintain complete records regarding the investments of the proceeds of sale of the Certificates and rebate any "arbitrage profits" to the United States as required by Section 148(f) of the Code.

(i) **Elections.** The City hereby directs and authorizes the Mayor, Mayor Pro Tem and City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 23: Sale of Certificates. The Certificates are sold and delivered to _____ pursuant to their bid dated _____, 2015, at a price of \$ _____ plus a cash premium of _____ less an underwriter's discount of \$ _____.. The sale and delivery of the Certificates is hereby authorized, approved, ratified and confirmed subject to the approving opinions as to the legality of the Certificates of the Attorney General of the State of Texas and of Germer PLLC, bond counsel. It is hereby determined that, Inc.'s bid is in the best

interest of the City for the Certificates. The City finds that the net effective interest rate of the Certificates is _____%.

Section 24: Proceeds of Sale. The proceeds of sale of the Certificates received from the Purchaser after the payment of the costs of issuance of the Certificates shall be deposited in the Construction Fund maintained at the City's depository bank. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments and any investment earnings realized may be expended for such authorized projects and purposes or deposited in the Certificate Fund as shall be determined by the City Council. Accrued interest and premium, if any, as well as all surplus proceeds of sale of the Certificates, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Certificate Fund.

Section 25: Control and Custody of Certificates. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending the sale of the Certificates, the investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Certificates, and shall take and have charge and control of the Initial Certificate(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the Mayor, Mayor Pro Tem and City Secretary, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the City and the issuance of the Certificates, including a certification as to facts, estimates, circumstances and reasonable expectations pertaining to the use and expenditure and investment of the proceeds of the Certificates as may be necessary for the approval of the Attorney General and their registration by the Comptroller of Public Accounts. In addition, such officials, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, are authorized and directed to make the necessary arrangements for the delivery of the Initial Certificate(s) to the Purchaser and the initial exchange thereof for definitive Certificates.

Section 26: Notices to Holders-Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Certificates. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be

filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 27: Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Certificates held by the Paying Agent/Registrar shall be returned to the City.

Section 28: Continuing Disclosure of Information.

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

"EMMA" means the Municipal Market Access system.

"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 will provide certain updated financial information and operating date to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under the Schedules in Appendix A attached to the Official Statement and numbered 1 through 5,8, thought 11, 13 and 15 through 17, and in Appendix C. The City will update and provide this information within six months after the end of each fiscal year ending in and after 2015. The financial information and operating data to be provided to the MSRB or filed with the SEC, as permitted by SEC Rule 15c2-12 ("Rule 15c2-12"). The updated information will include audited financial statements, if the City commissions an audit and it is completed by the required time. If audited financial statements are not available when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix C attached 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.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

(c) **Material Event Notices.** The City will also provide in a timely manner not in excess of 10 business days after the occurrence of the event, notices of certain events to the MSRB through EMMA. The City will provide notice of any of the following events with respect to the Certificates: (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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material and tender offers (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; and (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event to the City; (13) the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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 Paying Agent/Registrar or the change of name of a paying Agent/Registrar, if material. In addition, the City will provide notice in a timely manner not in excess of 10 business days after the occurrence of the event, of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports." The City will provide each notice described in this paragraph to the MSRB through EMMA.

For these purposes, any event described in subsection (12) above 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 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.

In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

(d) **Limitations, Disclaimers, and Amendments.** The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete

presentation of its financial results of operations, condition or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although registered owners of Certificates may seek a writ of mandamus to compel the City to comply with its agreement. The City may amend its continuing disclosure of information from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (i) the continuing disclosure of information, as amended, would have permitted an Underwriters to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Certificates consent to the amendment or (b) any person unaffiliated with the City (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The City may also amend or repeal the provisions for its continuing disclosure of information if the SEC amends or repeals the applicable provisions 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 Underwriters from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If so amended, the City agrees to include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

(e) **Availability of Information.** The City has agreed to provide the foregoing information only to the MSRB through EMMA. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org. or the City Finance Director, 830 W. Green Avenue, Orange, Texas 77630, (409) 886-3611.

Section 29: Registrar. The Registrar, by undertaking the performance of the duties of the Registrar and in consideration of the payment of fees are deposited money pursuant to this Ordinance and the Paying Agent/Registrar Agreement substantially in the form executed by the City and the Paying Agent/Registrar accepts and agrees to abide by the terms of this Ordinance. The City covenants that at all times while any Certificates are outstanding, the City will provide a commercial bank or trust company organized and doing business under the laws of the United States or any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority and registered as a transfer agent with the Securities and Exchange Commission who act as Registrar for the Certificates. The City reserves the right to change the Registrar for the Certificates as provided in the Paying Agent/Registrar Agreement. Promptly upon appointment of any successor Registrar, the

previous Registrar shall deliver the Register or copies thereof to the new Registrar and shall notify each Owner, by United States Mail, first class, postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

Section 30: Qualified Tax Exempt Obligations For Financial Institutions. The City has designated the Certificates as "Qualified Tax-Exempt Obligations pursuant to Section 265(b) of the Code. An issuer may designate obligations as "qualified tax-exempt obligations" only if the amount of the of the issue of which they are a part, when added to the amount of all other tax-exempt obligations (other than private activity bonds) issued or reasonably anticipated to be issued by the issuer during the same calendar year, does not exceed ten million dollars. The City certifies that its expectation that the above-described ten million dollar ceiling will not be exceeded. Accordingly, the City anticipates that financial institutions which purchase the Certificates will not be subject to the one hundred percent (100%) disallowance of interest expense allocable to interest on the Certificates under Section 265(b) of the Code. However, twenty percent (20%) of the interest expense incurred by a financial institution which is allocable to the interest on the Certificates will not be deductible pursuant to Section 291 of the Code.

Section 31: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

Section 32: No Personal Liability. No recourse shall be had for payment of the principal of or premium, if any, or interest on any Certificate, or for any claim based thereon, or under this Ordinance, against any official or employee of the City or any person executing any Certificate.

Section 33: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, and this Ordinance and all its provisions is intended to be and shall be for the sole and exclusive benefit of the City, the Paying Agent/Registrar, Assured Guaranty and the Holders.

Section 34: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

Section 35: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 36: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 37: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 38: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 39: Public Meeting. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

Section 40: Effective Date. This Ordinance shall take effect and be in full force immediately from and after its adoption on the date hereof in accordance with the provisions of V.T.C.A., Government Code, §1201.028.

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APPROVED AND ADOPTED this 28th day of July, 2015.

City of Orange, Texas

By: _____
Mayor

ATTEST:

City Secretary

(SEAL)

ORDINANCE NO. _____

“Voluntary Annexation of Private Road Right of Way”

AN ORDINANCE OF THE CITY OF ORANGE, TEXAS, GRANTING A PETITION FOR THE VOLUNTARY ANNEXATION OF A 30 FOOT PRIVATE ROAD RIGHT OF WAY OWNED BY INTERNATIONAL PAPER COMPANY; PROVIDING FOR THE ANNEXATION OF SAID TRACT; APPROVING AND ADOPTING A SERVICE PLAN FOR ANNEXED TERRITORY; AND PROVIDING FOR SEVERABILITY, REPEALER, PROPER NOTICE AND MEETING, AND AN EFFECTIVE DATE.

WHEREAS, the territory to be annexed consists of a 30 foot strip of land, 15 foot on each side of the described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas. The property is more fully described by the attached Exhibit “A,” which is incorporated herein for all purposes; and

WHEREAS, the City of Orange is a Home-Rule City authorized by Texas Local Government Code Sections 43.021, 43.054(b)(2), 43.0545(c)(2) and (4), Article I, Section 1.03 of the City Charter, and other applicable law to annex such territory upon written petition from the property owner; and

WHEREAS, the owner of the affected territory, International Paper Company (“Company”), has entered into a Development Agreement with the City as authorized by Texas Local Government Code, Chapter 212, Subchapter G, a copy of which is attached hereto as Exhibit “B,” which is incorporated herein for all purposes; and

WHEREAS, Section Two, Subparagraph (1) of the Development Agreement provides that the Development Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property; and

WHEREAS, the territory to be annexed is within the City of Orange’s extraterritorial jurisdiction and the property is not within the extraterritorial jurisdiction of any other city; and

WHEREAS, a service plan for the area to be annexed has been prepared as required by law, and a copy of that service plan is attached hereto as Exhibit “C” in compliance with Section 43.056(j) of the Texas Local Government Code; and

WHEREAS, on June 24, 2015 and June 29, 2015, the City Council held public hearings to consider the voluntary annexation described herein, and gave interested persons the opportunity to be heard; and

WHEREAS, after hearing such petition and arguments for and against the same, the City Council is of the opinion that the petition should be granted.

WHEREAS, notice of the aforementioned public hearings was properly published in the *Orange Leader*, a newspaper of general circulation in the City of Orange, on or before June 10, 2015. The notice was also posted on the City's Internet website on or before June 10, 2015, and remained posted until the dates of those hearings; and

WHEREAS, 30 days prior to the first aforementioned public hearing of June 24, 2015, the City provided to each property owner in the area to be annexed, each public entity or private entity that provides services in the area to be annexed and to each railroad company which owns right-of-way in the area to be annexed, written notice of its intent to annex the affected property; and

WHEREAS, all of the requirements for annexation of this area as set out in Chapter 43 of the Texas Local Government Code have been met;

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

Section 1. PREAMBLE. All of the above recitation of facts and premises are hereby found and declared to be true and correct and are approved and incorporated herein by reference, for all purposes, as if copied in their entirety.

Section 2. PETITION. The petition is granted.

Section 3. ANNEXATION. The territory described in Exhibit "A" attached hereto, is hereby annexed to the City of Orange, Orange County, Texas. Further, that the boundary limits of the City of Orange, Texas are hereby extended to include within the corporate limits of the City of Orange, Texas, all of the territory set out in Exhibit "A" and present and future inhabitants thereof shall hereafter be entitled to all rights and privileges of the City of Orange, Texas and shall be bound by the provisions of all ordinances and codification of ordinances of said City.

Section 4. FILING OF ORDINANCE. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Orange County, Texas, the Voting Registrar of Orange County, the Orange County Appraisal District, the Secretary of State of Texas, and the Comptroller of the State of Texas in the manner required by law.

Section 5. MAPS. The map showing the boundaries of the City and its Extraterritorial Jurisdiction shall be immediately corrected to include the annexed territory and be annotated to show the date of the annexation, the number of the annexation ordinance, and the date of its adoption.

Section 6. SERVICE PLAN. The Service Plan in Exhibit "C" for the affected area is

hereby approved and adopted.

Section 7. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 8. REPEALER. The provisions of this Ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein, provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This Ordinance shall not be construed to require or allow any act that is prohibited by any other ordinance.

Section 9. NOTICE AND MEETING. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 10. EFFECTIVE DATE. This ordinance shall take effect immediately after its date of approval.

PASSED and APPROVED on this the 28th day of July, 2015.

PASSED, APPROVED, and ADOPTED on this the ___ day of _____, 2015.

Jimmy Sims, Mayor

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

John Cash Smith, City Attorney



Anderson Surveying & Mapping, Inc.

P. O. Box 692
Bridge City, TX 77611
(409) 735-6161 Fax (409) 735-5544

LEGAL DESCRIPTION 30 foot Strip of Property

May 19, 2015

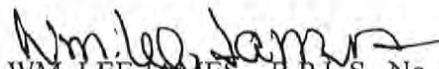
Being a 30 foot Strip of Property, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas, said 30 foot strip of land being more particularly described as follows;

BEGINNING at a point for corner in the East right-of-way line of State Highway 87, and the East line of said 4321.674 acre tract, also being 30 foot South 09 Deg, 25 Min. 00 Sec. East, a distance of 27.62 feet, from the intersection of the East right-of-way line of said S.H. 87, and the Southwest corner of that certain 1-1/2 acre tract or parcel of land conveyed to I.C. Manshack, by deed recorded in Volume 670 Page 350, of the Official Public Records, of Real Property, Orange County, Texas ;

THENCE North 89 Deg.16 Min.48 Sec. East, for a distance of 3469.67 feet, to a point for corner;

THENCE North 53 Deg.09 Min.37 Sec. East, for a distance of 1691.46 feet, to a point for corner;

THENCE North 52 Deg.53 Min.36 Sec. East, for a distance of 2040.57 feet, to the POINT OF TERMINATION;


WM. LEE JAMES R.P.L.S. No. 2815
Job#15-00132-strip



DEVELOPMENT AGREEMENT

This Agreement (“Agreement”) is entered into pursuant to the Texas Local Government Code, Chapter 212, Subchapter G, and is entered into to be effective January 1, 2015 between the City of Orange, Texas, a Texas home-rule municipality (“City”), and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the “Company”). The City and the Company may be referred to collectively as the “Parties.”

RECITALS

WHEREAS:

- (1) The City of Orange has authority to annex property in its extraterritorial jurisdiction pursuant to Chapter 43 of the Texas Local Government Code; and
- (2) The Company owns 1,160.870 acres, more or less, of land, improvements and tangible personal property located within the Industrial District previously designated by the City as the City of Orange Industrial District and a 30 foot private road right of way (the “Property”), which property is more particularly depicted in Exhibit “A” attached to this Agreement; and
- (3) The City has the authority to annex the Property; and
- (4) Pursuant to the authority granted under section 42.044 of the Texas Local Government Code, the City and the Company were parties to that one certain Industrial District Agreement dated January 1, 2005, and that one certain Addendum to Industrial District Agreement dated May 13, 2008 (collectively, “IDA”); and
- (5) The IDA provided that, during the term of the IDA, and subject to the provisions of the IDA, the Property would continue to retain its status as an industrial district as part of the extraterritorial jurisdiction of the City; and
- (6) The IDA further provided that to the extent that the Property was within the industrial district and not within the corporate limits of the City as of the effective date of the IDA, the Property would remain immune from annexation by the City during the term of the IDA; and
- (7) The IDA further provided that upon the expiration of the IDA, the Company’s immunity from annexation granted to the Company’s properties would terminate and, in that event, the City shall have the right to commence annexation proceedings as to any or all of the Company’s properties covered by the IDA, notwithstanding any of the terms and provisions of the IDA; and

- (8) The IDA has expired, the parties have been unable to reach agreement regarding the terms of a new IDA, and the City is prepared to exercise its right to annex the Property; and
- (9) The City has the authority to negotiate a development agreement with the Company under section 212.172 of the Texas Local Government Code; and
- (10) Section 212.172 of the Texas Local Government Code authorizes the City Council to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the City to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, specify the uses and development of the land before and after annexation, and include other lawful terms and considerations the parties consider appropriate; and

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom by the Parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION ONE:

The City agrees as follows:

- (1) The City will provide the following municipal services with respect to the Property upon annexation: Police Protection, Fire Protection, and Emergency Medical Service – Basic Life Support.
- (2) Notwithstanding any other city regulation to the contrary, including, but not limited to, the City's Zoning Ordinance, Company may use the Property for the purposes for which it currently is used, including agricultural purposes, timber, and the manufacture of industrial packaging (containerboard), throughout the term of this Agreement.
- (3) The City covenants and agrees that, during the term of this Agreement, it will not extend or enforce with respect to the Property any ordinances, rules or regulations (a) governing plats and subdivisions of land, (b) prescribing any building, electrical, plumbing or inspection code or codes, or (c) attempting to exercise, in any manner whatsoever, control over the conduct of the Company's business with respect to the Property, except as otherwise required by applicable federal or state law mandating that the City act.
- (4) All existing roads located on the Property on the date of annexation, and any road that the Company may construct or cause to be constructed on the Property during the term of this Agreement, shall

be considered authorized "truck routes" or "through streets" of the City of Orange, Texas within the meaning of Article 10.900 of the City of Orange Code of Ordinances, as amended.

SECTION TWO:

Company agrees as follows:

- (1) Because the Company and the City have been unable to reach agreement regarding an IDA, this Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property.
- (2) The City shall not be obligated to provide the Company with any municipal services, other than as stated in Section One, with respect to the Property for the duration of this Agreement. To the extent that the Company could otherwise claim a right to municipal services upon annexation, Company hereby waives and disclaims its right to such municipal services, including, but not limited to: Solid Waste Collection, Operation and Maintenance of Water and Wastewater Facilities, Operation and Maintenance of Roads and Streets, Including Street Lighting, and Operation and Maintenance of Parks, Playgrounds and Swimming Pools.
- (3) Company hereby waives its right to petition the City for disannexation for failure to provide services pursuant to section 43.141 of the Texas Local Government Code, except for those services that the Parties have agreed that the City shall provide herein. This paragraph shall survive the expiration of the Term of this Agreement.
- (4) Company agrees that in the event of disannexation following the termination of this Agreement, Company will have received all refunds of taxes and fees to which it might otherwise be entitled pursuant to section 43.148 of the Texas Local Government Code, and Company shall not be entitled to any additional refund. This paragraph shall survive the expiration of the Term of this Agreement.

SECTION THREE:

The term of this Agreement (the "Term") shall begin on the Effective Date of January 1, 2015 and shall end on December 31, 2030, unless sooner terminated as provided for herein. Notwithstanding the foregoing, if for any reason the Chapter 380 Economic Development Program Agreement between the City and the Company dated January 1, 2015 is terminated for any reason, then this Agreement shall terminate at the same time, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Agreement may be extended for an

additional period or periods by mutual agreement between the City and the Company and/or its assigns or successors.

This Agreement may be supplemented or amended under terms and conditions mutually agreeable to the Parties, provided that all such changes, amendments, supplements or modifications shall be in writing.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such holding causes the obligations of the Parties hereto to be impossible to perform or shall render the terms of this Agreement to be inconsistent with the intent of the Parties hereto.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

This Agreement will inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "affiliates" located within the Company's annexed Property, and where reference is made herein to land and property owned by the Company, such reference shall also include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, control the Company or are controlled by the Company or are under common control with the Company.

No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Party hereto.

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision shall be construed to be a waiver of such breach.

No party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their trustees, officers, employees and agents as

a result of its execution of this Agreement and performance of the functions and obligations described herein.

This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

[Remainder of page intentionally left blank]

International Paper Company

By: _____
Roman Gallo
Vice President of Manufacturing
Containerboard West

STATE OF TENNESSEE §

COUNTY OF SHELBY §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Tennessee

My Commission expires: _____

City of Orange, Texas

By: _____
Shawn Oubre, City Manager

STATE OF TEXAS §

COUNTY OF ORANGE §

BEFORE ME, the undersigned authority, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Texas

My Commission expires: _____

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation top Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al. , top Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc, dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a easement from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.



Anderson Surveying & Mapping, Inc.

P. O. Box 692
Bridge City, TX 77611
(409) 735-6161 Fax (409) 735-5544

LEGAL DESCRIPTION 30 foot Strip of Property

May 19, 2015

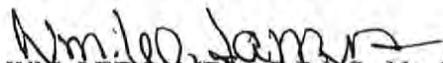
Being a 30 foot Strip of Property, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas, said 30 foot strip of land being more particularly described as follows;

BEGINNING at a point for corner in the East right-of-way line of State Highway 87, and the East line of said 4321.674 acre tract, also being 30 foot South 09 Deg, 25 Min. 00 Sec. East, a distance of 27.62 feet, from the intersection of the East right-of-way line of said S.H. 87, and the Southwest corner of that certain 1-1/2 acre tract or parcel of land conveyed to I.C. Manshack, by deed recorded in Volume 670 Page 350, of the Official Public Records, of Real Property, Orange County, Texas ;

THENCE North 89 Deg.16 Min.48 Sec. East, for a distance of 3469.67 feet, to a point for corner;

THENCE North 53 Deg.09 Min.37 Sec. East, for a distance of 1691.46 feet, to a point for corner;

THENCE North 52 Deg.53 Min.36 Sec. East, for a distance of 2040.57 feet, to the POINT OF TERMINATION;


WM. LEE JAMES R.P.L.S. No. 2815
Job#15-00132-strip



**CITY OF ORANGE, TEXAS
SERVICE PLAN FOR ANNEXED AREA**

PROPERTY SUBJECT TO PLAN: A 30 foot strip of land, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas.

Municipal services to the Annexation Area will be furnished by or on behalf of the City of Orange, Texas, at the following levels and in accordance with the following service plan programs:

1. Program for services to be provided on the effective date of the annexation.

The City will provide the following services in the Annexation Area on the effective date of the annexation unless otherwise noted.

As used in this plan, the term “providing services” includes having services provided by any method or means by which the City may extend municipal services to any other area of the City, including the City’s infrastructure extension policies and developer or property owner participation in accordance with applicable city ordinances.

A. Police Protection

The City of Orange Police Department will provide protection and law enforcement services in the Annexation Area commencing on the effective date of annexation. The services will include:

- Normal patrols and responses to calls for service
- Handling of offense and incident reports
- Special units, such as traffic enforcement, criminal investigations, narcotics law enforcement, gang suppression, and crime response team deployment when required.

These services are provided on a citywide basis. The area will combine with existing Police Reporting Areas.

B. Fire Protection

Fire protection services will be provided by existing personnel and equipment of the Orange Fire Department. These services will be provided based upon available water, road and street conditions and distances from existing fire stations. Services will be provided to the Annexation Area commencing on the effective date of the annexation. These services include:

- Basic life support (BLS) 1st responder emergency medical services
- Fire suppression and rescue
- Hazardous materials mitigation and regulation
- Dive rescue
- Technical rescue
- Fire safety Education
- Aircraft / rescue / fire fighting
- Fire protection system plan review; inspections

These services are provided on a citywide basis. All Orange fire fighters are certified by the Texas Commission on Fire Protection.

C. Emergency Medical Services - Basic Life Support

Basic Life Support (BLS) emergency medical services will be provided by the City of Orange. Currently, such services are provided by the City through an agreement with Acadian Ambulance Service. These services are provided on a citywide basis.

D. Solid Waste Collection

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing solid waste collection to the Annexation Area.

E. Operation and Maintenance of Water and Wastewater Facilities

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of water and wastewater facilities to the Annexation Area.

F. Operation and Maintenance of Roads and Streets, Including Street Lighting

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of roads and streets, including street lighting, in the Annexation Area.

G. Operation and Maintenance of Parks, Playgrounds and Swimming Pools

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance parks, playgrounds, and swimming pools in the Annexation Area.

H. Operation and Maintenance of any other Publicly Owned Facility or Building or Service

In the event the City acquires any other facilities, buildings or services necessary for municipal services located in the Annexation Area, the appropriate City department will provide maintenance services.

2. CAPITAL IMPROVEMENT PROGRAM

- A. Police Protection. No capital improvements are necessary at this time to provide police protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.
- B. Fire Protection. No capital improvements are necessary at this time to provide fire protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.
- C. Solid Waste Collection. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital improvements are necessary at this time to provide solid waste collection services to the Annexation Area.
- D. Water and Wastewater. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital

improvements are necessary at this time to provide water and wastewater services to the Annexation Area.

- E. Roads. PRIVATE ROADS/STREETS WILL NOT BE MAINTAINED BY THE CITY. No capital improvements are necessary for the construction of arterial streets and the reconstruction of existing local streets.
- F. Storm Water Utility. No capital improvements are necessary at this time to provide drainage services.
- G. Street Lighting. It is anticipated that new subdivisions in the Annexation Area will install street lighting in accordance with the City's standard policies and procedures. In other cases, the City will consider installation of additional street lighting in the Annexation Area upon request, with priority given to street lighting for traffic safety. Provision of a street lighting will be in accordance with the City's street lighting policies and those of the providing utility.
- H. Parks, Playgrounds and Swimming Pools. Capital improvements such as parkland acquisition and development of facilities will be dictated by future land use of the area, goals established by the Park, recreation and Open Space Master Plan and appropriation of resources. Should additional residential development occur, parkland dedication, neighborhood park development and neighborhood park infrastructure or payment in lieu thereof will be required in accordance with the Park Policy of the Subdivision Ordinance.
- I. Other Publicly Owned Facilities, Buildings or Services. In general, other City functions and services can be provided for the Annexation Area by using existing capital improvements. Additional capital improvements are not necessary to provide City services.

3. PROGRAM FOR PROVIDING FULL MUNICIPAL SERVICES WITHIN 2-1/2 YEARS

In addition to and consistent with the services listed above, and except as otherwise provided by that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will provide full municipal services to the Annexation Area commensurate with the levels of services provided in other parts of the City except if differences in topography, land use and population density constitute a sufficient basis for providing different levels of services, no later than two and one-half (2-1/2) years after the effective date of the annexation. If full municipal services cannot be reasonably provided

within the aforementioned time period, the City will propose a schedule for providing said services within a period of four and one half (4-1/2) years after the effective date of the annexation, and / or upon commencement of development of a subdivision with this property, whichever occurs later.

“Full municipal services” are services provided by the annexing municipality within its full-purpose boundaries, excluding gas or electrical service. The City shall provide the services by any of the methods by which it extends the services to any other area of the City.

ORDINANCE NO. _____

“Voluntary Annexation of International Paper Company Property”

AN ORDINANCE OF THE CITY OF ORANGE, TEXAS, GRANTING A PETITION FOR THE VOLUNTARY ANNEXATION OF A 1160.870 ACRE TRACT OR PARCEL OF LAND OUT OF THE CHARLES MORGAN SURVEY ABSTRACT NO. 18, THE WILLIAM MORGAN SURVEY, ABSTRACT NO. 266, THE JACOB TOWENSEND SURVEY, ABSTRACT NO. 180, AND THE JOHN ALLEN SURVEY ABSTRACT NO. 1, ALL IN ORANGE COUNTY, TEXAS; PROVIDING FOR THE ANNEXATION OF SAID TRACT; APPROVING AND ADOPTING A SERVICE PLAN FOR ANNEXED TERRITORY; AND PROVIDING FOR SEVERABILITY, REPEALER, PROPER NOTICE AND MEETING, AND AN EFFECTIVE DATE.

WHEREAS, the territory to be annexed consists of a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit “A” in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit “A” in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit “a” in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas. The property is more fully described by the attached Exhibit “A,” which is incorporated herein for all purposes; and

WHEREAS, the City of Orange is a Home-Rule City authorized by Texas Local Government Code Sections 43.021, Article I, Section 1.03 of the City Charter, and other applicable law to annex such territory upon written petition from the property owner; and

WHEREAS, the owner of the affected territory, International Paper Company (“Company”), has entered into a Development Agreement with the City as authorized by Texas Local Government Code, Chapter 212, Subchapter G, a copy of which is attached hereto as Exhibit “B,” which is

incorporated herein for all purposes; and

WHEREAS, Section Two, Subparagraph (1) of the Development Agreement provides that the Development Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property; and

WHEREAS, the territory to be annexed is within the City of Orange's extraterritorial jurisdiction and the property is not within the extraterritorial jurisdiction of any other city; and

WHEREAS, a service plan for the area to be annexed has been prepared as required by law, and a copy of that service plan is attached hereto as Exhibit "C" in compliance with Section 43.056(j) of the Texas Local Government Code; and

WHEREAS, on June 24, 2015 and June 29, 2015, the City Council held public hearings to consider the voluntary annexation described herein, and gave interested persons the opportunity to be heard; and

WHEREAS, after hearing such petition and arguments for and against the same, the City Council is of the opinion that the petition should be granted.

WHEREAS, notice of the aforementioned public hearings was properly published in the *Orange Leader*, a newspaper of general circulation in the City of Orange, on or before June 10, 2015. The notice was also posted on the City's Internet website on or before June 10, 2015, and remained posted until the dates of those hearings; and

WHEREAS, 30 days prior to the first aforementioned public hearing of June 24, 2015, the City provided to each property owner in the area to be annexed, each public entity or private entity that provides services in the area to be annexed and to each railroad company which owns right-of-way in the area to be annexed, written notice of its intent to annex the affected property; and

WHEREAS, all of the requirements for annexation of this area as set out in Chapter 43 of the Texas Local Government Code have been met;

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

Section 1. PREAMBLE. All of the above recitation of facts and premises are hereby found and declared to be true and correct and are approved and incorporated herein by reference, for all purposes, as if copied in their entirety.

Section 2. PETITION. The petition is granted.

Section 3. ANNEXATION. The territory described in Exhibit "A" attached hereto, is hereby annexed to the City of Orange, Orange County, Texas. Further, that the boundary limits of the City of Orange, Texas are hereby extended to include within the corporate limits

of the City of Orange, Texas, all of the territory set out in Exhibit "A" and present and future inhabitants thereof shall hereafter be entitled to all rights and privileges of the City of Orange, Texas and shall be bound by the provisions of all ordinances and codification of ordinances of said City.

Section 4. FILING OF ORDINANCE. The City Secretary is hereby directed to file a certified copy of this Ordinance with the County Clerk of Orange County, Texas, the Voting Registrar of Orange County, the Orange County Appraisal District, the Secretary of State of Texas, and the Comptroller of the State of Texas in the manner required by law.

Section 5. MAPS. The map showing the boundaries of the City and its Extraterritorial Jurisdiction shall be immediately corrected to include the annexed territory and be annotated to show the date of the annexation, the number of the annexation ordinance, and the date of its adoption.

Section 6. SERVICE PLAN. The Service Plan in Exhibit "C" for the affected area is hereby approved and adopted.

Section 7. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Council hereby declares that this Ordinance would have been enacted without such invalid provision.

Section 8. REPEALER. The provisions of this Ordinance shall be cumulative of all other ordinances or parts of ordinances governing or regulating the same subject matter as that covered herein, provided, however, that all prior ordinances or parts of ordinances inconsistent or in conflict with any of the provisions of this Ordinance are hereby expressly repealed to the extent that such inconsistency is apparent. This Ordinance shall not be construed to require or allow any act that is prohibited by any other ordinance.

Section 9. NOTICE AND MEETING. It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

Section 10. EFFECTIVE DATE. This ordinance shall take effect immediately after its date of approval.

PASSED and APPROVED on this the 28th day of July, 2015.

PASSED, APPROVED, and ADOPTED on this the __ day of _____, 2015.

Jimmy Sims, Mayor

3

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

John Cash Smith, City Attorney

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a deed from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
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THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for corner;

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for

corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for

corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner,

which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.

DEVELOPMENT AGREEMENT

This Agreement (“Agreement”) is entered into pursuant to the Texas Local Government Code, Chapter 212, Subchapter G, and is entered into to be effective January 1, 2015 between the City of Orange, Texas, a Texas home-rule municipality (“City”), and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the “Company”). The City and the Company may be referred to collectively as the “Parties.”

RECITALS

WHEREAS:

- (1) The City of Orange has authority to annex property in its extraterritorial jurisdiction pursuant to Chapter 43 of the Texas Local Government Code; and
- (2) The Company owns 1,160.870 acres, more or less, of land, improvements and tangible personal property located within the Industrial District previously designated by the City as the City of Orange Industrial District and a 30 foot private road right of way (the “Property”), which property is more particularly depicted in Exhibit “A” attached to this Agreement; and
- (3) The City has the authority to annex the Property; and
- (4) Pursuant to the authority granted under section 42.044 of the Texas Local Government Code, the City and the Company were parties to that one certain Industrial District Agreement dated January 1, 2005, and that one certain Addendum to Industrial District Agreement dated May 13, 2008 (collectively, “IDA”); and
- (5) The IDA provided that, during the term of the IDA, and subject to the provisions of the IDA, the Property would continue to retain its status as an industrial district as part of the extraterritorial jurisdiction of the City; and
- (6) The IDA further provided that to the extent that the Property was within the industrial district and not within the corporate limits of the City as of the effective date of the IDA, the Property would remain immune from annexation by the City during the term of the IDA; and
- (7) The IDA further provided that upon the expiration of the IDA, the Company’s immunity from annexation granted to the Company’s properties would terminate and, in that event, the City shall have the right to commence annexation proceedings as to any or all of the Company’s properties covered by the IDA, notwithstanding any of the terms and provisions of the IDA; and

- (8) The IDA has expired, the parties have been unable to reach agreement regarding the terms of a new IDA, and the City is prepared to exercise its right to annex the Property; and
- (9) The City has the authority to negotiate a development agreement with the Company under section 212.172 of the Texas Local Government Code; and
- (10) Section 212.172 of the Texas Local Government Code authorizes the City Council to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the City to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, specify the uses and development of the land before and after annexation, and include other lawful terms and considerations the parties consider appropriate; and

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom by the Parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION ONE:

The City agrees as follows:

- (1) The City will provide the following municipal services with respect to the Property upon annexation: Police Protection, Fire Protection, and Emergency Medical Service – Basic Life Support.
- (2) Notwithstanding any other city regulation to the contrary, including, but not limited to, the City's Zoning Ordinance, Company may use the Property for the purposes for which it currently is used, including agricultural purposes, timber, and the manufacture of industrial packaging (containerboard), throughout the term of this Agreement.
- (3) The City covenants and agrees that, during the term of this Agreement, it will not extend or enforce with respect to the Property any ordinances, rules or regulations (a) governing plats and subdivisions of land, (b) prescribing any building, electrical, plumbing or inspection code or codes, or (c) attempting to exercise, in any manner whatsoever, control over the conduct of the Company's business with respect to the Property, except as otherwise required by applicable federal or state law mandating that the City act.
- (4) All existing roads located on the Property on the date of annexation, and any road that the Company may construct or cause to be constructed on the Property during the term of this Agreement, shall

be considered authorized "truck routes" or "through streets" of the City of Orange, Texas within the meaning of Article 10.900 of the City of Orange Code of Ordinances, as amended.

SECTION TWO:

Company agrees as follows:

- (1) Because the Company and the City have been unable to reach agreement regarding an IDA, this Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property.
- (2) The City shall not be obligated to provide the Company with any municipal services, other than as stated in Section One, with respect to the Property for the duration of this Agreement. To the extent that the Company could otherwise claim a right to municipal services upon annexation, Company hereby waives and disclaims its right to such municipal services, including, but not limited to: Solid Waste Collection, Operation and Maintenance of Water and Wastewater Facilities, Operation and Maintenance of Roads and Streets, Including Street Lighting, and Operation and Maintenance of Parks, Playgrounds and Swimming Pools.
- (3) Company hereby waives its right to petition the City for disannexation for failure to provide services pursuant to section 43.141 of the Texas Local Government Code, except for those services that the Parties have agreed that the City shall provide herein. This paragraph shall survive the expiration of the Term of this Agreement.
- (4) Company agrees that in the event of disannexation following the termination of this Agreement, Company will have received all refunds of taxes and fees to which it might otherwise be entitled pursuant to section 43.148 of the Texas Local Government Code, and Company shall not be entitled to any additional refund. This paragraph shall survive the expiration of the Term of this Agreement.

SECTION THREE:

The term of this Agreement (the "Term") shall begin on the Effective Date of January 1, 2015 and shall end on December 31, 2030, unless sooner terminated as provided for herein. Notwithstanding the foregoing, if for any reason the Chapter 380 Economic Development Program Agreement between the City and the Company dated January 1, 2015 is terminated for any reason, then this Agreement shall terminate at the same time, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Agreement may be extended for an

additional period or periods by mutual agreement between the City and the Company and/or its assigns or successors.

This Agreement may be supplemented or amended under terms and conditions mutually agreeable to the Parties, provided that all such changes, amendments, supplements or modifications shall be in writing.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such holding causes the obligations of the Parties hereto to be impossible to perform or shall render the terms of this Agreement to be inconsistent with the intent of the Parties hereto.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

This Agreement will inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "affiliates" located within the Company's annexed Property, and where reference is made herein to land and property owned by the Company, such reference shall also include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, control the Company or are controlled by the Company or are under common control with the Company.

No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Party hereto.

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision shall be construed to be a waiver of such breach.

No party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their trustees, officers, employees and agents as

a result of its execution of this Agreement and performance of the functions and obligations described herein.

This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

[Remainder of page intentionally left blank]

International Paper Company

By: _____
Roman Gallo
Vice President of Manufacturing
Containerboard West

STATE OF TENNESSEE §

COUNTY OF SHELBY §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Tennessee

My Commission expires: _____

City of Orange, Texas

By: _____
Shawn Oubre, City Manager

STATE OF TEXAS §

COUNTY OF ORANGE §

BEFORE ME, the undersigned authority, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Texas

My Commission expires: _____

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a easement from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

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THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
 THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
 THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
 THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
 THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
 THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
 THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
 THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
 THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
 THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
 THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
 THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

 THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
 THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
 THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
 THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
 THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
 THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
 THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
 THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
 THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
 THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
 THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
 THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
 THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
 THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
 THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
 THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
 THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
 THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
 THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
 THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
 THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
 THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
 THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
 THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
 THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
 THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for

corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;
THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;
THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;
THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner, which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.



Anderson Surveying & Mapping, Inc.

P. O. Box 692
Bridge City, TX 77611
(409) 735-6161 Fax (409) 735-5544

LEGAL DESCRIPTION 30 foot Strip of Property

May 19, 2015

Being a 30 foot Strip of Property, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas, said 30 foot strip of land being more particularly described as follows;

BEGINNING at a point for corner in the East right-of-way line of State Highway 87, and the East line of said 4321.674 acre tract, also being 30 foot South 09 Deg, 25 Min. 00 Sec. East, a distance of 27.62 feet, from the intersection of the East right-of-way line of said S.H. 87, and the Southwest corner of that certain 1-1/2 acre tract or parcel of land conveyed to I.C. Manshack, by deed recorded in Volume 670 Page 350, of the Official Public Records, of Real Property, Orange County, Texas ;

THENCE North 89 Deg.16 Min.48 Sec. East, for a distance of 3469.67 feet, to a point for corner;

THENCE North 53 Deg.09 Min.37 Sec. East, for a distance of 1691.46 feet, to a point for corner;

THENCE North 52 Deg.53 Min.36 Sec. East, for a distance of 2040.57 feet, to the POINT OF TERMINATION;

Wm. Lee James
WM. LEE JAMES R.P.L.S. No. 2815
Job#15-00132-strip



**CITY OF ORANGE, TEXAS
SERVICE PLAN FOR ANNEXED AREA**

PROPERTY SUBJECT TO PLAN: A 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWENSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas.

Municipal services to the Annexation Area will be furnished by or on behalf of the City of Orange, Texas, at the following levels and in accordance with the following service plan programs:

1. Program for services to be provided on the effective date of the annexation.

The City will provide the following services in the Annexation Area on the effective date of the annexation unless otherwise noted.

As used in this plan, the term "providing services" includes having services provided by any method or means by which the City may extend municipal services to any other area of the City, including the City's infrastructure extension policies and developer or property owner participation in accordance with applicable city ordinances.

A. Police Protection

The City of Orange Police Department will provide protection and law enforcement services in the Annexation Area commencing on the effective date of annexation. The services will include:

- Normal patrols and responses to calls for service
- Handling of offense and incident reports
- Special units, such as traffic enforcement, criminal investigations, narcotics law enforcement, gang suppression, and crime response team deployment when required.

These services are provided on a citywide basis. The area will combine with existing Police Reporting Areas.

B. Fire Protection

Fire protection services will be provided by existing personnel and equipment of the Orange Fire Department. These services will be provided based upon available water, road and street conditions and distances from existing fire stations. Services will be provided to the Annexation Area commencing on the effective date of the annexation. These services include:

- Basic life support (BLS) 1st responder emergency medical services
- Fire suppression and rescue
- Hazardous materials mitigation and regulation
- Dive rescue
- Technical rescue
- Fire safety Education
- Aircraft / rescue / fire fighting
- Fire protection system plan review; inspections

These services are provided on a citywide basis. All Orange fire fighters are certified by the Texas Commission on Fire Protection.

C. Emergency Medical Services - Basic Life Support

Basic Life Support (BLS) emergency medical services will be provided by the City of Orange. Currently, such services are provided by the City through an agreement with Acadian Ambulance Service. These services are provided on a citywide basis.

D. Solid Waste Collection

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing solid waste collection to the Annexation Area.

E. Operation and Maintenance of Water and Wastewater Facilities

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of water and wastewater facilities to the Annexation Area.

F. Operation and Maintenance of Roads and Streets, Including Street Lighting

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance of roads and streets, including street lighting, in the Annexation Area.

G. Operation and Maintenance of Parks, Playgrounds and Swimming Pools

Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will not be responsible for providing operation and maintenance parks, playgrounds, and swimming pools in the Annexation Area.

H. Operation and Maintenance of any other Publicly Owned Facility or Building or Service

In the event the City acquires any other facilities, buildings or services necessary for municipal services located in the Annexation Area, the appropriate City department will provide maintenance services.

2. CAPITAL IMPROVEMENT PROGRAM

- A. Police Protection. No capital improvements are necessary at this time to provide police protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.

- B. Fire Protection. No capital improvements are necessary at this time to provide fire protection to the Annexation Area. Need for construction of new facilities will be assessed periodically based on population growth, predicted growth and call volume.
- C. Solid Waste Collection. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital improvements are necessary at this time to provide solid waste collection services to the Annexation Area.
- D. Water and Wastewater. Pursuant to that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, no capital improvements are necessary at this time to provide water and wastewater services to the Annexation Area.
- E. Roads. PRIVATE ROADS/STREETS WILL NOT BE MAINTAINED BY THE CITY. No capital improvements are necessary for the construction of arterial streets and the reconstruction of existing local streets.
- F. Storm Water Utility. No capital improvements are necessary at this time to provide drainage services.
- G. Street Lighting. It is anticipated that new subdivisions in the Annexation Area will install street lighting in accordance with the City's standard policies and procedures. In other cases, the City will consider installation of additional street lighting in the Annexation Area upon request, with priority given to street lighting for traffic safety. Provision of a street lighting will be in accordance with the City's street lighting policies and those of the providing utility.
- H. Parks, Playgrounds and Swimming Pools. Capital improvements such as parkland acquisition and development of facilities will be dictated by future land use of the area, goals established by the Park, recreation and Open Space Master Plan and appropriation of resources. Should additional residential development occur, parkland dedication, neighborhood park development and neighborhood park infrastructure or payment in lieu thereof will be required in accordance with the Park Policy of the Subdivision Ordinance.
- I. Other Publicly Owned Facilities, Buildings or Services. In general, other City functions and services can be provided for the Annexation Area by using existing

capital improvements. Additional capital improvements are not necessary to provide City services.

3. PROGRAM FOR PROVIDING FULL MUNICIPAL SERVICES WITHIN 2-1/2 YEARS

In addition to and consistent with the services listed above, and except as otherwise provided by that one certain Development Agreement dated ____ between the City of Orange and International Paper Company, the City will provide full municipal services to the Annexation Area commensurate with the levels of services provided in other parts of the City except if differences in topography, land use and population density constitute a sufficient basis for providing different levels of services, no later than two and one-half (2-1/2) years after the effective date of the annexation. If full municipal services cannot be reasonably provided within the aforementioned time period, the City will propose a schedule for providing said services within a period of four and one half (4-1/2) years after the effective date of the annexation, and / or upon commencement of development of a subdivision with this property, whichever occurs later.

“Full municipal services” are services provided by the annexing municipality within its full-purpose boundaries, excluding gas or electrical service. The City shall provide the services by any of the methods by which it extends the services to any other area of the City.

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ORANGE, TEXAS AND INTERNATIONAL PAPER COMPANY TO PROVIDE FOR THE ANNEXATION OF THE LAND AS A WHOLE OR IN PARTS AND TO PROVIDE FOR THE TERMS OF ANNEXATION, SPECIFY THE USES AND DEVELOPMENT OF THE LAND BEFORE AND AFTER ANNEXATION, AND OTHER LAWFUL TERMS AND CONSIDERATIONS THE PARTIES CONSIDER APPROPRIATE.

WHEREAS, the Industrial Development Agreement dated January 1, 2005, as amended, between the City of Orange and International Paper Company has expired; and

WHEREAS, the parties have been unable to reach agreement regarding the terms of a new IDA; and

WHEREAS, the City has the authority to negotiate a development agreement with the Company under section 212.172 of the Texas Local Government Code; and

WHEREAS, Section 212.172 of the Texas Local Government Code authorizes the City Council to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the City to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, specify the uses and development of the land before and after annexation, and include other lawful terms and considerations the parties consider appropriate;

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

That the City Manager is hereby authorized to execute the attached Development Agreement; and that this resolution is

PASSED and **APPROVED** on the 14th day of July, 2015.

PASSED, APPROVED and **ADOPTED** on this the 28th day of July, 2015.

Jimmy Sims, Mayor

ATTEST:

APPROVED AS TO FORM:

Rhonda Haskins, City Secretary

City Attorney

DEVELOPMENT AGREEMENT

This Agreement ("Agreement") is entered into pursuant to the Texas Local Government Code, Chapter 212, Subchapter G, and is entered into to be effective January 1, 2015 between the City of Orange, Texas, a Texas home-rule municipality ("City"), and International Paper Company, a New York corporation, together with its parents, subsidiaries and affiliates (collectively, the "Company"). The City and the Company may be referred to collectively as the "Parties."

RECITALS

WHEREAS:

- (1) The City of Orange has authority to annex property in its extraterritorial jurisdiction pursuant to Chapter 43 of the Texas Local Government Code; and
- (2) The Company owns 1,160.870 acres, more or less, of land, improvements and tangible personal property located within the Industrial District previously designated by the City as the City of Orange Industrial District and a 30 foot private road right of way (the "Property"), which property is more particularly depicted in Exhibit "A" attached to this Agreement; and
- (3) The City has the authority to annex the Property; and
- (4) Pursuant to the authority granted under section 42.044 of the Texas Local Government Code, the City and the Company were parties to that one certain Industrial District Agreement dated January 1, 2005, and that one certain Addendum to Industrial District Agreement dated May 13, 2008 (collectively, "IDA"); and
- (5) The IDA provided that, during the term of the IDA, and subject to the provisions of the IDA, the Property would continue to retain its status as an industrial district as part of the extraterritorial jurisdiction of the City; and
- (6) The IDA further provided that to the extent that the Property was within the industrial district and not within the corporate limits of the City as of the effective date of the IDA, the Property would remain immune from annexation by the City during the term of the IDA; and
- (7) The IDA further provided that upon the expiration of the IDA, the Company's immunity from annexation granted to the Company's properties would terminate and, in that event, the City shall have the right to commence annexation proceedings as to any or all of the Company's properties covered by the IDA, notwithstanding any of the terms and provisions of the IDA; and

- (8) The IDA has expired, the parties have been unable to reach agreement regarding the terms of a new IDA, and the City is prepared to exercise its right to annex the Property; and
- (9) The City has the authority to negotiate a development agreement with the Company under section 212.172 of the Texas Local Government Code; and
- (10) Section 212.172 of the Texas Local Government Code authorizes the City Council to make a written contract with an owner of land that is located in the extraterritorial jurisdiction of the City to provide for the annexation of the land as a whole or in parts and to provide for the terms of annexation, if annexation is agreed to by the parties, specify the uses and development of the land before and after annexation, and include other lawful terms and considerations the parties consider appropriate; and

NOW, THEREFORE, in consideration of the mutual benefit to be derived herefrom by the Parties hereto and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION ONE:

The City agrees as follows:

- (1) The City will provide the following municipal services with respect to the Property upon annexation: Police Protection, Fire Protection, and Emergency Medical Service – Basic Life Support.
- (2) Notwithstanding any other city regulation to the contrary, including, but not limited to, the City's Zoning Ordinance, Company may use the Property for the purposes for which it currently is used, including agricultural purposes, timber, and the manufacture of industrial packaging (containerboard), throughout the term of this Agreement.
- (3) The City covenants and agrees that, during the term of this Agreement, it will not extend or enforce with respect to the Property any ordinances, rules or regulations (a) governing plats and subdivisions of land, (b) prescribing any building, electrical, plumbing or inspection code or codes, or (c) attempting to exercise, in any manner whatsoever, control over the conduct of the Company's business with respect to the Property, except as otherwise required by applicable federal or state law mandating that the City act.
- (4) All existing roads located on the Property on the date of annexation, and any road that the Company may construct or cause to be constructed on the Property during the term of this Agreement, shall

be considered authorized "truck routes" or "through streets" of the City of Orange, Texas within the meaning of Article 10.900 of the City of Orange Code of Ordinances, as amended.

SECTION TWO:

Company agrees as follows:

- (1) Because the Company and the City have been unable to reach agreement regarding an IDA, this Agreement shall constitute a petition by Company to the City for voluntary annexation of the Property.
- (2) The City shall not be obligated to provide the Company with any municipal services, other than as stated in Section One, with respect to the Property for the duration of this Agreement. To the extent that the Company could otherwise claim a right to municipal services upon annexation, Company hereby waives and disclaims its right to such municipal services, including, but not limited to: Solid Waste Collection, Operation and Maintenance of Water and Wastewater Facilities, Operation and Maintenance of Roads and Streets, Including Street Lighting, and Operation and Maintenance of Parks, Playgrounds and Swimming Pools.
- (3) Company hereby waives its right to petition the City for disannexation for failure to provide services pursuant to section 43.141 of the Texas Local Government Code, except for those services that the Parties have agreed that the City shall provide herein. This paragraph shall survive the expiration of the Term of this Agreement.
- (4) Company agrees that in the event of disannexation following the termination of this Agreement, Company will have received all refunds of taxes and fees to which it might otherwise be entitled pursuant to section 43.148 of the Texas Local Government Code, and Company shall not be entitled to any additional refund. This paragraph shall survive the expiration of the Term of this Agreement.

SECTION THREE:

The term of this Agreement (the "Term") shall begin on the Effective Date of January 1, 2015 and shall end on December 31, 2030, unless sooner terminated as provided for herein. Notwithstanding the foregoing, if for any reason the Chapter 380 Economic Development Program Agreement between the City and the Company dated January 1, 2015 is terminated for any reason, then this Agreement shall terminate at the same time, and the City shall cooperate with the Company in connection with any request by the Company to have the Property disannexed by the City. The Agreement may be extended for an

additional period or periods by mutual agreement between the City and the Company and/or its assigns or successors.

This Agreement may be supplemented or amended under terms and conditions mutually agreeable to the Parties, provided that all such changes, amendments, supplements or modifications shall be in writing.

If any term(s) or provision(s) of this Agreement are held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated, unless such holding causes the obligations of the Parties hereto to be impossible to perform or shall render the terms of this Agreement to be inconsistent with the intent of the Parties hereto.

This Agreement contains the entire agreement of the Parties hereto with respect to the matters covered by its terms, and it may not be modified in any manner without the express written consent of the Parties.

This Agreement will inure to the benefit of and be binding upon the City and the Company, and upon the Company's successors and assigns, affiliates and subsidiaries, and will remain in force whether the Company sells, assigns, or in any other manner disposes of, either voluntarily or by operation of law, all of any part of the land, improvements or tangible personal property belonging to it and located within the Company's annexed Property. The benefits inuring to and obligations assumed by the Company under this Agreement will also extend to the Company's "affiliates" located within the Company's annexed Property, and where reference is made herein to land and property owned by the Company, such reference shall also include land and property owned within the annexed Property by the Company's "affiliates." The word "Affiliate" means all corporations, partnerships, associations, firms or other business enterprises that directly or indirectly, through one or more intermediaries, at the time in question, control the Company or are controlled by the Company or are under common control with the Company.

No assignment of this Agreement, in whole or in part, or of any duty or obligation of performance hereunder shall be made in whole or in part by any Party hereto without the prior written consent of the other Party hereto.

No waiver of a breach of any provision of this Agreement shall be construed to be a waiver of any breach of any other provision. No delay in acting with regard to any breach of any provision shall be construed to be a waiver of such breach.

No party to this Agreement waives or relinquishes any immunity or defense on behalf of themselves, their trustees, officers, employees and agents as

a result of its execution of this Agreement and performance of the functions and obligations described herein.

This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of Texas, as such laws are now in effect, and all obligations of the Parties created hereunder are performable in Orange County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of Orange County, Texas. The Parties further agree that any action arising under this Agreement that meets the legal requirements for jurisdiction in a federal court shall have exclusive venue in a state district in and for Orange County, Texas.

[Remainder of page intentionally left blank]

International Paper Company

By: _____
Roman Gallo
Vice President of Manufacturing
Containerboard West

STATE OF TENNESSEE §

COUNTY OF SHELBY §

BEFORE ME, the undersigned authority, on this day personally appeared Roman Gallo known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of International Paper Company, a New York corporation, as its Vice President of Manufacturing Containerboard West, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Tennessee

My Commission expires: _____

City of Orange, Texas

By: _____
Shawn Oubre, City Manager

STATE OF TEXAS §

COUNTY OF ORANGE §

BEFORE ME, the undersigned authority, on this day personally appeared Shawn Oubre, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act of the City of Orange, Texas, a Texas home rule municipality, as its City Manager, for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on the ____ day of _____, 2015.

Notary Public, State of Texas

My Commission expires: _____

Exhibit A:
LEGAL DESCRIPTION OF PROPERTY

June 5, 2015

Being a 1160.870 acre tract or parcel of land out of the CHARLES MORGAN SURVEY ABSTRACT No. 18, the WILLIAM MORGAN SURVEY, ABSTRACT No. 266, the JACOB TOWNSEND SURVEY, ABSTRACT No. 180, and the JOHN ALLEN SURVEY ABSTRACT No. 1, all in Orange County, Texas, also being out of and a part of that certain 2.00 acre tract parcel of land conveyed to Maylou Holden, by deed recorded in Volume 337 Page 184, bring part of that certain 5995.21 acre tract as described as Parcel 1 of Exhibit "A" in deed from W-K-N Development Corporation to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 148, Deed Records, Orange County, Texas, being a part of that certain 1690 acre tract as described in a deed from Carl G. Russell, et ux, Owen Illinois, Inc. dated June 21, 1966, recorded in Volume 356 Page 569, Deed Records, Orange County, Texas, being a part of that certain tract of land as described in a deed from Nelda C. Stark, Executrix, et al., to Owens Illinois, Inc. dated January 12, 1966 and recorded in Volume 348 Page 9, Deed Records, Orange County, Texas, being part of that certain called 25.00 acre tract as described in a deed from Velama Miller, et al., to Owen Illinois, Inc. dated May 25, 1965, and recorded in Volume 337 Page 632, Deed Records, Orange County, Texas, being part of that certain tract as described as Tract A in Exhibit "A" in deed from Powell Lumber Company to Owen Illinois, Inc. dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, and being part of that certain tract described as Tract B in Exhibit "a" in a deed from Powell Lumber Company to Owens Illinois, Inc., dated February 24, 1966, and recorded in Volume 350 Page 118, Deed Records, Orange County, Texas, said 1160.870 acres of land to be more particularly described by meted and bounds as follows;

BEGINNING at a ½" iron rod set for corner in the West Boundary line of that certain 5.00 acre tract as described in a deed from Powell Lumber Company to M. Holden et ux recorded in Volume 58 Page 175, Deed Records of Orange County, Texas, said point for corner being at the intersection of the West boundary line of said 5.00 acre tract with the South Boundary line of a 40 foot wide road easement as recorded in a deed from Powell Lumber Company to Orange County and recorded in Volume 59 Page 383, Deed Records of Orange County, Texas said point for corner being the South 00 Deg. 14 Min. 09 Sec. West, a distance of 40.01 feet from the Northwest corner of said 5.00 acre tract, the Northwest corner of said 5.00 acre tract being on the North boundary line of said Chas. Morgan Survey ;

THENCE South 00 Deg. 14 Min. 09 Sec. West, for a distance of 374.93 feet, to a point for corner;
THENCE South 89 Deg. 54 Min. 56 Sec. East, for a distance of 701.27 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 358.45 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 667.39 feet, to a point for corner;
THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 506.71 feet, to a point for corner;
THENCE North 90 Deg. 00 Min. 00 Sec. East, for a distance of 1728.57 feet, to a point for corner;

THENCE South 00 Deg. 00 Min. 00 Sec. East, for a distance of 1280.78 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 1171.53 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1025.87 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 532.73 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 757.07 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 306.30 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 375.00 feet, to a point for corner;
THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 1211.05 feet, to a point for corner;
THENCE South 03 Deg. 23 Min. 25 Sec. West, for a distance of 1015.38 feet, to a point for corner;
THENCE South 45 Deg. 21 Min. 28 Sec. East, for a distance of 1500.00 feet, to a point for corner;
THENCE South 59 Deg. 58 Min. 22 Sec. East, for a distance of 139.89 feet, to a point for corner;
THENCE South 77 Deg. 21 Min. 30 Sec. East, for a distance of 166.43 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 41.00 feet, to a point for corner;
THENCE North 00 Deg. 09 Min. 47 Sec. West, for a distance of 1028.48 feet, to a point for corner;
THENCE North 89 Deg. 50 Min. 13 Sec. East, for a distance of 602.25 feet, to a point for corner;
THENCE South 00 Deg. 09 Min. 47 Sec. East, for a distance of 1078.47 feet, to a point for corner;
THENCE South 89 Deg. 50 Min. 13 Sec. West, for a distance of 648.86 feet, to a point for corner;
THENCE North 77 Deg. 21 Min. 34 Sec. West, for a distance of 179.69 feet, to a point for corner;
THENCE North 59 Deg. 58 Min. 23 Sec. West, for a distance of 153.95 feet, to a point for corner;
THENCE North 45 Deg. 21 Min. 28 Sec. West, for a distance of 1962.76 feet, to a point for corner;
THENCE South 89 Deg. 03 Min. 24 Sec. West, for a distance of 238.81 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 39 Sec. West, for a distance of 1462.99 feet, to a point for corner;
THENCE South 25 Deg. 02 Min. 45 Sec. East, for a distance of 3103.09 feet, to a point for corner;
THENCE South 68 Deg. 19 Min. 45 Sec. East, for a distance of 631.62 feet, to a point for corner;
THENCE South 32 Deg. 45 Min. 48 Sec. East, for a distance of 204.10 feet, to a point for corner;
THENCE North 57 Deg. 13 Min. 01 Sec. East, for a distance of 1190.21 feet, to a point for corner;
THENCE North 81 Deg. 39 Min. 04 Sec. East, for a distance of 881.04 feet, to a point for corner;
THENCE South 85 Deg. 46 Min. 30 Sec. East, for a distance of 1309.86 feet, to a point for corner;
THENCE South 30 Deg. 18 Min. 50 Sec. East, for a distance of 890.06 feet, to a point for corner;
THENCE South 89 Deg. 32 Min. 19 Sec. East, for a distance of 129.48 feet, to a point for corner;
THENCE South 22 Deg. 45 Min. 29 Sec. East, for a distance of 162.94 feet, to a point for corner;
THENCE South 66 Deg. 33 Min. 02 Sec. West, for a distance of 92.41 feet, to a point for corner;
THENCE South 10 Deg. 31 Min. 39 Sec. West, for a distance of 1272.03 feet, to a point for corner;

THENCE South 35 Deg. 23 Min. 04 Sec. West, for a distance of 737.88 feet, to a point for corner;
THENCE South 27 Deg. 45 Min. 18 Sec. West, for a distance of 889.40 feet, to a point for corner;
THENCE South 08 Deg. 49 Min. 03 Sec. East, for a distance of 1923.57 feet, to a point for corner;
THENCE South 32 Deg. 05 Min. 01 Sec. West, for a distance of 864.02 feet, to a point for corner;
THENCE South 31 Deg. 35 Min. 07 Sec. West, for a distance of 1425.04 feet, to a point for corner;
THENCE North 88 Deg. 06 Min. 05 Sec. West, for a distance of 1238.23 feet, to a point for corner;
THENCE South 46 Deg. 20 Min. 25 Sec. West, for a distance of 172.69 feet, to a point for corner;
THENCE South 87 Deg. 18 Min. 33 Sec. West, for a distance of 328.07 feet, to a point for corner;
THENCE North 23 Deg. 56 Min. 07 Sec. West, for a distance of 370.96 feet, to a point for corner;
THENCE North 05 Deg. 44 Min. 10 Sec. West, for a distance of 539.83 feet, to a point for corner;
THENCE North 16 Deg. 07 Min. 31 Sec. West, for a distance of 354.54 feet, to a point for corner;
THENCE North 61 Deg. 42 Min. 45 Sec. West, for a distance of 336.36 feet, to a point for corner;

THENCE North 04 Deg. 54 Min. 56 Sec. West, for a distance of 332.13 feet, to a point for corner;
THENCE North 23 Deg. 35 Min. 21 Sec. West, for a distance of 362.02 feet, to a point for corner;
THENCE North 16 Deg. 53 Min. 15 Sec. West, for a distance of 332.17 feet, to a point for corner;
THENCE North 07 Deg. 06 Min. 18 Sec. West, for a distance of 506.11 feet, to a point for corner;
THENCE North 07 Deg. 43 Min. 32 Sec. West, for a distance of 453.49 feet, to a point for corner;
THENCE North 18 Deg. 45 Min. 10 Sec. East, for a distance of 470.50 feet, to a point for corner;
THENCE North 22 Deg. 11 Min. 22 Sec. East, for a distance of 522.15 feet, to a point for corner;
THENCE North 00 Deg. 19 Min. 44 Sec. West, for a distance of 313.42 feet, to a point for corner;
THENCE North 13 Deg. 25 Min. 50 Sec. East, for a distance of 856.71 feet, to a point for corner;
THENCE North 05 Deg. 41 Min. 33 Sec. East, for a distance of 872.39 feet, to a point for corner;
THENCE North 17 Deg. 58 Min. 53 Sec. West, for a distance of 377.03 feet, to a point for corner;
THENCE North 59 Deg. 22 Min. 32 Sec. East, for a distance of 404.84 feet, to a point for corner;
THENCE North 32 Deg. 45 Min. 48 Sec. West, for a distance of 178.47 feet, to a point for corner;
THENCE North 68 Deg. 19 Min. 45 Sec. West, for a distance of 637.70 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 3117.47 feet, to a point for corner;
THENCE South 52 Deg. 42 Min. 37 Sec. West, for a distance of 982.05 feet, to a point for corner;
THENCE North 88 Deg. 41 Min. 09 Sec. East, for a distance of 215.34 feet, to a point for corner;
THENCE South 00 Deg. 55 Min. 27 Sec. East, for a distance of 1200.13 feet, to a point for corner;
THENCE South 89 Deg. 01 Min. 28 Sec. West, for a distance of 1000.01 feet, to a point for corner;
THENCE North 00 Deg. 55 Min. 45 Sec. West, for a distance of 683.83 feet, to a point for corner;
THENCE North 52 Deg. 42 Min. 37 Sec. East, for a distance of 1907.13 feet, to a point for corner;
THENCE North 25 Deg. 02 Min. 45 Sec. West, for a distance of 462.34 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 432.94 feet, to a point for corner;
THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 493.57 feet, to a point for corner;
THENCE North 86 Deg. 36 Min. 35 Sec. West, for a distance of 3085.48 feet, to a point for corner;
THENCE North 13 Deg. 14 Min. 29 Sec. West, for a distance of 3192.45 feet, to a point for corner;

corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 2112.75 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 421.31 feet, to a point for corner;

THENCE South 86 Deg. 36 Min. 35 Sec. East, for a distance of 573.90 feet, to a point for corner;

THENCE North 03 Deg. 23 Min. 25 Sec. East, for a distance of 1800.00 feet, to a point for corner;

THENCE North 89 Deg. 08 Min. 23 Sec. East, for a distance of 300.00 feet, to a point for corner;

THENCE North 00 Deg. 51 Min. 37 Sec. West, for a distance of 5.00 feet, to a point for corner;

THENCE North 89 Deg. 13 Min. 27 Sec. East, for a distance of 443.45 feet, to a point for corner, which is the POINT OF BEGINNING, and containing 1,160.870 acres or 50,567,517.8 square feet.



Anderson Surveying & Mapping, Inc.

P. O. Box 692
Bridge City, TX 77611
(409) 735-6161 Fax (409) 735-5544

LEGAL DESCRIPTION 30 foot Strip of Property

May 19, 2015

Being a 30 foot Strip of Property, 15 foot on each side of the following described centerline, and being out of the PHRAJAN SURVEY ABSTRACT No. 267, the FYC GUTHRIE SURVEY, ABSTRACT No. 90, the WM. WRIGHT SURVEY, ABSTRACT No. 235, and the WILLIAM MORGAN SURVEY ABSTRACT No. 265, Orange County, Texas, also being out of and a part of that certain 4321.674 acre tract or parcel of land conveyed to Temple Inland Forest Products Corporation, by deed recorded in Volume 725 Page 630, of the Official Public Records, of Real Property, Orange County, Texas, said 30 foot strip of land being more particularly described as follows;

BEGINNING at a point for corner in the East right-of-way line of State Highway 87, and the East line of said 4321.674 acre tract, also being 30 foot South 09 Deg, 25 Min. 00 Sec. East, a distance of 27.62 feet, from the intersection of the East right-of-way line of said S.H. 87, and the Southwest corner of that certain 1-1/2 acre tract or parcel of land conveyed to I.C. Manshack, by deed recorded in Volume 670 Page 350, of the Official Public Records, of Real Property, Orange County, Texas ;

THENCE North 89 Deg.16 Min.48 Sec. East, for a distance of 3469.67 feet, to a point for corner;

THENCE North 53 Deg.09 Min.37 Sec. East, for a distance of 1691.46 feet, to a point for corner;

THENCE North 52 Deg.53 Min.36 Sec. East, for a distance of 2040.57 feet, to the POINT OF TERMINATION;


WM. LEE JAMES R.P.L.S. No. 2815
Job#15-00132-strip



A RESOLUTION AUTHORIZING THE ORANGE ECONOMIC DEVELOPMENT CORPORATION TO UNDERTAKE A PROJECT REGARDING THE POTENTIAL ACQUISITION AND/OR CONSTRUCTION OF BUILDINGS, EQUIPMENT, FACILITIES, EXPENDITURES, TARGETED INFRASTRUCTURE, AND IMPROVEMENTS TO PROMOTE NEW OR EXPANDED BUSINESS DEVELOPMENT THROUGH AN AGREEMENT WITH INTERNATIONAL PAPER COMPANY.

WHEREAS, the Orange Economic Development Corporation desires to undertake a project regarding the potential acquisition and/or construction of buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements to promote new or expanded business development through an agreement with International Paper Company (the "Project"); and

WHEREAS, in accordance with Texas Local Government Code Section 505.159, the Orange Economic Development Corporation has held at least one public hearing on the Project; and

WHEREAS, in accordance with Texas Local Government Code Section 505.160, the Orange Economic Development Corporation has published notice of the Project; and

WHEREAS, in accordance with Texas Local Government Code Section 505.158, the Orange Economic Development Corporation may not undertake a project authorized by Section 505.158 that requires an expenditure of more than \$10,000.00 until the City Council of the City of Orange, Texas adopts a resolution authorizing such a project after giving the resolution at least two separate readings.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Orange, Texas that:

1. The foregoing recitals are found to be true and correct and are hereby adopted and incorporated herein by reference.
2. The Orange Economic Development Corporation is authorized to undertake the Project.

PASSED and APPROVED on this the 28th day of July, 2015.

PASSED, APPROVED, and ADOPTED on this the ____ day _____, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED AS TO FORM:

John Cash Smith, City Attorney



**CITY OF ORANGE OFFICE OF EMERGENCY
MANAGEMENT**

**P.O. Box 520
ORANGE, TEXAS 77631-0520
409-988-7359**

Monday, July 13, 2015

TO: Shawn Oubre

FROM: Lee Anne Brown

SUBJECT: Emergency Management Performance Grant

Once again the City of Orange has received a grant in the amount of \$32,324.65, to cover a portion of the Emergency Management Coordinator position, currently Deputy Chief Lee Anne Brown, and a portion of the Assistant EMC, currently Linda Roush, for FY 2015. Please place this item on the July 28th City Council meeting agenda requesting approval for you to accept this grant.

Sincerely,

Lee Anne Brown
Deputy Fire Chief

**EMERGENCY MANAGEMENT DIRECTOR:
EMERGENCY MANAGEMENT COORDINATOR:**

**MAYOR JIMMY SIMS
CHIEF LEE ANNE BROWN**

TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

www.dps.texas.gov



STEVEN C. McCRAW
DIRECTOR
DAVID G. BAKER
ROBERT J. BODISCH, SR.
DEPUTY DIRECTORS



COMMISSION
A. CYNTHIA LEON, CHAIR
MANNY FLORES
FAITH JOHNSON
STEVEN P. MACH
RANDY WATSON

July 1, 2015

Shawn Oubre
Orange City Manager
P.O. Box 520
Orange, TX 77631-0520

Dear City Manager Oubre:

This letter is to advise you that your application to participate in the Emergency Management Performance Grant (EMPG) program during Fiscal Year 2015 (FY 15) has been approved.

The enclosed "Notice of Sub-recipient Grant Award" specifies the federal EMPG program funding that will be provided to your jurisdiction during FY 15. This document must be signed by the "Authorized Official" indicated on the "Designation of EMPG Grant Officials" form (TDEM-17B) submitted in your original application. The signed "Notice of Sub-recipient Grant Award" must be returned to the Texas Division of Emergency Management (TDEM) within 45 days of the date of this letter. Failure to return documentation to TDEM within 45 days may result in redistribution of award funds to another jurisdiction.

Participation in the EMPG program requires adherence to all tasks outlined in the **2015 Local Emergency Management Performance Grant (EMPG) Guide** located online at: <http://www.txdps.state.tx.us/dem/CouncilsCommittees/EMPG/empgGuide.pdf>. The 2015 Terms and Conditions are also enclosed for your review.

Of these tasks, there are three reports (financial, metrics, and progress reports) that must be submitted throughout the grant year. Due dates are outlined in the "Report Due Dates" enclosure.

If your jurisdiction does not wish to participate in the FY 15 EMPG program, please submit a letter from your authorized official requesting termination of participation.

If you have any questions, please contact the EMPG Grant Coordinator (Lisa Resendez at Lisa.Resendez@dps.texas.gov or 512-424-7511/512-574-1473) or your District Coordinator.

Respectfully,

A handwritten signature in blue ink, appearing to read "W. Nim Kidd".

W. Nim Kidd, CEM®, TEM®
Chief

Texas Division of Emergency Management
Assistant Director
Texas Homeland Security
Texas Department of Public Safety

EQUAL OPPORTUNITY EMPLOYER
COURTESY • SERVICE • PROTECTION

**TEXAS DEPARTMENT OF PUBLIC SAFETY
TEXAS DIVISION OF EMERGENCY MANAGEMENT (TDEM)**

| | |
|--|--|
| NOTICE OF SUBRECIPIENT GRANT AWARD | |
| Program Title: Emergency Management Performance Grant | |
| DHS Instrument Number: 2015-EP-00011 | |
| TDEM Grant Number: 15TX-EMPG-0412 | |
| Administered By: Texas Department of Public Safety Texas Division of Emergency Management P.O. Box 4087 Austin, Texas 78773-0220 | |
| SubRecipient: City of Orange P.O. Box 520 Orange, TX 77631-0520 | |
| Amount of Grant: \$32,324.65 | |
| Period of Grant: October 1, 2014 to March 31, 2016 | |

The period of grant reflects a six (6) month PROGRAMMATIC EXTENSION ONLY to complete and close out your FY 15 EMPG grant year. Signing Acceptance of this document means that you accept and will comply with all requirements listed in the attached FY 2015 Terms and Conditions.

| AGENCY APPROVAL | GRANT ACCEPTANCE |
|---|--------------------------------------|
|  | <p>Authorized Signature Required</p> |
| <p>W. Nim Kidd, CEM Assistant Director Texas Department of Public Safety Chief Texas Division of Emergency Management</p> | <p>Printed Name/Title:</p> |
| <p>Date: 7-1-15</p> | <p>Date:</p> |

Return Signed Copy of This Page within 45 days to:
Texas Department of Public Safety
Texas Division of Emergency Management
Attention: Heather Baxter, Grant Technician
P.O. Box 4087
Finance and Grant Management MSC 0229
Austin, TX 78773-0220

FY 2015 EMPG Application Timeline

| | |
|--------------------|---|
| October 1, 2014 | EMPG Performance Period begins |
| January 31, 2015 | EMPG Application form and Statement of Work due to TDEM, Grant Coordinator, Office of Management and Budget FY 2015 EMPG 1st Quarter Financial Report due to TDEM, EMPG Auditor, Office of Management and Budget **FY 2015 FEMA Quarterly Metrics Template due to TDEM, Grant Coordinator, Office of Management and Budget. (Templates will be emailed with proper instructions to all jurisdictions) |
| April 15, 2015 | 1st semiannual cumulative Progress Report due to TDEM, Grant Coordinator, Office of Management and Budget |
| April 30, 2015 | 2nd Quarter Financial Report due to TDEM, EMPG Auditor, Office of Management and Budget **FY 2015 FEMA Quarterly Metrics Template due to TDEM, Grant Coordinator, Office of Management and Budget. (Templates will be emailed with proper instructions to all jurisdictions) |
| July 15, 2015 | **FY 2015 FEMA Quarterly Metrics Template due to TDEM, Grant Coordinator, Office of Management and Budget. (Templates will be emailed with proper instructions to all jurisdictions) |
| July 31, 2015 | 3rd Quarter Financial Report due to TDEM, EMPG Auditor, Office of Management and Budget |
| September 30, 2015 | FY 2015 EMPG Performance Period ends |
| October 15, 2015 | EMPG 2nd semiannual cumulative Progress Report due to TDEM, Grant Coordinator, Office of Management and Budget |
| October 31, 2015 | 4th Quarter Financial Report due to TDEM, EMPG Auditor, Office of Management and Budget **FY 2015 FEMA Quarterly Metrics Template due to TDEM, Grant Coordinator, Office of Management and Budget. (Templates will be emailed with proper instructions to all jurisdictions). |

**2015 Emergency Management Performance Grant (EMPG)
Terms and Conditions**

1. Purpose: The FY 2015 priority for this program is to advance "Whole Community" security and emergency management. Grant funds will be used to support local comprehensive emergency management programs to encourage improvement of mitigation, preparedness, response, and recovery capabilities for all hazards. Funding may be used to support activities that contribute to the capability to manage consequences from acts of terrorism. Funds provided may also be used to accomplish initiatives described in the Federal Program Guidelines, including local implementation of the National Incident Management System (NIMS), incorporation of appropriate references to the National Response Framework (NRF) into local plans, homeland security assessment and strategy integration, and assessment of local emergency management program using Emergency Management Assessment Program (EMAP) standards.
2. Grant Conditions: Identify the source of funding under which this award is funded and reference the government code. The federal grant terms and conditions are located at: <http://www.fema.gov/media-library/assets/documents/92248>
3. Grant Acceptance: Notice of Subrecipient Grant Award remains an offer until the signed copy of the Acceptance of Subrecipient Grant Award is received by the Department of Public Safety in accordance with the instructions provided in the transmittal letter.
4. Work to Be Performed: The approved FY 2015 Statement of Work and Progress Report template outlines eight tasks that the grantee must perform during the grant period. The following additional tasks are also required of Subrecipients:
 - A. Implement (NIMS) at the local level.
 - B. Incorporate pertinent information concerning NRF into the local or inter-jurisdictional emergency management plan and its annexes.
 - C. Subrecipients must have a tracking system of record to organize and coordinate resources in response to incidents.
 - D. During the performance period of this grant, Subrecipient must maintain an emergency management plan at the Advanced Level of planning preparedness or higher, as prescribed by the Texas Division of Emergency Management (TDEM). This may be accomplished by jurisdictions maintaining their own emergency management plan or participating in an inter-jurisdictional emergency management program that meets the required standards. If TDEM identifies deficiencies in the Subrecipient's plan, Subrecipients will correct deficiencies within sixty (60) days of receiving notice of such deficiencies from TDEM.

- E. Subrecipients must maintain an updated inventory of equipment purchased through this grant program in accordance with Uniform Grant Management Standards – III, State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart C-Post-Award Requirements, Reports, Records, Retention, and Enforcement, Equipment and the Department of Homeland Security (DHS), Office of Grant Operations Financial Management Guide.
 - F. The Subrecipient agrees that any equipment purchased with funds through this grant program shall be prominently marked as follows: “Purchased with funds provided by the U.S. Department of Homeland Security.” Exceptions to this requirement are limited to items where placing of the marking is not possible due to the nature of the equipment.
5. Grant Funding: Lists the amount of funding for this award. The amount of this grant may be less than the amount requested in your Application for Federal Assistance due to limits on federal funding for the EMPG program. However, EMPG grant recipients should continue to report all eligible expenses in quarterly financial reports. In the event additional program funding becomes available from the federal government or unspent EMPG funds remain at the end of the fiscal year, TDEM may be able to allocate additional funding to EMPG program participants.
6. Financial and Administrative Requirements: In Accordance with 44 Code of Federal Regulations (CFR) Part 13, Subrecipient agrees to comply with the applicable financial and administrative requirements set forth in the current edition of the Office of Justice Programs (OJP) Financial Guide located at <http://www.ojp.usdoj.gov/financialguide/>.
- A. All emergency management program costs for which the Subrecipient seeks reimbursement must be eligible in accordance with Office of Management and Budget (OMB) Circular A-87, Cost Principles or State, Local, and Indian Tribal Governments. A copy of that document is available at: <http://www.whitehouse.gov/omb/circulars>.
 - B. Subrecipient will comply with the organizational audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. http://www.whitehouse.gov/omb/circulars_default
 - C. When implementing Federal Emergency Management Agency (FEMA) National Preparedness Directorate funded activities; the Subrecipient must comply with all federal civil rights laws, to include Title VI of the Civil Rights Act, as amended. The Subrecipient is required to take reasonable steps to ensure persons of limited English proficiency have meaningful access to language assistance services regarding the development of proposals and budgets and conducting FEMA funded activities.
 - D. Subrecipient will assist the awarding agency (if necessary) in assuring compliance with the National Historic Preservation Act of 1966 Section 106 (16 U.S.C. § 470), Ex. Order 11593 (identification and protection of historic properties), the Archeological and Historical Preservation Act of 1974 (16 U.S.C. § 469 a-1 et seq.), and the National Environmental Policy Act of 1969 (42 U.S.C. § 4321). (Federal Assurance).

- E. Subrecipient agrees to make no request for reimbursement for goods or services procured by the Subrecipient either prior to the start of the period of performance stated in this award document or after the end of the period of performance.
- F. Notwithstanding any other provisions of this document, the parties understand and agree that the obligations of TDEM under this Agreement are contingent upon the availability of adequate funds to meet TDEM's liabilities. TDEM shall not be liable to the Subrecipient for costs under this Agreement that exceed the amount specified in the Notice of Subrecipient Grant Award.

7. Single Audit Act Requirements: If Subrecipient has expenditures in excess of \$500,000 in federal funds of all types within a single fiscal year, it must have an audit performed in accordance with the Single Audit Act as amended. Subrecipient agrees to comply with the audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-profit Organizations.

8. Reporting Requirements: Subrecipient agrees to comply with all reporting requirements and shall provide such information as required by TDEM. Reporting requirements are found in the *2015 Local Emergency Management Performance Grant (EMPG) Guide*. Subrecipients may be required to submit additional information and data requested by TDEM and after the end of the period of performance in order to close out the grant. A copy of the *2015 Local Emergency Management Performance Grant (EMPG) Guide* can be found on the TDEM website at: <http://www.txdps.state.tx.us/dem/CouncilsCommittees/EMPG/empgCurrentGuide.pdf>.

Subrecipient must prepare and submit Semi-Annual Progress Reports to TDEM for the duration of the grant performance period or until all grant activities are completed and the grant is formally closed. The first performance reporting period is October 1 to March 31 (progress report due April 15) and the second reporting period is April 1 to September 30 (progress report due October 15). Subrecipient may also be required to submit additional information and data as requested by TDEM.

9. Review of Work and Expenditures: TDEM may review the work of the Subrecipient with respect to approved program tasks and expenditures for which reimbursement is requested to ensure the federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of this contract or grant agreement and that performance goals are achieved. These reviews may include, without limitation: comparing actual Subrecipient activities to those approved in the sub-award application and subsequent modifications if any; ensuring that grant funds have been expended in accordance with applicable guidelines; confirming compliance with grant assurances, and verifying information provided on performance reports and payment requests. **EMPG grant funds cannot be matched with any other federal funds.**

10. Lobbying:

A. 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 Subrecipient certifies that:

- 1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Subrecipient, 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 an employee of a Member of Congress in connection with the making

of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement;

- 2) 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 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.
- 3) The Subrecipient will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest or personal gain.

11. Debarment, Suspension, and other Responsibility Matters:

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

B. The Subrecipient certifies that it and its principals and vendors:

- 1) 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; Subrecipients can access debarment information by going to www.epls.gov.
- 2) 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, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) 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
- 4) 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.

C. 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 (Federal Certification).

12. Monitoring:

A. Subrecipient will provide TDEM, State Auditor, DHS personnel or their authorized representative, access to and the right to examine all paper or electronic records related to financial assistance.

- B. Subrecipient agrees to monitor their program to ensure that federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that the performance goals are achieved.
- C. TDEM may perform periodic reviews of Subrecipient performance of eligible activities and approved projects. These reviews may include, without limitation: performance of an on-site audit and compliance monitoring, including inspection of all grant-related records and items, comparing actual Subrecipient activities to those approved in the sub-award application and subsequent modifications if any, ensuring that advances have been disbursed in accordance with applicable guidelines, confirming compliance with grant assurances, verifying information provided in performance reports and reviewing payment requests, needs and threat assessments and strategies.
- D. Subrecipient understands and agrees that it cannot use any federal funds, either directly or indirectly, in support of the enactment, repeal, modification or adoption of any law, regulation or policy, at any level of government, without the express prior written approval of FEMA National Preparedness Directorate.
- E. The Subrecipient official certifies federal funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Subrecipient may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

13. Reimbursement for Expenses:

Reimbursement for expenses incurred during the second and fourth quarter of Fiscal Year 2015 will not be disbursed until TDEM receives the first and second semi-annual EMPG Progress Reports, which are due on April 15, and October 15, respectively.

14. Choice of Law: This agreement shall be construed and governed by Texas law.

15. Changes to the Law: DPS is a state agency whose authority and appropriations are subject to the actions of the Texas Legislature and the United States Congress. If DPS and/or the subject matter of this contract become subject to a legislative or regulatory change, revocation of statutory or regulatory authority, or lack of funds that would render the services and/or goods and/or payment to be provided under this agreement impossible, unnecessary, void, or substantially amended, DPS may terminate this agreement without penalty to, or any liability whatsoever on the part of, DPS, the State of Texas, or the United States. This contract does not grant vendor a franchise or any other vested property right.

16. Written Modification: No modification or amendment to this Agreement shall become valid unless in writing and signed by both parties.

17. To the extent it applies, Subrecipient shall comply with Texas Government Code, Chapter 783, 1 Texas Administrative Code (TAC) §§ 5.141 *et seq.*, and the Uniform Grant Management Standards, State Uniform Administrative Requirements for Grants and Cooperative Agreements, Subpart B, §_14.

18. To the extent it applies, Subrecipient shall comply with the General Appropriations Act, 80th Legislature, Article IX, Part 17.

19. TDEM may suspend or terminate sub-award funding, in whole or in part, or other measures may be imposed for any of the following reasons: failing to comply with the requirements or statutory objectives of federal law, failing to make satisfactory progress toward the goals or objectives set forth in the sub-award application, failing to follow grant agreement requirements or special conditions, failing to submit required reports, or filing a false certification or other report or document. Satisfactory progress is defined as accomplishing the following during the performance period of the grant: requesting federal funds for purchases, training, etc. and deciding what purchases will be made, ordering the equipment, ensuring the equipment is shipped and received, and training is accomplished with the equipment (or readied for deployment). All of the aforementioned tasks must be accomplished in a timely manner. **Special Conditions may be imposed on Subrecipient's use of grant funds until problems identified during grant monitoring visits conducted by TDEM audit and compliance personnel are resolved.**

A RESOLUTION AUTHORIZING THE CITY'S PARTICIPATION IN THE TEXAS DEPARTMENT OF EMERGENCY MANAGEMENT FISCAL YEAR 2015 EMERGENCY MANAGEMENT PERFORMANCE GRANT APPLICATION.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the City Manager is hereby authorized to sign the application documents for submittal to the Texas Department of Emergency Management for the Fiscal Year 2015 Emergency Management Performance Grant.

PASSED, APPROVED and ADOPTED on this the 28th day of July, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

DEPARTMENT OF PUBLIC WORKS

MEMORANDUM

June 17, 2015

To: Dr. Shawn Oubre, City Manager
From: Jim Wolf, Public Works Director
Re: TxDOT Standard Utility Agreement
Bob Hall Waterline Relocation

Please find attached the Standard Utility Agreement to relocate waterlines along Bob Hall in regards to the IH-10 Project. The State will pay \$49,000.00 to relocated approximately 800 LF of existing waterline and \$54,000.00 for the Engineering and inspections for a total of \$103,000.00.

We have reviewed the Agreement and recommend the execution by the City of Orange. If you agree please place on the next Council's agenda.



STANDARD UTILITY AGREEMENT

| | |
|--------------------------------------|-------------------------|
| District: Beaumont | U-Number: 14558 |
| Federal Project No.: IM 0108 (177) | County: Orange |
| ROW CSJ: 0028-14-111 | Highway: Interstate 10 |
| Highway Project Letting Date: 7/2013 | From: E. of FM 3247 |
| | To: Sabine River Relief |

This Agreement by and between the State of Texas, acting by and through the Texas Transportation Commission, ("**State**"), and City of Orange Texas, ("**Utility**"), acting by and through its duly authorized representative, shall be effective on the date of approval and execution by and on behalf of the **State**.

WHEREAS, the **State** has deemed it necessary to make certain highway improvements as designated by the **State** and approved by the Federal Highway Administration within the limits of the highway as indicated above;

WHEREAS, the proposed highway improvements will necessitate the adjustment, removal, and/or relocation of certain facilities of **Utility** as indicated in the following statement of work: Relocate approximately 800 linear ft of existing waterline along Bob Hall east ROW ; and more specifically shown in **Utility's** plans, specifications and estimated costs, which are attached hereto as Attachment "A".

WHEREAS, the **State** will participate in the costs of the adjustment, removal, and/or relocation of certain facilities to the extent as may be eligible for State and/or Federal participation.

WHEREAS, the **State**, upon receipt of evidence it deems sufficient, acknowledges **Utility's** interest in certain lands and/or facilities that entitle it to reimbursement for the adjustment, removal, and relocation of certain of its facilities located upon the lands as indicated in the statement of work above.

NOW, THEREFORE, BE IT AGREED:

The **State** will pay to **Utility** the costs incurred in adjustment, removal, and/or relocation of **Utility's** facilities up to the amount said costs may be eligible for **State** participation.

All conduct under this agreement, including but not limited to the adjustment, removal and relocation of the facility, the development and reimbursement of costs, any environmental requirements, and retention of records will be in accordance with all applicable federal and state laws, rules and regulations, including, without limitation, the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. §§ 4601, et seq., the National Environmental Policy Act, 42 U.S.C. §§ 4231, et seq., the Buy America provisions of 23 U.S.C. § 313 and 23 CFR 635.410, the Utility Relocations, Adjustments, and Reimbursements provisions of 23 CFR 645, Subpart A, and with the Utility Accommodation provisions of 23 CFR 645, Subpart B. **Utility** shall supply, upon request by the **State**, proof of compliance with the aforementioned laws, rules and regulations prior to the commencement of construction.

The **Utility** agrees to develop relocation or adjustment costs by accumulating actual direct and related indirect costs in accordance with a work order accounting procedure prescribed by **State**, or may, with the **State's** approval, accumulate actual direct and related indirect costs in accordance with an established accounting procedure developed by **Utility**. Bills for work hereunder will be submitted to **State** not later than 90 days after completion of the work.

When requested, the **State** will make intermediate payments at not less than monthly intervals to **Utility** when properly billed and such payments will not exceed 90 percent (90%) of the eligible cost as shown in each such billing. Intermediate payments shall not be construed as final payment for any items included in the intermediate payment.

Initial Date
TxDOT

Initial Date
Utility

Alternatively, **State** agrees to pay **Utility** an agreed lump sum of \$0 as supported by the attached estimated costs. The **State** will, upon satisfactory completion of the adjustments, removals, and/or relocations and upon receipt of a final billing, make payment to **Utility** in the agreed amount.

Upon execution of this agreement by both parties hereto, the **State** will, by written notice, authorize the **Utility** to perform such work diligently, and to conclude said adjustment, removal, or relocation by the stated completion date. The completion date shall be extended for delays caused by events outside **Utility's** control, including an event of Force Majeure, which shall include a strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood or other act of God, sabotage, or other events, interference by the **State** or any other party with **Utility's** ability to proceed with the relocation, or any other event in which **Utility** has exercised all due care in the prevention thereof so that the causes or other events are beyond the control and without the fault or negligence of **Utility**.

The **State** will, upon satisfactory completion of the relocation or adjustment and upon receipt of final billing prepared in an approved form and manner, make payment in the amount of 90 percent (90%) of the eligible costs as shown in the final billing prior to audit and after such audit shall make an additional final payment totaling the reimbursement amount found eligible for **State** reimbursement.

Unless an item below is stricken and initialed by the **State and Utility**, this agreement in its entirety consists of the following:

1. Standard Utility Agreement;
2. Plans, Specifications, and Estimated Costs (Attachment "A");
3. Utility's Accounting Method (Attachment "B");
4. Utility's Schedule of Work and Estimated Date of Completion (Attachment "C");
5. Statement Covering Contract Work – ROW-U-48 (Attachment "D");
6. Eligibility Ratio (Attachment "F");
7. Betterment Calculation and Estimates (Attachment "G");
8. Proof of Property Interest – ROW-U-1A, ROW-U-1B, or ROW-U-1C (Attachment "H");
9. Inclusion in Highway Construction Contract (if applicable) (Attachment "I"); and
10. Utility Joint Use Acknowledgment - ROW-U-JUA and/or Utility Installation Request - Form 1082 (Attachment "E").

All attachments are included herein as if fully set forth. In the event it is determined that a substantial change from the statement of work contained in this agreement is required, reimbursement therefore shall be limited to costs covered by a modification or amendment of this agreement or a written change or extra work order approved by the **State and Utility**.

This agreement is subject to cancellation by the **State** at any time up to the date that work under this agreement has been authorized and that such cancellation will not create any liability on the part of the **State**. However, the **State** will review and reimburse the **Utility** for eligible costs incurred by the **Utility** in preparation of this Agreement.

The State Auditor may conduct an audit or investigation of any entity receiving funds from the **State** directly under this contract or indirectly through a subcontract under this contract. Acceptance of funds directly under this contract or indirectly through a subcontract under this contract acts as acceptance of the authority of the State Auditor, under the direction of the Legislative Audit Committee, to conduct an audit or investigation in connection with those funds. An entity that is the subject of an audit or investigation must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

The **Utility** by execution of this agreement does not waive any of the rights which **Utility** may have within the limits of the law.

It is expressly understood that the **Utility** conducts the adjustment, removal, or relocation at its own risk, and that TxDOT makes no warranties or representations regarding the existence or location of utilities currently within its right of way.

Initial Date
TxDOT

Initial Date
Utility

The signatories to this agreement warrant that each has the authority to enter into this agreement on behalf of the party represented.

UTILITY

Utility: City of Orange Texas
Name of Utility

By: _____
Authorized Signature

Shawn Oubre
Print or Type Name

Title: City Manager

Date: _____

EXECUTION RECOMMENDED:

District *

| |
|--|
| <p style="text-align: center;">THE STATE OF TEXAS</p> <p>Executed and approved for the Texas Transportation Commission for the purpose and effect of activating and/or carrying out the orders, established policies or work programs heretofore approved and authorized by the Texas Transportation Commission.</p> <p>By: _____</p> <p style="text-align: right;">**</p> <p>Date: _____</p> |
|--|

* For locally-executed agreements, ROW Administrator recommends execution; otherwise District Engineer (or designee) .

** For locally-executed agreements, District Engineer (or designee) approves and executes; otherwise ROW Division Director.

Initial Date
TxDOT

Initial Date
Utility

U- 14558

ATTACHMENT "A"

ESTIMATED COSTS

Relocate existing 6" waterline Bob Hall Road along the eastern ROW. Waterline relocation will occur from the WB Frontage Road approximately 600 ft north; and from the EB Frontage Road approximately 550 ft south. Existing 6" and 2" Waterlines will be abandoned in place.

CITY OF ORANGE
IH 10 Utility Relocation - Bob Hall Additional Waterline Relocation Work
Opinion of Construction Costs

| Item No. | Description | Qty | Unit | Cost/Unit | Total |
|--|--------------------------------------|-----|------|-------------|----------------------|
| 1 | Furnish and Install 8" MJ 45 | 6 | EA | \$ 425.00 | \$ 2,550.00 |
| 2 | Furnish and Install 8" Hymax | 2 | EA | \$ 550.00 | \$ 1,100.00 |
| 3 | Furnish and Install 8" Gate Valve | 2 | EA | \$ 1,500.00 | \$ 3,000.00 |
| 4 | Furnish and Install 8" x 6" Reducer | 2 | LF | \$ 625.00 | \$ 1,250.00 |
| 5 | Furnish and Install 8" PVC Waterline | 755 | LF | \$ 50.00 | \$ 37,750.00 |
| 6 | Trench Safety | 800 | LF | \$ 2.00 | \$ 1,600.00 |
| 7 | Abandon Ex. Lines - Grout Fill | 10 | CY | \$ 175.00 | \$ 1,750.00 |
| <i>Subtotal</i> | | | | | \$ 49,000.00 |
| <i>Engineering</i> | | | | | \$ 36,250.00 |
| <i>Part Time RPR</i> | | | | | \$ 17,750.00 |
| TOTAL OPINION OF PROBABLE COSTS | | | | | \$ 103,000.00 |

Note: Items 1 thru 4 are ductile iron pipe fittings and will be required to meet "Buy America" stipulations as applicable.

CITY OF ORANGE
ENGINEERING PROPOSAL

The Engineer proposes to provide the personnel for topographic survey, design, quotations, construction administration and construction inspection for the **City of Orange – IH – 10 Utility Relocation Project – Bob Hall Road Waterline**. The specifics of the Engineering proposal are discussed below.

Owner: City of Orange

Engineer: Mr. Mark Mann, P.E., Project Manager, Schaumburg & Polk, Inc.
Mr. Jim Wolf, P.E., R.P.L.S., Director of Public Works, City of Orange

Inspector: Mr. Pete Treadway, Project Representative, Schaumburg & Polk, Inc.
Mr. David Trahan, City of Orange.

ESTIMATED HOURS

| | Classification | Rate/Hour | Hours | Total |
|------------------|----------------|-----------|-------|----------|
| Jeff Beaver | E9 | \$242 | 4 | \$968 |
| Mark Mann | E7 | \$173 | 114 | \$19,722 |
| Design Tech | D4 | \$105 | 52 | \$5,460 |
| Project Engineer | E1 | \$85 | 28 | \$2,380 |
| Survey SIT | S3 | \$95 | 24 | \$2,280 |
| Project RPR | CR2 | \$85 | 216 | \$18,360 |
| Admin. Asst. | AA | \$60 | 44 | \$2,640 |

Mileage - \$0.565 per mile x 3876 miles = \$2190

U- 14558
ATTACHMENT "B"

UTILITY ACCOUNTING METHOD

- X **ACTUAL COST METHOD OF ACCOUNTING**
The Utility agrees to develop relocation or adjustment costs by accumulating actual direct or related indirect costs in accordance with a work order accounting procedure prescribed by the Federal or State regulatory body.

OR

LUMP SUM METHOD OF ACCOUNTING
The Utility proposes to request reimbursement based on an agreed Lump Sum amount supported by a detailed cost analysis.

OR

- ALTERNATIVE METHOD OF ACCOUNTING**
With the State's approval, the Utility accumulates costs under an accounting procedure developed by the Utility.

U- 14558
ATTACHMENT "C"

UTILITY'S SCHEDULE OF WORK AND
ESTIMATED DATE OF COMPLETION

1. ESTIMATED DATE TO BEGIN 9/15/15
2. ESTIMATED COMPLETION DATE 12/14/15
3. ESTIMATED NUMBER OF DAYS 90

U- 14558
ATTACHMENT "D"

STATEMENT COVERING
CONTRACT WORK

FORM ROW-U-48 IS ATTACHED HERETO

OR

WORK TO BE DONE BY UTILITY FORCES, FORM
ROW-U-48 IS NOT APPLICABLE



STATEMENT COVERING UTILITY CONSTRUCTION CONTRACT WORK
(AS APPEARING IN ESTIMATE)

U-Number: 14558

ROW CSJ Number: 0028-14-111 District: Beaumont
County: Orange Highway No.: IH 10
Federal Project No.: IM 0108 (177)

I, Shawn Oubre, a duly authorized and qualified representative of City of Orange, Texas, hereinafter referred to as **Owner**, am fully cognizant of the facts and make the following statements in respect to work which will or may be done on a contract basis as appears in the estimate to which this statement is attached.

It is more economical and/or expedient for **Owner** to contract this adjustment, or **Owner** is not adequately staffed or equipped to perform the necessary work on this project with its own forces to the extent as indicate on the estimate.

Procedure to be Used in Contracting Work

- A. Solicitation for bids is to be accomplished through open advertising and contract is to be awarded to the lowest qualified bidder who submits a proposal in conformity with the requirements and specifications for the work to be performed.
- B. Solicitation for bids is to be accomplished by circulating to a list of pre-qualified contractors or known qualified contractors and such contract is to be awarded to the lowest qualified bidder who submits a proposal in conformity with the requirements and specifications for the work to be performed. Such presently known contractors are listed below:
 1. Iribarren Ink
 2. MK Constructors
 3. Simco Enterprises
 - 4.
 - 5.
- C. The work is to be performed under an existing continuing contract under which certain work is regularly performed for **Owner** and under which the lowest available costs are developed. (If only part of the contract work is to be done under an existing contract, give detailed information by attachment hereto.)
- D. The utility proposes to contract outside the foregoing requirements and therefore evidence in support of its proposal is attached to the estimate in order to obtain the concurrence of the State, and the Federal Highway Administration Division Engineer where applicable, prior to taking action thereon (approval of the agreement shall be considered as approval of such proposal).
- E. The utility plans and specifications, with the consent of the State, will be included in the construction contract awarded by the State.

Signature

Date

Title

U48

U- 14558
ATTACHMENT "E"

UTILITY INSTALLATION REQUEST

TxDOT FORM 1082 TO BE INSERTED AFTER APPROVAL

Attachment 'F'

Eligibility Ratio

The entirety of the facility is located within existing ROW.

Reimbursement is established at 100% in accordance with Texas Transportation Code, Title 6, Chapter 203, Sub-chapter E, Rule 203.092(a)(1).

U- 14558
ATTACHMENT "G"

BETTERMENT RATIO

1 - NO BETTERMENT ASSOCIATED WITH THIS
ADJUSTMENT

OR

2 - PROVIDE BETTERMENT AS A PERCENTAGE

Attachment "H"

Proof of Property Interest

In accordance with TTC 203.092(a)(1)

Sec. 203.092. REIMBURSEMENT FOR RELOCATION OF UTILITY FACILITIES. (a) A utility shall make a relocation of a utility facility at the expense of this state if relocation of the utility facility is required by improvement of:

(1) a highway in this state established by appropriate authority as part of the National System of Interstate and Defense Highways and the relocation is eligible for federal participation;

U- 14558
ATTACHMENT "I"

INCLUSION IN HIGHWAY
CONSTRUCTION CONTRACT

- NOT APPLICABLE. THIS PROJECT WILL NOT BE INCLUDED IN THE HIGHWAY CONSTRUCTION CONTRACT.

OR

- ATTACHMENT "I" IS ATTACHED HERETO.

A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD UTILITY AGREEMENT WITH THE TEXAS DEPARTMENT OF TRANSPORTATION FOR THE RELOCATION OF EXISTING WATERLINE ALONG BOB HALL ROAD.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the City Manager is hereby authorized to execute the Standard Utility Agreement with the Texas Department of Transportation for the relocation of 800 L.F. existing waterline deemed necessary to make certain highway improvements as designated by the State and approved by the Federal Highway Administration.

PASSED, APPROVED and ADOPTED on this the 28th day of July 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

DEPARTMENT OF PUBLIC WORKS

MEMORANDUM

July 17, 2015

To: Dr. Shawn Oubre, City Manager

From: Jim Wolf, Public Works Director

Re: Schaumburg & Polk Engineering Services
Bob Hall Waterline Relocation
TxDOT IH-10 Project

Please find attached the Proposal for Professional Engineering Services on the referenced project. We recommend acceptance of this proposal from Schaumburg & Polk for \$54,000.00. Services include preparation of plans and specifications for construction of a proposed water utility relocation based on TxDOT IH-10 Improvements on Bob Hall Road. If you agree please place on the next Council's agenda.

July 8, 2015

Mr. James B. Wolf, P.E., R.P.L.S.
Director of Public Works
City of Orange
P.O. Box 520
Orange, Texas 77631

Re: City of Orange
IH 10 Utility Relocation
Bob Hall Waterline

Dear Mr. Wolf:

Please find enclosed two (2) partially executed copies of the Engineering Services Agreement for the above referenced project. Please have the agreements executed on behalf of the City and return one copy to our office for our files. We can begin work on this project at any time the City is ready to proceed.

Please let us know if you have any questions.

Sincerely,
SCHAUMBURG & POLK, INC.



Mark Mann, P.E.
Project Manager

Enclosures

SHORT FORM OF AGREEMENT
BETWEEN OWNER AND ENGINEER
FOR
PROFESSIONAL SERVICES

THIS IS AN AGREEMENT effective as of _____ (“Effective Date”) between

_____ City of Orange, Texas _____ (“Owner”) and
_____ Schaumburg & Polk, Inc. _____ (“Engineer”).

Owner’s Project, of which Engineer’s services under this Agreement are a part, is generally identified as follows:

_____ IH 10 Utility Relocation – Bob Hall Road _____ (“Project”).

_____ Engineer’s Services under this Agreement are generally identified as follows: _____

_____ Preparation of plans and specifications for construction of a proposed water utility relocation based
_____ on TxDOT IH 10 Improvements on Bob Hall Road. Refer to Exhibit A for detailed scope of services. _____

Owner and Engineer further agree as follows:

1.01 *Basic Agreement and Period of Service*

- A. Engineer shall provide, or cause to be provided, the services set forth in this Agreement. If authorized by Owner, or if required because of changes in the Project, Engineer shall furnish services in addition to those set forth above. Owner shall pay Engineer for its services as set forth in Paragraphs 7.01 and 7.02.
- B. Engineer shall complete its services within a reasonable time, or within the following specific time period: Begin work upon notice to proceed and obtain quotes for work to coordinate with TxDOT Schedule.
- C. If the Project includes construction-related professional services, then Engineer’s time for completion of services is conditioned on the time for Owner and its contractors to complete construction not exceeding 120 calendar days. If the actual time to complete construction exceeds the number of months indicated, then Engineer’s period of service and its total compensation shall be appropriately adjusted.

2.01 *Payment Procedures*

- A. *Invoices:* Engineer shall prepare invoices in accordance with its standard invoicing practices and submit the invoices to Owner on a monthly basis. Invoices are due and payable within 30 days of receipt. If Owner fails to make any payment due Engineer for services and expenses within 30 days after receipt of Engineer's invoice, then the amounts due Engineer will be increased at the rate of 1.0% per month (or the maximum rate of interest permitted by law, if less) from said thirtieth day. In addition, Engineer may, after giving seven days written notice to Owner, suspend services under this Agreement until Engineer has been paid in full all amounts due for services, expenses, and other related charges. Owner waives any and all claims against Engineer for any such suspension. Payments will be credited first to interest and then to principal.

3.01 *Termination*

- A. The obligation to continue performance under this Agreement may be terminated:
1. For cause,
 - a. By either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the Agreement's terms through no fault of the terminating party. Failure to pay Engineer for its services is a substantial failure to perform and a basis for termination.
 - b. By Engineer:
 - 1) upon seven days written notice if Owner demands that Engineer furnish or perform services contrary to Engineer's responsibilities as a licensed professional; or
 - 2) upon seven days written notice if the Engineer's services for the Project are delayed for more than 90 days for reasons beyond Engineer's control.

Engineer shall have no liability to Owner on account of a termination by Engineer under Paragraph 3.01.A.1.b.

- c. Notwithstanding the foregoing, this Agreement will not terminate as a result of a substantial failure under Paragraph 3.01.A.1.a if the party receiving such notice begins, within seven days of receipt of such notice, to correct its substantial failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of notice; provided, however, that if and to the extent such substantial failure cannot be reasonably cured within such 30 day period, and if such party has diligently attempted to cure the same and thereafter continues diligently to cure the same, then the cure period provided for herein shall extend up to, but in no case more than, 60 days after the date of receipt of the notice.
2. For convenience, by Owner effective upon Engineer's receipt of written notice from Owner.

- B. The terminating party under Paragraph 3.01.A may set the effective date of termination at a time up to 30 days later than otherwise provided to allow Engineer to complete tasks whose value would otherwise be lost, to prepare notes as to the status of completed and uncompleted tasks, and to assemble Project materials in orderly files.
- C. In the event of any termination under Paragraph 3.01, Engineer will be entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all reimbursable expenses incurred through the effective date of termination.

4.01 *Successors, Assigns, and Beneficiaries*

- A. Owner and Engineer are hereby bound and the successors, executors, administrators, and legal representatives of Owner and Engineer (and to the extent permitted by Paragraph 4.01.B the assigns of Owner and Engineer) are hereby bound to the other party to this Agreement and to the successors, executors, administrators, and legal representatives (and said assigns) of such other party, in respect of all covenants, agreements, and obligations of this Agreement.
- B. Neither Owner nor Engineer may assign, sublet, or transfer any rights under or interest (including, but without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.
- C. Unless expressly provided otherwise, nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by Owner or Engineer to any contractor, subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them. All duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of Owner and Engineer and not for the benefit of any other party.

5.01 *General Considerations*

- A. The standard of care for all professional engineering and related services performed or furnished by Engineer under this Agreement will be the care and skill ordinarily used by members of the subject profession practicing under similar circumstances at the same time and in the same locality. Engineer makes no warranties, express or implied, under this Agreement or otherwise, in connection with Engineer's services. Subject to the foregoing standard of care, Engineer and its consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.
- B. Engineer shall not at any time supervise, direct, control, or have authority over any contractor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any contractor, or the safety precautions and programs incident thereto, for security or safety at the Project site, nor for any failure of a contractor to comply with laws and regulations applicable to such contractor's furnishing and performing of its work.

- C. This Agreement is to be governed by the law of the state or jurisdiction in which the Project is located.
- D. Engineer neither guarantees the performance of any contractor nor assumes responsibility for any contractor's failure to furnish and perform its work in accordance with the contract between Owner and such contractor. Engineer is not responsible for variations between actual construction bids or costs and Engineer's opinions or estimates regarding construction costs.
- E. Engineer shall not be responsible for the acts or omissions of any contractor, subcontractor, or supplier, or of any of their agents or employees or of any other persons (except Engineer's own employees) at the Project site or otherwise furnishing or performing any construction work; or for any decision made regarding the construction contract requirements, or any application, interpretation, or clarification of the construction contract other than those made by Engineer.
- F. The general conditions for any construction contract documents prepared hereunder are to be the "Standard General Conditions of the Construction Contract" as prepared by the Engineers Joint Contract Documents Committee (EJCDC C-700, 2007 Edition) unless the parties agree otherwise.
- G. All documents prepared or furnished by Engineer are instruments of service, and Engineer retains an ownership and property interest (including the copyright and the right of reuse) in such documents, whether or not the Project is completed. Owner shall have a limited license to use the documents on the Project, extensions of the Project, and for related uses of the Owner, subject to receipt by Engineer of full payment for all services relating to preparation of the documents and subject to the following limitations: (1) Owner acknowledges that such documents are not intended or represented to be suitable for use on the Project unless completed by Engineer, or for use or reuse by Owner or others on extensions of the Project, on any other project, or for any other use or purpose, without written verification or adaptation by Engineer; (2) any such use or reuse, or any modification of the documents, without written verification, completion, or adaptation by Engineer, as appropriate for the specific purpose intended, will be at Owner's sole risk and without liability or legal exposure to Engineer or to its officers, directors, members, partners, agents, employees, and consultants; (3) Owner shall indemnify and hold harmless Engineer and its officers, directors, members, partners, agents, employees, and consultants from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from any use, reuse, or modification of the documents without written verification, completion, or adaptation by Engineer; and (4) such limited license to Owner shall not create any rights in third parties.
- H. To the fullest extent permitted by law, Owner and Engineer (1) waive against each other, and the other's employees, officers, directors, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to the Project, and (2) agree that Engineer's total liability to Owner under this Agreement shall be limited to \$50,000 or the total amount of compensation received by Engineer, whichever is greater.
- I. The parties acknowledge that Engineer's scope of services does not include any services related to a Hazardous Environmental Condition (the presence of asbestos, PCBs, petroleum, hazardous substances or waste as defined by the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq., or radioactive materials). If Engineer or any other party encounters a Hazardous Environmental Condition, Engineer may, at its option and without liability

for consequential or any other damages, suspend performance of services on the portion of the Project affected thereby until Owner: (1) retains appropriate specialist consultants or contractors to identify and, as appropriate, abate, remediate, or remove the Hazardous Environmental Condition; and (2) warrants that the Site is in full compliance with applicable Laws and Regulations.

- J. Owner and Engineer agree to negotiate each dispute between them in good faith during the 30 days after notice of dispute. If negotiations are unsuccessful in resolving the dispute, then the dispute shall be mediated. If mediation is unsuccessful, then the parties may exercise their rights at law.

6.01 *Total Agreement*

- A. This Agreement (including any expressly incorporated attachments), constitutes the entire agreement between Owner and Engineer and supersedes all prior written or oral understandings. This Agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.

7.01 *Basis of Payment—Fee Basis – Not to Exceed*

- A. Using the procedures set forth in Paragraph 2.01, Owner shall pay Engineer as follows:
 - 1. An amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class for all services performed on the Project, plus reimbursable expenses and Engineer's consultants' charges, if any.
 - 2. Engineer's Standard Hourly Rates are attached as Appendix 1.
 - 3. The total compensation for services and reimbursable expenses shall not exceed \$54,000.00 without prior written approval.

- 7.02 *Additional Services:* For additional services of Engineer's employees engaged directly on the Project, Owner shall pay Engineer an amount equal to the cumulative hours charged to the Project by each class of Engineer's employees times standard hourly rates for each applicable billing class; plus reimbursable expenses and Engineer's consultants' charges, if any. Engineer's standard hourly rates are attached as Appendix 1.

Attachments: Appendix 1, Engineer's Standard Hourly Rates

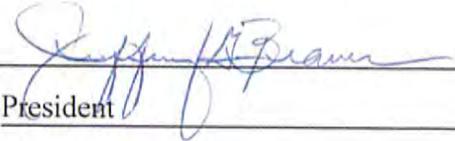
Exhibit A, Schedule of Engineer's Services

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the Effective Date of which is indicated on page 1.

OWNER: City of Orange, Texas

ENGINEER: Schaumburg & Polk, Inc.

By: _____

By: 

Title: City Manager

Title: President

Date Signed: _____

Date Signed: 7-8-15

Engineer License or
Firm's Certificate Number: F-520

State of: Texas

Address for giving notices:

Address for giving notices:

City of Orange

Schaumburg & Polk, Inc.

PO Box 520

8865 College Street

Orange, Texas 77631

Beaumont Texas, 77707

This is **EXHIBIT A**, consisting of 2 page(s), referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated _____, _____.

Schedule of Engineer's Services

Provide Engineering Services for water utility relocation, as related to TxDOT planned improvements of IH 10 along Bob Hall Road ROW for the City of Orange, Texas.

1. Preliminary Phase:

- Engineer shall obtain and review proposed TxDOT plans for IH 10 - Bob Hall Road improvements as related to existing City of Orange water utility conflicts.
- Engineer will provide topographic survey of utility relocation areas along IH 10 and Bob Hall Road ROW.
- Convert field data and process into electronic format.
- Engineer shall prepare an opinion of probable costs based on field information and TxDOT plans.

2. Design Phase:

- Engineer shall prepare final plans, contract documents, and specifications for relocation of existing water and sanitary sewer. Plans will incorporate portions of TxDOT improvement plans to show sufficient detail to indicate the scope, extent, and character of the work to be performed by a Contractor.
- Engineer shall furnish a full set of plans and specifications to the Owner and TxDOT for review and comments. Engineer shall revise the plans and specifications per the received comments.
- Engineer shall revise the opinion of probable costs based on final plans and specifications.
- Engineer shall prepare the necessary TxDOT "Notice of Utility Installation" and submit to TxDOT for review and approval.

3. Quote Phase:

- Engineer shall provide sufficient copies of plans and specifications and distribute to three (3) perspective bidders to obtain quotes. Engineer shall assist the City with distribution of plans and documents to the perspective bidders.
- Engineer shall issue and distribute addenda as required to all plan holders to answer questions that arise during the quote process.
- Engineer shall attend the opening, and review all quotes received. Engineer shall prepare a tabulation based on the received quotes and evaluate the apparent low bidder qualifications with Owner prior to making a recommendation.
- Engineer shall make a recommendation of contract award to Owner.
- Engineer shall coordinate execution of contract documents with Contractor and Owner, and provide three sets of plans and contract documents for construction.

4. Construction Phase:

- Engineer shall attend a pre-construction meeting with Owner, Contractor, and TxDOT to review the project scope and issue a notice to proceed with construction.
- Engineer shall receive and review all project schedules from the Contractor including work progress schedule, schedule of values, and schedule of submittals.
- Engineer shall review all shop drawings, material submittals, and take appropriate actions for approval or resubmittal.

This is **EXHIBIT A**, consisting of 2 page(s), referred to in and part of the **Agreement between Owner and Engineer for Professional Services** dated _____, _____.

Schedule of Engineer's Services

- Engineer shall provide decisions on all submitted issues related to contractor's work, interpretation of the requirements of the contract conditions pertaining to execution, performance, or progress of Contractor's work.
- Review and prepare Change Orders, Work Directives as appropriate.
- Engineer shall make sufficient site visits at intervals appropriate to observe construction progress and quality of work. (3 separate visits independent of Construction Observation and Final Inspection).
- Engineer shall provide benchmarks or baselines as appropriate to locate the work to allow Contractor's work to proceed.
- Engineer shall, in the company of the Owner and Contractor, conduct a final inspection of the completed work, and make recommendation of corrective actions necessary prior to issuing a certificate of completion and recommendation for Owner acceptance of the project.
- Engineer shall issue a certificate of completion and recommendation for Owner to accept the completed project. Engineer shall prepare "Record Drawings" of the work to reflect minor corrections, changes, or revisions to work completed in the field.

5. Construction Observation:

- Engineer shall provide the services of a Resident Project Representative to make more extensive observation of the Contractor's work. Work shall be on a part time basis not to exceed 192 hours during a 12 week construction period.

Any request for additional services beyond this agreement may be performed at Engineer's hourly rate sheet, or by supplemental agreement to this contract.

APPENDIX 1



2015 SCHEDULE OF HOURLY RATES and EXPENSES

| | |
|---------------------------------|----------------|
| ENGINEER IX | \$242.00 /HOUR |
| ENGINEER VIII | \$200.00 /HOUR |
| ENGINEER VII | \$173.00 /HOUR |
| ENGINEER VI | \$152.00 /HOUR |
| ENGINEER V | \$137.00 /HOUR |
| ENGINEER IV | \$121.00 /HOUR |
| ENGINEER III | \$105.00 /HOUR |
| ENGINEER II | \$95.00 /HOUR |
| ENGINEER I | \$85.00 /HOUR |
| DESIGN TECHNICIAN IV | \$105.00 /HOUR |
| DESIGN TECHNICIAN III | \$90.00 /HOUR |
| DESIGN TECHNICIAN II | \$75.00 /HOUR |
| DESIGN TECHNICIAN I | \$55.00 /HOUR |
| SURVEYOR III | \$95.00 /HOUR |
| SURVEYOR II | \$75.00 /HOUR |
| SURVEYOR I | \$55.00 /HOUR |
| ADMINISTRATIVE ASSISTANT | \$60.00 /HOUR |
| CONSTRUCTION REPRESENTATIVE III | \$95.00 /HOUR |
| CONSTRUCTION REPRESENTATIVE II | \$85.00 /HOUR |
| CONSTRUCTION REPRESENTATIVE I | \$70.00 /HOUR |

| REIMBURSABLE EXPENSES | |
|-----------------------------|------------------------|
| Mileage | IRS Allowable Rate |
| Travel and Meals | Actual Cost x 1.10 |
| Misc. Reimbursable Expenses | Actual Cost x 1.10 |
| Color Plots | \$3.00 per Square Foot |

| OUTSIDE CONSULTANT RATES | | |
|--------------------------|--|---------------------|
| Associate Engineer | Civil, Electrical, Environmental, Mechanical, etc. | up to \$175.00/HOUR |
| Subconsultants | | Actual Cost x 1.10 |

Schaumburg & Polk, Inc. furnishes General Liability Insurance, Professional Liability Insurance and State of Texas mandatory limits of Worker's Compensation insurance.

Preparation for and furnishing expert witness testimony will be billed at three times the hourly rates shown above for the various classifications.

Rates Effective: January 1, 2015 (*adjusted annually*)

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH SCHAUMBURG & POLK, INC. IN THE AMOUNT OF \$54,000.00 FOR PROFESSIONAL ENGINEERING SERVICES FOR THE BOB HALL ROAD WATER UTILITY RELOCATION.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the City Manager is hereby authorized to enter into an agreement with Schaumburg & Polk, Inc. in the amount of FIFTY FOUR THOUSAND (\$54,000.00) AND NO/100 for professional engineering services for the preparation of plans and specifications for construction of a waterline relocation based on TxDOT IH-10 Improvements on Bob Hall Road.

PASSED, APPROVED and ADOPTED on this the 28th day of July 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney

DEPARTMENT OF PUBLIC WORKS

MEMORANDUM

July 21, 2015

To: Dr. Shawn Oubre, City Manager
From: Jim Wolf, Public Works Director
Re: Professional Engineering Services
Fittz & Shipman, Inc.
SH 62 Water Extension to TxDOT

Please find attached the proposal for Civil Engineering and Surveying Services on the referenced project. We recommend acceptance of this proposal from Fittz & Shipman, Inc. in the amount of \$ 40,025.00 plus reimbursable expenses and additional services if needed. Services include Design Phase, Bidding Phase, and Construction Phase. If you agree please place on the next Council's agenda.

July 21, 2015

Mr. Shawn Oubre, City Manager
City of Orange
P. O. Box 520
Orange, Texas 77630

**** ENGAGEMENT LETTER ****

**RE: Civil Engineering & Surveying Services
SH 62 Water Extension to TxDOT**

Dear Mr. Oubre:

Fittz & Shipman, Inc. is pleased to provide this proposal for Civil Engineering & Surveying Services for preparation of construction plans and bidding documents for extension of a 12" water line with alternate bid for 4" water line along SH 62 from approximately 900 feet north of Interstate 10 North Frontage northward to the TxDOT office (approximately 2,500 feet). It is anticipated that the proposed water line will be located within easements to be acquired adjacent to the east side of SH 62.

PRELIMINARY DESIGN

Services to be provided by Fittz & Shipman, Inc. for Water Design include:

- Conduct Topographic surveying along the proposed route for water lines to determine existing ground elevations, drainage flow patterns, existing pavements, obstructions, location of existing utility lines, pipelines, and other route information.
- Coordinate with local utility companies and pipeline companies to determine locations of existing fiber optic, telephone, gas, electric, cable TV, pipelines, and other underground utilities. Coordinate with City of Orange regarding location of existing water lines and sanitary sewer lines.
- Prepare preliminary layout for water distribution line and water taps.

DESIGN PHASE

- Prepare Construction Plan & Profile drawings for water line extension as 4" water line for Base Bid, 12" water line with Fire Hydrants for Alternate Bid along SH 62 from approximately 900 feet north of Interstate 10 North Frontage northward approximately 2,500 feet to the TxDOT Office.
- Coordinate with TxDOT, Orange County and other agencies for utility permitting to cross local streets and right-of-ways.
- Coordinate with pipeline companies to determine location of existing pipelines, requirements for water line crossings and approval for pipeline crossings (if required). Submit applications for crossings.
- Prepare Final Drawings showing proposed water alignments, details for installation of water line, borings, pavement restoration, and water and/or special fittings.
- Prepare specifications for installation of water line, facilities and other construction items.
- Prepare an Erosion Control Plan plans as a basis for Contractor to prepare required Storm Water Pollution Prevention Plan (SWP3) plan.

- Submit final construction plans to City of Orange for review and approval. Submit plans to Texas Commission on Environmental Quality (TCEQ) and other review agencies (if required) for review and comment. Make reasonable revisions if required for approval for agencies.
- Prepare a detailed construction cost estimate based upon the final plans and specifications.

EASEMENT PREPARATION

- Prepare parcel metes & bounds description and parcel drawings for proposed easements along the proposed route. Submit easement information to City of Orange. (City of Orange will contact owners and acquire easement agreements).

BIDDING PHASE

- Provide documents to bidders and suppliers and maintain a bidders list.
- Conduct a Pre-Bid Conference for discussion of Contractor questions and inquiries from Bidders.
- Respond to Bidder Questions, Comments, and Design Clarifications.
- Attend Bid Opening and Assist Owner with opening of Bids.
- Evaluate bids received, evaluate submission of low bidder, and make recommendation for Award.
- Assist Owner in reviewing bonds and preparing Project Contract Agreement for final signatures.

CONSTRUCTION PHASE

- Perform monitoring of critical construction procedures and water line testing.
- Answer questions and provide design clarifications to provide supplementary information during the construction of the project.
- Attend Final Project Inspection and Project Acceptance In Conjunction with City of Orange.

COMPENSATION

FITZ & SHIPMAN, INC. proposes to provide the above outlined surveying/engineering services for a fixed fee at the following rates:

| | |
|------------------------------|-----------------|
| Topographic Surveying | \$ 4,650.00 |
| Easement M&B Preparation | 16,000.00 |
| Design Phase | 12,975.00 |
| Bidding & Construction Phase | <u>6,400.00</u> |
| TOTAL BASIC SERVICES | \$40,025.00 |

Fitz and Shipman, Inc. shall submit monthly statements for Services rendered and for Reimbursable Expenses incurred based on percentage of completion for each Engineering phase. Reimbursable Expenses mean the actual expenses incurred for reproduction of Drawings, Specifications, Application Fees, and similar Project-related items. Reimbursable Expenses shall include the amount billed to Fitz & Shipman, Inc. by special consultants employed by Fitz & Shipman, Inc., (as authorized by you) for such consultants' services and Reimbursable Expenses Plus a management fee of 15%.

Services not Included in this contract are: Costs for Soils/Geotechnical Testing Consultant, Revisions to Approved plans. Although these services are not authorized, this contract may be amended to provide additional services at the published standard rates.

Fitz & Shipman, Inc.

Mr. Shawn Oubre, City Manager
July 21, 2015
Page 3

Civil Engineering & Surveying
SH 62- 900' N IH-10 to TxDOT
Extension of Water

We appreciate the opportunity to work with you. If you wish to discuss our proposed scope of services or fees, please feel free to contact me. If this proposal meets with your approval please sign and return one original copy of this letter to signify your approval and acceptance.

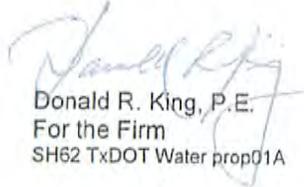
Sincerely,

Accepted:

FITZ & SHIPMAN, INC.

CITY OF ORANGE

by:


Donald R. King, P.E.
For the Firm
SH62 TxDOT Water prop01A

by: _____

Date

Fitz & Shipman, Inc.

Preliminary Cost Estimate
North 3247 Utility Extensions

Justification:
4" Water Line only

Date: 11/14/2013
Prepared by DRK

| ITEM | DESCRIPTION | UNITS | QUANTITY | UNIT PRICE | AMOUNT |
|--|---------------------------------|-------|----------|------------|------------|
| SH 62 - 900' N of IH-10 to TxDOT Office | | | | | |
| <u>Water</u> | | | | | |
| 1 | 4" C-900 Waterline | L.F. | 2,500 | 33.00 | 82,500.00 |
| 2 | Wet Bore 4" water lines | L.F. | 300 | 70.00 | 21,000.00 |
| 3 | 4" Valves | Ea. | 3 | 900.00 | 2,700.00 |
| 4 | Fire Hydrant Assembly | Ea. | 0 | 4,200.00 | 0.00 |
| 5 | Fittings | L.S. | 1 | 2,000.00 | 2,000.00 |
| 6 | Connect to exist 12" water line | L.S. | 1 | 1,100.00 | 1,100.00 |
| 7 | 4 in Tap, wat svc & Mtr box | Ea. | 1 | 800.00 | 800.00 |
| SUBTOTAL | | | | | 110,100.00 |
| <u>Misc Construction</u> | | | | | |
| 1 | Erosion Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| 2 | Site Clearing | L.S. | 1 | 1,500.00 | 1,500.00 |
| 3 | Valve Marker Signs | Ea. | 4 | 95.00 | 380.00 |
| 4 | Route Marker Signs | Ea. | 3 | 75.00 | 225.00 |
| 5 | Regrade ditches & culverts | LF | 2,500 | 2.00 | 5,000.00 |
| 6 | Seeding | Ac. | 1.2 | 2,000.00 | 2,300.00 |
| 7 | Traffic Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| SUBTOTAL | | | | | 9,800.00 |
| TOTAL CONSTRUCTION | | | | | 119,900.00 |
| 15% Contingency | | | | | 17,985.00 |
| Engineering | | | | | 12,975.00 |
| Bidding | | | | | 2,500.00 |
| Constr Monitoring | | | | | 3,900.00 |
| Topo Surveying | | | | | 4,650.00 |
| Parcel Surveys | | | | | 16,000.00 |
| Easements | | | | | 12,000.00 |
| TOTAL ESTIMATED COST | | | | | 189,910.00 |

Preliminary Cost Estimate
North 3247 Utility Extensions

Justification:
12" Water Line + Fire Hydrants

Date: 11/14/2013
Prepared by DRK

| ITEM | DESCRIPTION | UNITS | QUANTITY | UNIT PRICE | AMOUNT |
|--|---------------------------------|-------|----------|------------|------------|
| SH 62 - 900' N of IH-10 to TxDOT Office | | | | | |
| <u>Water</u> | | | | | |
| 1 | 12" C-900 Waterline | L.F. | 2,500 | 40.00 | 100,000.00 |
| 2 | Wet Bore 12" water lines | L.F. | 300 | 100.00 | 30,000.00 |
| 3 | 12" Valves | Ea. | 3 | 2,700.00 | 8,100.00 |
| 4 | 8" Valve | Ea. | 1 | 1,500.00 | 1,500.00 |
| 5 | Fire Hydrant Assembly | Ea. | 4 | 4,200.00 | 16,800.00 |
| 6 | Fittings | L.S. | 1 | 4,500.00 | 4,500.00 |
| 7 | Connect to exist 12" water line | L.S. | 1 | 1,500.00 | 1,500.00 |
| 8 | 4 in Tap, wat svc & Mtr box | Ea. | 1 | 800.00 | 800.00 |
| SUBTOTAL | | | | | 163,200.00 |
| <u>Misc Construction</u> | | | | | |
| 1 | Erosion Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| 2 | Site Clearing | L.S. | 1 | 1,500.00 | 1,500.00 |
| 3 | Valve Marker Signs | Ea. | 4 | 95.00 | 380.00 |
| 4 | Route Marker Signs | Ea. | 3 | 75.00 | 225.00 |
| 5 | Regrade ditches & culverts | LF | 2,500 | 2.00 | 5,000.00 |
| 6 | Seeding | Ac. | 1.2 | 2,000.00 | 2,300.00 |
| 7 | Traffic Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| SUBTOTAL | | | | | 9,800.00 |
| TOTAL CONSTRUCTION | | | | | 173,000.00 |
| 15% Contingency | | | | | 25,950.00 |
| Engineering | | | | | 12,975.00 |
| Bidding | | | | | 2,500.00 |
| Constr Monitoring | | | | | 3,900.00 |
| Topo Surveying | | | | | 4,650.00 |
| Parcel Surveys | | | | | 16,000.00 |
| Easements | | | | | 12,000.00 |
| TOTAL ESTIMATED COST | | | | | 250,975.00 |

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AGREEMENT WITH FITTZ & SHIPMAN, INC. IN THE AMOUNT OF \$40,025.00 FOR PROFESSIONAL ENGINEERING SERVICES FOR THE STATE HIGHWAY 62 WATER EXTENSION TO TXDOT OFFICE BUILDING.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ORANGE, TEXAS:

That the City Manager is hereby authorized to enter into an agreement with Fittz & Shipman, Inc. in the amount of FORTY THOUSAND AND TWENTY-FIVE (\$40,025.00) AND NO/100 plus reimbursable expenses for professional engineering services and surveying services for the State Highway 62 waterline extension to TxDOT office building.

PASSED, APPROVED and ADOPTED on this the 28th day of July 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

APPROVED:

City Attorney



ORANGE
COUNTY
CALIFORNIA

Trial Balance Listing

Through 06/30/15

Detail Listing

Exclude Rollup Account

| Account | Account Description | Balance Forward | MTD Debits | MTD Credits | Ending Balance | Prior Year MTD Balance |
|---|--|-----------------|------------|-------------|----------------|---------------------------|
| Fund 099 - Economic Development Corporation | | | | | | |
| 1108.001 | Cash - Wells Fargo Debt Service Series 2007 EDC | 173,035.68 | 19,884.28 | .00 | 192,919.96 | 188,954.29 |
| 1108.002 | Cash - Wells Fargo Debt Service Series 2012 EDC | 164,634.10 | 24,600.38 | .00 | 189,234.48 | 187,277.88 |
| 1108.003 | Cash - Wells Fargo Reserve Fund Series 2012 EDC | 298,156.32 | 58.40 | .00 | 298,214.72 | 297,538.13 |
| 1112.001 | Cash - Wells Fargo EDC | 1,676,900.85 | 305,322.22 | 14,950.84 | 1,967,272.23 | 1,282,426.90 |
| 1126.001 | Investments | 249,871.67 | .00 | 249,871.67 | .00 | 249,717.50 |
| 2201.001 | Accounts Payable | .00 | 6,459.29 | 7,161.77 | (702.48) | (429.56) |
| 2208.001 | Salaries Payable | .00 | 7,263.00 | 7,263.00 | .00 | .00 |
| 2269.001 | Compensated Absenses Payable | (9,707.10) | .00 | .00 | (9,707.10) | (5,982.34) |
| 2290.001 | Fund Balance | 228,490.38 | .00 | .00 | 228,490.38 | .00 |
| 2290.030 | Fund Balance - Restricted for: Debt Service | (399,356.23) | .00 | .00 | (399,356.23) | (397,368.06) |
| 2290.090 | Fund Balance - Assigned to: Economic Development | (350,000.00) | .00 | .00 | (350,000.00) | (123,497.79) |
| 2290.110 | Fund Balance - Unassigned | (1,586,354.43) | .00 | .00 | (1,586,354.43) | (1,220,305.64) |
| Department 000 - Revenue | | | | | | |
| 3102 | Sales Tax | (779,626.01) | .00 | 99,379.59 | (879,005.60) | (792,792.13) |
| 3141 | Interest Earned | (2,176.42) | .00 | 483.96 | (2,660.38) | (1,581.54) |
| 3185 | Donations | .00 | .00 | .00 | .00 | (150,000.00) |
| 3212 | Interest Earnings EDC 2007 Sales Tax Bonds | (197.24) | .00 | 36.36 | (233.60) | (146.67) |
| 3213 | Interest Earnings EDC 2012 Sales Tax Bonds | (546.63) | .00 | 93.70 | (640.33) | (566.69) |
| | Department 000 - Revenue Totals | (\$782,546.30) | \$0.00 | \$99,993.61 | (\$882,539.91) | (\$945,087.03) |
| Department 998 - Debt Service | | | | | | |
| 4650 | Interest Expense - EDC Series 2007 Sales Tax Revenue Bonds | 35,387.50 | .00 | .00 | 35,387.50 | 38,587.50 |
| 4651 | Interest Expense - EDC Series 2012 Sales Tax Revenue Bonds | 83,140.62 | .00 | .00 | 83,140.62 | 84,390.62 |
| 4660 | Service Fees - EDC Series 2007 Sales Tax Revenue Bonds | 500.00 | .00 | .00 | 500.00 | 500.00 |
| 4661 | Service Fees - EDC Series 2012 Sales Tax Revenue Bonds | 550.00 | .00 | .00 | 550.00 | 550.00 |
| | Department 998 - Debt Service Totals | \$119,578.12 | \$0.00 | \$0.00 | \$119,578.12 | \$124,028.12 |
| Department 999 - Economic Development Corporation | | | | | | |
| 4010 | Salaries & Wages | 54,339.32 | 6,963.00 | .00 | 61,302.32 | 56,492.82 |
| 4050 | Retirement Contributions | 15,078.91 | 1,834.24 | .00 | 16,913.15 | 15,365.49 |
| 4061 | Group Insurance | 12,278.61 | 1,364.29 | .00 | 13,642.90 | 12,242.90 |
| 4062 | Social Security Contr. | 4,652.26 | 570.25 | .00 | 5,222.51 | 4,663.19 |
| 4063 | Workers' Compensation | (5.22) | .00 | .00 | (5.22) | (3.97) |
| 4064 | Unemploy'm't Compensation | 42.30 | .00 | .00 | 42.30 | 45.90 |
| 4101 | Office Supplies | .00 | .00 | .00 | .00 | 1,359.62 |
| 4117 | Postage | 106.23 | .00 | .00 | 106.23 | 4.97 |
| 4118 | Banking Expense | 2,645.82 | .00 | .00 | 2,645.82 | 2,500.00 |
| 4125 | Equipment | .00 | .00 | .00 | .00 | 49.97 |



Trial Balance Listing

Through 06/30/15

Detail Listing

Exclude Rollup Account

| Account | Account Description | Balance Forward | MTD Debits | MTD Credits | Ending Balance | Prior Year MTD Balance |
|---|--|-----------------|--------------|--------------|----------------|---------------------------|
| Fund 099 - Economic Development Corporation | | | | | | |
| Department 999 - Economic Development Corporation | | | | | | |
| 4220 | Vehicle Allowances | 2,400.00 | 300.00 | .00 | 2,700.00 | 2,700.00 |
| 4222 | Special Services | 4,857.27 | 450.00 | .00 | 5,307.27 | 4,548.21 |
| 4224 | Advertising | 132.80 | 252.48 | .00 | 385.28 | 67.84 |
| 4230 | Electricity Expense | 3,132.46 | .00 | .00 | 3,132.46 | 4,053.38 |
| 4231 | Communications Expense | 431.47 | .00 | .00 | 431.47 | 131.04 |
| 4232 | Dues | 25,967.00 | .00 | .00 | 25,967.00 | 28,152.00 |
| 4243 | Legal Expense | 1,657.50 | 2,130.00 | .00 | 3,787.50 | 34,251.48 |
| 4247 | Water Utility Expense | 2,119.86 | 52.86 | .00 | 2,172.72 | 2,347.60 |
| 4250 | Audit Expense | 5,610.00 | .00 | .00 | 5,610.00 | 5,610.00 |
| 4251 | Consultant Expense | 975.00 | .00 | .00 | 975.00 | 4,600.00 |
| 4260 | Conference & Training | 4,875.35 | 1,736.20 | .00 | 6,611.55 | 4,849.80 |
| 4270 | EDC - City of Orange Staff Reimbursement | 76,000.00 | .00 | .00 | 76,000.00 | 76,000.00 |
| 4331 | EDC Capital Projects City of Orange | .00 | .00 | .00 | .00 | 102,695.36 |
| Department 999 - Economic Development Corporation | Totals | \$217,296.94 | \$15,653.32 | \$0.00 | \$232,950.26 | \$362,727.60 |
| Fund 099 - Economic Development Corporation | Totals | \$0.00 | \$379,240.89 | \$379,240.89 | \$0.00 | \$0.00 |
| | Grand Totals | \$0.00 | \$379,240.89 | \$379,240.89 | \$0.00 | \$0.00 |



Budget Performance Report

Fiscal Year to Date 06/30/15
 Include Rollup Account and Rollup to Account

| Account | Account Description | Adopted Budget | Budget Amendments | Amended Budget | Current Month Transactions | Encumbrances | YTD Transactions | YTD Transactions | Budget - YTD Transactions | % used/Rec'd | Prior Year Total |
|---|--|----------------|-------------------|----------------|----------------------------|--------------|------------------|------------------|---------------------------|----------------|------------------|
| REVENUE | | | | | | | | | | | |
| Department 000 - Revenue | | | | | | | | | | | |
| 3102 | Sales Tax | 1,085,000.00 | .00 | 1,085,000.00 | 99,379.59 | .00 | 879,005.60 | 205,994.40 | 81 | 1,179,026.34 | |
| 3141 | Interest Earned | 3,000.00 | .00 | 3,000.00 | 483.96 | .00 | 2,660.38 | 339.62 | 89 | 2,735.75 | |
| 3183 | Miscellaneous | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 | |
| 3185 | Donations | .00 | .00 | .00 | .00 | .00 | .00 | .00 | +++ | 150,000.00 | |
| 3212 | Interest Earnings EDC 2007 Sales Tax Bonds | 250.00 | .00 | 250.00 | 36.36 | .00 | 233.60 | 16.40 | 93 | 212.10 | |
| 3213 | Interest Earnings EDC 2012 Sales Tax Bonds | 1,000.00 | .00 | 1,000.00 | 93.70 | .00 | 640.33 | 359.67 | 64 | 826.44 | |
| Department 000 - Revenue Totals | | \$1,089,750.00 | \$0.00 | \$1,089,750.00 | \$99,993.61 | \$0.00 | \$882,539.91 | \$207,210.09 | 81% | \$1,332,800.63 | |
| REVENUE TOTALS | | \$1,089,750.00 | \$0.00 | \$1,089,750.00 | \$99,993.61 | \$0.00 | \$882,539.91 | \$207,210.09 | 81% | \$1,332,800.63 | |
| EXPENSE | | | | | | | | | | | |
| Department 998 - EDC - Debt Service | | | | | | | | | | | |
| 4650 | Interest Expense - EDC Series 2007 Sales Tax Revenue Bonds | 70,775.00 | .00 | 70,775.00 | .00 | .00 | 35,387.50 | 35,387.50 | 50 | 77,175.00 | |
| 4651 | Interest Expense - EDC Series 2012 Sales Tax Revenue Bonds | 166,281.00 | .00 | 166,281.00 | .00 | .00 | 83,140.62 | 83,140.38 | 50 | 166,781.25 | |
| 4655 | Bonds Paid - EDC Series 2007 Sales Tax Revenue Bonds | 165,000.00 | .00 | 165,000.00 | .00 | .00 | .00 | 165,000.00 | 0 | 160,000.00 | |
| 4656 | Bonds Paid - EDC Series 2012 Sales Tax Revenue Bonds | 130,000.00 | .00 | 130,000.00 | .00 | .00 | .00 | 130,000.00 | 0 | 125,000.00 | |
| 4660 | Service Fees - EDC Series 2007 Sales Tax Revenue Bonds | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 500.00 | 500.00 | 50 | 500.00 | |
| 4661 | Service Fees - EDC Series 2012 Sales Tax Revenue Bonds | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 550.00 | 450.00 | 55 | 550.00 | |
| Department 998 - EDC - Debt Service Totals | | \$534,056.00 | \$0.00 | \$534,056.00 | \$0.00 | \$0.00 | \$119,578.12 | \$414,477.88 | 22% | \$532,006.25 | |
| Department 999 - Economic Development Corporation | | | | | | | | | | | |
| 4010 | Salaries & Wages | 81,795.00 | .00 | 81,795.00 | 6,963.00 | .00 | 61,302.32 | 20,492.68 | 75 | 86,464.78 | |
| 4060 | Retirement Contributions | 20,852.00 | .00 | 20,852.00 | 1,834.24 | .00 | 16,913.15 | 3,938.85 | 81 | 21,732.95 | |
| 4061 | Group Insurance | 14,693.00 | .00 | 14,693.00 | 1,364.29 | .00 | 13,642.90 | 1,050.10 | 93 | 14,691.48 | |
| 4062 | Social Security Contr. | 6,534.00 | .00 | 6,534.00 | 570.25 | .00 | 5,222.51 | 1,311.49 | 80 | 6,608.95 | |
| 4063 | Workers' Compensation | 188.00 | .00 | 188.00 | .00 | .00 | (5.22) | 193.22 | -3 | 184.30 | |
| 4064 | Unemployment Compensation | 49.00 | .00 | 49.00 | .00 | .00 | 42.30 | 6.70 | 86 | 45.90 | |
| 4101 | Office Supplies | 2,000.00 | .00 | 2,000.00 | .00 | .00 | .00 | 2,000.00 | 0 | 1,938.71 | |
| 4116 | Printing | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 | |
| 4117 | Postage | 500.00 | .00 | 500.00 | .00 | .00 | 106.23 | 393.77 | 21 | 11.30 | |
| 4118 | Banking Expense | 5,000.00 | .00 | 5,000.00 | .00 | .00 | 2,645.82 | 2,354.18 | 53 | 2,500.00 | |
| 4125 | Equipment | 1,500.00 | .00 | 1,500.00 | .00 | .00 | .00 | 1,500.00 | 0 | 728.47 | |
| 4207 | Machinery Maintenance | 1,000.00 | .00 | 1,000.00 | .00 | .00 | .00 | 1,000.00 | 0 | .00 | |
| 4220 | Vehicle Allowances | 3,600.00 | .00 | 3,600.00 | 300.00 | .00 | 2,700.00 | 900.00 | 75 | 3,600.00 | |
| 4222 | Special Services | 6,029.00 | .00 | 6,029.00 | 450.00 | .00 | 5,307.27 | 721.73 | 88 | 7,855.76 | |
| 4223 | Periodicals | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 | |
| 4224 | Advertising | 3,000.00 | .00 | 3,000.00 | 252.48 | .00 | 385.28 | 2,614.72 | 13 | 67.84 | |



Budget Performance Report

Fiscal Year to Date 06/30/15
 Include Rollup Account and Rollup to Account

| Account | Account Description | Adopted Budget | Budget Amendments | Amended Budget | Current Month Transactions | Encumbrances | YTD Transactions | Budget - YTD Transactions | % used/ Rec'd | Prior Year Total |
|---|--|-----------------------|-------------------|-----------------------|----------------------------|---------------------|---------------------|---------------------------|---------------|---------------------|
| Fund 099 - Economic Development Corporation | | | | | | | | | | |
| EXPENSE | | | | | | | | | | |
| Department 999 - Economic Development Corporation | | | | | | | | | | |
| 4230 | Electricity Expense | 8,000.00 | .00 | 8,000.00 | .00 | 1,111.94 | 3,132.46 | 3,755.60 | 53 | 5,393.81 |
| 4231 | Communications Expense | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 431.47 | 568.53 | 43 | 262.02 |
| 4232 | Dues | 34,000.00 | .00 | 34,000.00 | .00 | .00 | 25,967.00 | 8,033.00 | 76 | 28,787.00 |
| 4243 | Legal Expense | 10,000.00 | .00 | 10,000.00 | 2,130.00 | .00 | 3,787.50 | 6,212.50 | 38 | 41,277.42 |
| 4247 | Water Utility Expense | 5,000.00 | .00 | 5,000.00 | 52.86 | 130.00 | 2,172.72 | 2,697.28 | 46 | 5,066.74 |
| 4250 | Audit Expense | 6,000.00 | .00 | 6,000.00 | .00 | .00 | 5,610.00 | 390.00 | 94 | 5,610.00 |
| 4251 | Consultant Expense | 5,000.00 | .00 | 5,000.00 | .00 | .00 | 975.00 | 4,025.00 | 20 | 15,400.00 |
| 4260 | Conference & Training | 10,000.00 | .00 | 10,000.00 | 1,736.20 | 1,085.23 | 6,611.55 | 2,303.22 | 77 | 7,822.78 |
| 4270 | EDC - City of Orange Staff Reimbursement | 76,000.00 | .00 | 76,000.00 | .00 | .00 | 76,000.00 | .00 | 100 | 76,000.00 |
| 4330 | EDC Economic Development Projects | 700,000.00 | .00 | 700,000.00 | .00 | .00 | .00 | 700,000.00 | 0 | .00 |
| 4331 | EDC Capital Projects City of Orange | .00 | .00 | .00 | .00 | .00 | .00 | .00 | +++ | 102,695.36 |
| Department 999 - Economic Development Corporation Totals | | \$1,002,740.00 | \$0.00 | \$1,002,740.00 | \$15,653.32 | \$2,327.17 | \$232,950.26 | \$767,462.57 | 23% | \$434,745.59 |
| EXPENSE TOTALS | | \$1,536,796.00 | \$0.00 | \$1,536,796.00 | \$15,653.32 | \$2,327.17 | \$352,528.38 | \$1,181,940.45 | 23% | \$966,751.84 |
| Fund 099 - Economic Development Corporation Totals | | | | | | | | | | |
| REVENUE TOTALS | | 1,089,750.00 | .00 | 1,089,750.00 | 99,993.61 | .00 | 882,539.91 | 207,210.09 | 81 | 1,332,800.63 |
| EXPENSE TOTALS | | 1,536,796.00 | .00 | 1,536,796.00 | 15,653.32 | 2,327.17 | 352,528.38 | 1,181,940.45 | 23 | 966,751.84 |
| Fund 099 - Economic Development Corporation Totals | | (\$447,046.00) | \$0.00 | (\$447,046.00) | \$84,340.29 | (\$2,327.17) | \$530,011.53 | (\$974,730.36) | | \$366,048.79 |
| Grand Totals | | | | | | | | | | |
| REVENUE TOTALS | | 1,089,750.00 | .00 | 1,089,750.00 | 99,993.61 | .00 | 882,539.91 | 207,210.09 | 81 | 1,332,800.63 |
| EXPENSE TOTALS | | 1,536,796.00 | .00 | 1,536,796.00 | 15,653.32 | 2,327.17 | 352,528.38 | 1,181,940.45 | 23 | 966,751.84 |
| Grand Totals | | (\$447,046.00) | \$0.00 | (\$447,046.00) | \$84,340.29 | (\$2,327.17) | \$530,011.53 | (\$974,730.36) | | \$366,048.79 |

Payment Register

From Payment Date: 4/1/2015 - To Payment Date: 6/30/2015

| Number | Date | Status | Void Reason | Reconciled/ Voided Date | Source | Payee Name | Transaction Amount | Reconciled Amount | Difference |
|--------|------------|------------|-------------|----------------------------|------------------|--|-----------------------|----------------------|------------|
| 2924 | 04/07/2015 | Reconciled | | 04/30/2015 | Accounts Payable | AGS TENT RENTALS | \$625.00 | \$625.00 | \$0.00 |
| 2925 | 04/21/2015 | Reconciled | | 04/30/2015 | Accounts Payable | CRABTREE BARRICADE SYSTEMS INC | \$710.00 | \$710.00 | \$0.00 |
| 2926 | 04/21/2015 | Reconciled | | 04/30/2015 | Accounts Payable | ENERGY | \$392.95 | \$392.95 | \$0.00 |
| 2927 | 04/23/2015 | Reconciled | | 05/31/2015 | Accounts Payable | CITY OF ORANGE | \$94.46 | \$94.46 | \$0.00 |
| 2928 | 04/23/2015 | Reconciled | | 05/31/2015 | Accounts Payable | KIWANIS CLUB OF ORANGE | \$150.00 | \$150.00 | \$0.00 |
| 2929 | 04/28/2015 | Reconciled | | 04/30/2015 | Accounts Payable | JAY TRAHAN | \$15.00 | \$15.00 | \$0.00 |
| 2930 | 04/30/2015 | Reconciled | | 05/31/2015 | Accounts Payable | CITY OF ORANGE EMPLOYEE BENEFIT TRUST | \$1,566.27 | \$1,566.27 | \$0.00 |
| 2931 | 04/30/2015 | Reconciled | | 05/31/2015 | Accounts Payable | TEXAS MUNICIPAL RETIREMNT SYST | \$2,004.91 | \$2,004.91 | \$0.00 |
| 2932 | 04/30/2015 | Reconciled | | 04/30/2015 | Accounts Payable | JAY TRAHAN | \$178.25 | \$178.25 | \$0.00 |
| 2933 | 05/12/2015 | Reconciled | | 05/31/2015 | Accounts Payable | BICKERSTAFF HEATH DELGADO ACOSTA LLP | \$720.00 | \$720.00 | \$0.00 |
| 2934 | 05/14/2015 | Reconciled | | 05/31/2015 | Accounts Payable | INTERNATIONAL COUNCIL OF SHOPPING CENTERS | \$100.00 | \$100.00 | \$0.00 |
| 2935 | 05/19/2015 | Reconciled | | 05/31/2015 | Accounts Payable | CITY OF ORANGE | \$260.86 | \$260.86 | \$0.00 |
| 2936 | 05/28/2015 | Reconciled | | 06/30/2015 | Accounts Payable | CITY OF ORANGE EMPLOYEE BENEFIT TRUST | \$1,566.27 | \$1,566.27 | \$0.00 |
| 2937 | 05/28/2015 | Reconciled | | 06/30/2015 | Accounts Payable | ENERGY | \$363.34 | \$363.34 | \$0.00 |
| 2938 | 05/28/2015 | Reconciled | | 06/30/2015 | Accounts Payable | TEXAS MUNICIPAL RETIREMNT SYST | \$2,004.91 | \$2,004.91 | \$0.00 |
| 2939 | 06/04/2015 | Reconciled | | 06/30/2015 | Accounts Payable | JAY TRAHAN | \$426.15 | \$426.15 | \$0.00 |
| 2940 | 06/16/2015 | Reconciled | | 06/30/2015 | Accounts Payable | Culpepper Law Firm, PLLC | \$2,130.00 | \$2,130.00 | \$0.00 |
| 2941 | 06/16/2015 | Reconciled | | 06/30/2015 | Accounts Payable | JAY TRAHAN | \$279.10 | \$279.10 | \$0.00 |
| 2942 | 06/18/2015 | Reconciled | | 06/30/2015 | Accounts Payable | CITY OF ORANGE | \$52.86 | \$52.86 | \$0.00 |
| 2943 | 06/26/2015 | Open | | | Accounts Payable | CITY OF ORANGE EMPLOYEE BENEFIT TRUST | \$1,566.27 | | |
| 2944 | 06/26/2015 | Open | | | Accounts Payable | TEXAS MUNICIPAL RETIREMNT SYST | \$2,004.91 | | |

Payment Register

From Payment Date: 4/1/2015 - To Payment Date: 6/30/2015

| Number | Date | Status | Void Reason | Reconciled/ Voided Date | Source | Payee Name | Transaction Amount | Reconciled Amount | Difference |
|-----------------|------|--------|-------------|----------------------------|--------|------------|-----------------------|----------------------|------------|
| 21 Transactions | | | | | | | | | |

| Checks | Status | Count | Transaction Amount | Reconciled Amount |
|--------|--------------|-----------|--------------------|--------------------|
| | Open | 2 | \$3,571.18 | \$0.00 |
| | Reconciled | 19 | \$13,640.33 | \$13,640.33 |
| | Voided | 0 | \$0.00 | \$0.00 |
| | Stopped | 0 | \$0.00 | \$0.00 |
| | Total | 21 | \$17,211.51 | \$13,640.33 |

| All | Status | Count | Transaction Amount | Reconciled Amount |
|-----|--------------|-----------|--------------------|--------------------|
| | Open | 2 | \$3,571.18 | \$0.00 |
| | Reconciled | 19 | \$13,640.33 | \$13,640.33 |
| | Voided | 0 | \$0.00 | \$0.00 |
| | Stopped | 0 | \$0.00 | \$0.00 |
| | Total | 21 | \$17,211.51 | \$13,640.33 |

Grand Totals:

| Checks | Status | Count | Transaction Amount | Reconciled Amount |
|--------|--------------|-----------|--------------------|--------------------|
| | Open | 2 | \$3,571.18 | \$0.00 |
| | Reconciled | 19 | \$13,640.33 | \$13,640.33 |
| | Voided | 0 | \$0.00 | \$0.00 |
| | Stopped | 0 | \$0.00 | \$0.00 |
| | Total | 21 | \$17,211.51 | \$13,640.33 |

| All | Status | Count | Transaction Amount | Reconciled Amount |
|-----|--------------|-----------|--------------------|--------------------|
| | Open | 2 | \$3,571.18 | \$0.00 |
| | Reconciled | 19 | \$13,640.33 | \$13,640.33 |
| | Voided | 0 | \$0.00 | \$0.00 |
| | Stopped | 0 | \$0.00 | \$0.00 |
| | Total | 21 | \$17,211.51 | \$13,640.33 |

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation Financial Report for the period ending June 30, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

July 28, 2015

**Orange Economic Development Corporation
Investment Report - Quarter Ended June 30, 2015**

| Original Purchase Cost | Accrued Book Value | Present Market Value | Maturity Value | Purchase Date | Maturity Date | Yield % | Annualized Earnings | Term Days | Days to Maturity |
|------------------------|--------------------|----------------------|----------------|---------------|---------------|-----------------|---------------------|-----------|------------------|
| 0.00 | 0.00 | 0.00 | 0.00 | | | 0.00000% | 0.00 | 0 | 0 |
| Total | 0.00 | 0.00 | 0.00 | | | 0.00000% | 0.00 | 0 | 0 |

| Investment Activities 03/31/2015-06/30/2015 | |
|---|--------------|
| Prior Balance | \$249,871.67 |
| Investment Purchases | 0.00 |
| Investment Maturities | 249,871.67 |
| Ending Balance | \$0.00 |

| | 06/30/2015 | 03/31/2015 | |
|--|----------------|----------------|---------|
| Quarter Ending Information | | | |
| Investment Purchase Cost | \$0.00 | \$249,871.67 | |
| Accrued Book Value | \$0.00 | \$249,967.92 | |
| Present Market Value | \$0.00 | \$249,905.00 | |
| Maturity Value | \$0.00 | \$250,000.00 | |
| Earnings on Investments at Maturity | \$0.00 | \$128.33 | |
| Annualized Earnings | \$0.00 | \$152.08 | |
| Average Length to Maturity | 0 | 308 | |
| Average Rate of Return | 0.0000% | 0.0609% | |
| Quarterly Trust Fee (\$2,500 Annually) | (\$625.00) | (\$625.00) * | |
| Annualized Rate of Return - Net | 0.0000% | -0.1999% | |
| Cash Balance and CD's - EOQ | \$2,647,641.39 | \$2,094,183.20 | |
| Collateral Pledged (Market) - EOQ | \$2,732,957.10 | \$2,110,313.78 | |
| Quarterly Interest Earned on Checking | \$1,358.88 | \$1,092.76 | |
| Average Monthly Cash Balance | \$2,301,723.61 | \$2,044,422.42 | |
| Average Annualized Earnings on Checking | \$5,450.45 | \$4,431.75 | |
| Average Annualized Rate on Checking | 0.2368% | 0.2168% | |
| Annualized Rate of Return - Adj for Checking | 0.1282% | 0.0945% * | |
| Type Breakdown: | | | |
| Treasury Bills | \$0.00 | \$0.00 | 0.00% |
| Government Agencies | \$0.00 | \$249,905.00 | 100.00% |
| Certificates of Deposit | \$0.00 | \$0.00 | 0.00% |
| Issuer Breakdown: | | | |
| US Treasury Bills | \$0.00 | \$0.00 | 0.00% |
| FHLDN | \$0.00 | \$0.00 | 100.00% |
| FMDN | \$0.00 | \$249,905.00 | 0.00% |
| Certificates of Deposit | \$0.00 | \$0.00 | 0.00% |
| Maturity Breakdown: | | | |
| Less Than 90 Days | \$0.00 | \$0.00 | 0.00% |
| 90 to 180 Days | \$0.00 | \$0.00 | 0.00% |
| 181 to 365 Days | \$0.00 | \$249,905.00 | 100.00% |

The Orange Economic Development Corporation is currently in compliance with the Public Funds Investment Act. The EDC Board will continue to receive quarterly investment reports.

Submitted by:


Shawn Oubre, City Manager


Gail English, Director of Finance


Sherry Jackson, Accounting Manager

MOTION

Motion acknowledging receipt of the Orange Economic Development Corporation Investment Report for the quarter ending June 30, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

July 28, 2015

Budget Amendments Report

From Date: 10/1/2014 - To Date: 7/31/2015

| Account | G/L Date | Journal | Description | Increases | Decreases | Amended Balance |
|---|------------|---------------|-----------------------------|-------------|-----------|-----------------|
| Fund: 069 Economic Development Corporation | | | | | | |
| Department: 000 Revenue | | | | | | |
| 3291 - Donations & Reimbursements | 07/10/2015 | 2015-00003353 | EDC-Additional Salary Costs | \$11,814.00 | \$0.00 | \$11,814.00 |
| Department: 000 Revenue Totals: | | | | \$11,814.00 | \$0.00 | \$11,814.00 |
| Fund Totals: Economic Development Corporation | | | | \$11,814.00 | \$0.00 | \$11,814.00 |
| Grand Totals: | | | | \$11,814.00 | \$0.00 | \$11,814.00 |

City of Orange, TX
Budget Amendments Report
 From Date: 10/1/2014 - To Date: 7/31/2015

| Account | GL Date | Journal | Description | Increases | Decreases | Amended Balance |
|--|------------|---------------|---|----------------------------------|------------|-----------------|
| Fund: 099 Economic Development Corporation | | | | | | |
| Department: 999 Economic Development Corporation | | | | | | |
| 4010 - Salaries & Wages | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$81,795.00 |
| | | | | \$6,663.00 | \$0.00 | \$88,458.00 |
| | | | | \$6,663.00 | \$0.00 | \$88,458.00 |
| 4060 - Retirement Contributions | | | | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$20,652.00 |
| | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | \$1,689.00 | \$0.00 | \$22,541.00 |
| | | | | \$1,689.00 | \$0.00 | \$22,541.00 |
| 4061 - Group Insurance | | | | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$14,693.00 |
| | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | \$1,678.00 | \$0.00 | \$16,371.00 |
| | | | | \$1,678.00 | \$0.00 | \$16,371.00 |
| 4062 - Social Security Contr. | | | | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$6,534.00 |
| | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | \$530.00 | \$0.00 | \$7,064.00 |
| | | | | \$530.00 | \$0.00 | \$7,064.00 |
| 4063 - Workers' Compensation | | | | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$188.00 |
| | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | \$15.00 | \$0.00 | \$203.00 |
| | | | | \$15.00 | \$0.00 | \$203.00 |
| 4222 - Special Services | | | | | | |
| | | | | Amended Balance as of: 7/31/2015 | | \$6,029.00 |
| | 07/10/2015 | 2015-00003360 | EDC-Additional Costs Associated with Change in Position | \$0.00 | \$1,029.00 | \$5,000.00 |
| | | | | \$0.00 | \$1,029.00 | \$5,000.00 |
| Department: 999 Economic Development Corporation Totals: | | | | | | |
| | | | | \$10,575.00 | \$1,029.00 | |
| Fund Totals: Economic Development Corporation | | | | \$10,575.00 | \$1,029.00 | |
| Grand Totals: | | | | \$10,575.00 | \$1,029.00 | |



Budget Performance Report

Fiscal Year to Date 07/17/15
 Include Rollup Account and Rollup to Account

| Account | Account Description | Adopted Budget | Budget Amendments | Amended Budget | Current Month Transactions | YTD Encumbrances | YTD Transactions | Budget - YTD Transactions | % used/Rec'd | Prior Year Total |
|--|--|----------------|-------------------|----------------|----------------------------|------------------|------------------|---------------------------|--------------|------------------|
| Fund 099 - Economic Development Corporation | | | | | | | | | | |
| REVENUE | | | | | | | | | | |
| Department 000 - Revenue | | | | | | | | | | |
| 3102 | Sales Tax | 1,085,000.00 | .00 | 1,085,000.00 | 94,442.52 | .00 | 973,448.12 | 111,551.88 | 90 | 1,179,026.34 |
| 3141 | Interest Earned | 3,000.00 | .00 | 3,000.00 | .00 | .00 | 2,660.38 | 339.62 | 89 | 2,735.75 |
| 3183 | Miscellaneous | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 |
| 3185 | Donations | .00 | .00 | .00 | .00 | .00 | .00 | .00 | +++ | 150,000.00 |
| 3212 | Interest Earnings EDC 2007 Sales Tax Bonds | 250.00 | .00 | 250.00 | .00 | .00 | 233.60 | 16.40 | 93 | 212.10 |
| 3213 | Interest Earnings EDC 2012 Sales Tax Bonds | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 640.33 | 359.67 | 64 | 826.44 |
| 3291 | Donations & Reimbursements | .00 | 11,814.00 | 11,814.00 | .00 | .00 | .00 | 11,814.00 | 0 | .00 |
| Department 000 - Revenue Totals | | \$1,089,750.00 | \$11,814.00 | \$1,101,564.00 | \$94,442.52 | \$0.00 | \$976,982.43 | \$124,581.57 | 89% | \$1,332,800.63 |
| REVENUE TOTALS | | \$1,089,750.00 | \$11,814.00 | \$1,101,564.00 | \$94,442.52 | \$0.00 | \$976,982.43 | \$124,581.57 | 89% | \$1,332,800.63 |
| EXPENSE | | | | | | | | | | |
| Department 998 - Debt Service | | | | | | | | | | |
| 4650 | Interest Expense - EDC Series 2007 Sales Tax Revenue Bonds | 70,775.00 | .00 | 70,775.00 | .00 | .00 | 35,387.50 | 35,387.50 | 50 | 77,175.00 |
| 4651 | Interest Expense - EDC Series 2012 Sales Tax Revenue Bonds | 166,281.00 | .00 | 166,281.00 | .00 | .00 | 83,140.62 | 83,140.38 | 50 | 168,781.25 |
| 4655 | Bonds Paid - EDC Series 2007 Sales Tax Revenue Bonds | 165,000.00 | .00 | 165,000.00 | .00 | .00 | .00 | 165,000.00 | 0 | 160,000.00 |
| 4656 | Bonds Paid - EDC Series 2012 Sales Tax Revenue Bonds | 130,000.00 | .00 | 130,000.00 | .00 | .00 | .00 | 130,000.00 | 0 | 125,000.00 |
| 4660 | Service Fees - EDC Series 2007 Sales Tax Revenue Bonds | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 500.00 | 500.00 | 50 | 500.00 |
| 4661 | Service Fees - EDC Series 2012 Sales Tax Revenue Bonds | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 550.00 | 450.00 | 55 | 550.00 |
| Department 998 - EDC - Debt Service Totals | | \$534,056.00 | \$0.00 | \$534,056.00 | \$0.00 | \$0.00 | \$119,578.12 | \$414,477.88 | 22% | \$532,006.25 |
| Department 999 - Economic Development Corporation | | | | | | | | | | |
| 4010 | Salaries & Wages | 81,795.00 | 6,663.00 | 88,458.00 | 6,963.00 | .00 | 68,265.32 | 20,192.68 | 77 | 86,464.78 |
| 4060 | Retirement Contributions | 20,852.00 | 1,689.00 | 22,541.00 | 363.16 | .00 | 17,276.31 | 5,264.69 | 77 | 21,732.96 |
| 4061 | Group Insurance | 14,693.00 | 1,678.00 | 16,371.00 | .00 | .00 | 13,642.90 | 2,728.10 | 83 | 14,691.48 |
| 4062 | Social Security Contr. | 6,534.00 | 530.00 | 7,064.00 | 570.24 | .00 | 5,792.75 | 1,271.25 | 82 | 6,608.96 |
| 4063 | Workers' Compensation | 188.00 | 15.00 | 203.00 | .00 | .00 | (5.22) | 208.22 | -3 | 184.30 |
| 4064 | Unemployment Compensation | 49.00 | .00 | 49.00 | .00 | .00 | 42.30 | 6.70 | 86 | 45.90 |
| 4101 | Office Supplies | 2,000.00 | .00 | 2,000.00 | .00 | .00 | .00 | 2,000.00 | 0 | 1,938.71 |
| 4116 | Printing | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 |
| 4117 | Postage | 500.00 | .00 | 500.00 | .00 | .00 | 106.23 | 393.77 | 21 | 11.30 |
| 4118 | Banking Expense | 5,000.00 | .00 | 5,000.00 | .00 | .00 | 2,645.82 | 2,354.18 | 53 | 2,500.00 |
| 4125 | Equipment | 1,500.00 | .00 | 1,500.00 | .00 | .00 | .00 | 1,500.00 | 0 | 728.47 |
| 4207 | Machinery Maintenance | 1,000.00 | .00 | 1,000.00 | .00 | .00 | .00 | 1,000.00 | 0 | .00 |
| 4220 | Vehicle Allowances | 3,600.00 | .00 | 3,600.00 | 300.00 | .00 | 3,000.00 | 600.00 | 83 | 3,600.00 |
| 4222 | Special Services | 6,029.00 | (1,029.00) | 5,000.00 | .00 | .00 | 5,307.27 | (307.27) | 106 | 7,855.76 |
| 4223 | Periodicals | 500.00 | .00 | 500.00 | .00 | .00 | .00 | 500.00 | 0 | .00 |



Budget Performance Report

Fiscal Year to Date 07/17/15
 Include Rollup Account and Rollup to Account

| Account | Account Description | Adopted Budget | Budget Amendments | Amended Budget | Current Month Transactions | YTD Encumbrances | YTD Transactions | Budget - YTD Transactions | % used/ Rec'd | Prior Year Total |
|----------------|--|----------------|-------------------|----------------|----------------------------|------------------|------------------|---------------------------|---------------|------------------|
| Fund 099 | Economic Development Corporation | | | | | | | | | |
| EXPENSE | | | | | | | | | | |
| Department 999 | Economic Development Corporation | | | | | | | | | |
| 4224 | Advertising | 3,000.00 | .00 | 3,000.00 | .00 | .00 | 385.28 | 2,614.72 | 13 | 67.84 |
| 4230 | Electricity Expense | 8,000.00 | .00 | 8,000.00 | 349.13 | 762.81 | 3,481.59 | 3,755.60 | 53 | 5,393.81 |
| 4231 | Communications Expense | 1,000.00 | .00 | 1,000.00 | .00 | .00 | 431.47 | 568.53 | 43 | 262.02 |
| 4232 | Dues | 34,000.00 | .00 | 34,000.00 | .00 | .00 | 25,967.00 | 8,033.00 | 76 | 28,787.00 |
| 4243 | Legal Expense | 10,000.00 | .00 | 10,000.00 | 250.26 | 250.26 | 4,037.76 | 5,711.98 | 43 | 41,277.42 |
| 4247 | Water Utility Expense | 5,000.00 | .00 | 5,000.00 | 310.26 | 130.00 | 2,482.98 | 2,387.02 | 52 | 5,066.74 |
| 4250 | Audit Expense | 6,000.00 | .00 | 6,000.00 | .00 | .00 | 5,610.00 | 390.00 | 94 | 5,610.00 |
| 4251 | Consultant Expense | 5,000.00 | .00 | 5,000.00 | .00 | 90.00 | 975.00 | 3,935.00 | 21 | 15,400.00 |
| 4260 | Conference & Training | 10,000.00 | .00 | 10,000.00 | 566.15 | 576.43 | 7,177.70 | 2,245.87 | 78 | 7,822.78 |
| 4270 | EDC - City of Orange Staff Reimbursement | 76,000.00 | .00 | 76,000.00 | .00 | .00 | 76,000.00 | .00 | 100 | 76,000.00 |
| 4330 | EDC Economic Development Projects | 700,000.00 | .00 | 700,000.00 | .00 | .00 | 700,000.00 | .00 | 0 | .00 |
| 4331 | EDC Capital Projects City of Orange | .00 | .00 | .00 | .00 | .00 | .00 | .00 | +++ | 102,695.36 |
| Department 999 | Economic Development Corporation | \$1,002,740.00 | \$9,546.00 | \$1,012,286.00 | \$9,672.20 | \$1,809.50 | \$242,622.46 | \$767,854.04 | 24% | \$434,745.59 |
| Totals | | | | | | | | | | |
| EXPENSE TOTALS | | \$1,536,796.00 | \$9,546.00 | \$1,546,342.00 | \$9,672.20 | \$1,809.50 | \$362,200.58 | \$1,182,331.92 | 24% | \$966,751.84 |
| Fund 099 | Economic Development Corporation | | | | | | | | | |
| REVENUE TOTALS | | 1,089,750.00 | 11,814.00 | 1,101,564.00 | 94,442.52 | .00 | 976,982.43 | 124,581.57 | 89 | 1,332,800.63 |
| EXPENSE TOTALS | | 1,536,796.00 | 9,546.00 | 1,546,342.00 | 9,672.20 | 1,809.50 | 362,200.58 | 1,182,331.92 | 24 | 966,751.84 |
| Fund 099 | Economic Development Corporation | (\$447,046.00) | \$2,268.00 | (\$444,778.00) | \$84,770.32 | (\$1,809.50) | \$614,781.85 | (\$1,057,750.35) | | \$366,048.79 |
| Grand Totals | | | | | | | | | | |
| REVENUE TOTALS | | 1,089,750.00 | 11,814.00 | 1,101,564.00 | 94,442.52 | .00 | 976,982.43 | 124,581.57 | 89 | 1,332,800.63 |
| EXPENSE TOTALS | | 1,536,796.00 | 9,546.00 | 1,546,342.00 | 9,672.20 | 1,809.50 | 362,200.58 | 1,182,331.92 | 24 | 966,751.84 |
| Grand Totals | | (\$447,046.00) | \$2,268.00 | (\$444,778.00) | \$84,770.32 | (\$1,809.50) | \$614,781.85 | (\$1,057,750.35) | | \$366,048.79 |

MOTION

Motion approving the Orange Economic Development Corporation's motion authorizing an amendment to the Fiscal Year 2015 Budget.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

July 28, 2015

City of Orange Investment Report
For the Quarter Ending June, 2015

On September 12, 1995 the City Council adopted an investment policy in compliance with recently revised state law. This policy was last reviewed on January 27, 2015. Chapter 2256 Section 023 Subsection (b) of the Government Code requires that the Director of Finance shall prepare an investment report at least quarterly. The investment report must include a management summary and the detail as set forth in the Subsection (b).

Cash and Investment Summary

The following chart shows the change in the City investment portfolio over the last quarter. Detailed information for each fund is attached.

| <i>Investment of all Funds at:</i> | <i>6/30/15</i> | <i>3/31/15</i> | <i>12/31/14</i> | <i>9/30/14</i> | <i>6/30/14</i> | <i>3/31/14</i> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <i>Investments/Purchase Cost</i> | \$ 4,937,000.00 | \$ 5,186,871.67 | \$ 5,186,871.67 | \$ 5,186,871.67 | \$ 5,186,717.50 | \$ 5,415,488.02 |
| <i>Accrued Book Value</i> | \$ 4,937,000.00 | \$ 5,186,967.92 | \$ 5,186,962.50 | \$ 5,186,962.50 | \$ 5,186,962.50 | \$ 5,415,662.19 |
| <i>Fair Value</i> | \$ 4,937,000.00 | \$ 5,186,905.00 | \$ 5,186,725.00 | \$ 5,186,535.00 | \$ 5,186,865.00 | \$ 5,415,635.52 |
| <i>Maturity Value</i> | \$ 4,937,000.00 | \$ 5,187,000.00 | \$ 5,187,000.00 | \$ 5,187,000.00 | \$ 5,187,000.00 | \$ 5,415,770.52 |
| <i>Average Length to Maturity</i> | 30 | 35 | 35 | 35 | 41 | 39 |
| <i>Annualized Rate of Return- Net of Fees</i> | 0.240% | 0.163% | 0.146% | 0.146% | 0.137% | 0.154% |
| <i>Treasury Bills</i> | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| <i>Government Agencies</i> | 0.00% | 4.82% | 4.82% | 4.82% | 4.81% | 4.61% |
| <i>Certificated of Deposit</i> | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| <i>Savings</i> | 100.00% | 95.18% | 95.18% | 95.18% | 95.19% | 95.39% |
| <i>Cash Balances (Covered by Collateral) Savings</i> | \$ 10,128,931.97 | \$ 11,571,125.87 | \$ 3,430,213.21 | \$ 3,608,046.42 | \$ 8,354,690.86 | \$ 10,792,481.76 |
| <i>CD's (Covered by Collateral)</i> | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 | \$ 0.00 |
| <i>Savings (Covered by Collateral)</i> | \$ 4,937,000.00 | \$ 4,937,000.00 | \$ 4,937,000.00 | \$ 4,937,000.00 | \$ 4,937,000.00 | \$ 5,165,770.52 |
| <i>Total Covered by Collateral</i> | \$ 15,065,931.97 | \$ 16,508,125.87 | \$ 8,367,213.21 | \$ 8,545,046.42 | \$ 13,291,690.86 | \$ 15,958,252.28 |
| <i>Collateral Pledged (Market)</i> | \$ 17,381,114.60 | \$ 18,481,571.55 | \$ 14,027,976.33 | \$ 14,753,445.48 | \$ 18,791,244.70 | \$ 19,556,884.47 |

Performance

The Investment Policy specifies that the portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. One benchmark to use is the average yield rate for six month treasury bills. We use the weekly sale information from the Wall Street Journal to compute an average rate of return for the quarter. For the quarter ending June 30, 2015

the average rate of return on six month treasury bills was .088% The City's annualized earnings rate was 0.218% which is more than the average treasury bill rate. By the end of this quarter the City had 0% in Treasury Bills, 0% in Government Agencies , 0% in Collateralized CD's and 100% in Collateralized Savings Account. The City always attempts to receive the best rate that fits (1) investment policy provisions for portfolio split and (2) maturity dates to match payments or payrolls. The City's present rate annualized would mean \$11,848, in earnings if we maintained the level of investments and yields we currently have. At the end of fiscal year 2013 the City had actual interest earnings of \$30,669 and at the end of fiscal year 2014 the City has actual interest earnings of \$23,900. The total interest earnings for the fiscal years includes interest earnings that the City receives on our cash accounts.

The interest rate on six month treasury bills was 0.110% at the end June 30, 2015, with the average for the quarter being 0.088%. During the last three years we have seen the average interest rate on six month treasury bills decrease .054%. Rates have been below 1% for the last twenty six quarters. The rate on the six month treasury bill went from 0.135% at the beginning of the quarter to 0.110% at the end of the quarter. For the last year we have seen the average six month rate go from .054% to 0.088%.

| <u>Quarter Ending Date</u> | <u>Average Interest Rate Per Quarter</u> | <u>Change</u> |
|----------------------------|--|---------------|
| 6/30/12 | 0.142% | |
| 9/30/12 | 0.140% | -0.002% |
| 12/31/12 | 0.138% | -0.002% |
| 3/31/13 | 0.111% | -0.027% |
| 6/30/13 | 0.086% | -0.025% |
| 9/30/13 | 0.056% | -0.030% |
| 12/31/13 | 0.071% | 0.015% |
| 3/31/14 | 0.078% | 0.007% |
| 6/30/14 | 0.054% | -0.024% |
| 9/30/14 | 0.052% | -0.002% |
| 12/31/14 | 0.063% | 0.011% |
| 3/31/15 | 0.092% | 0.029% |
| 6/30/15 | 0.088% | -0.004% |

The 30 day average length to maturity, at the end of the quarter, is down from the prior quarter. The City has now completed the third quarter of fiscal year 2015 and the rates on all investment options continue to stay very low.

For several years now the City has been keeping investment short time to take advantage of any

increase in yields. Interest rates on six month treasury bills are still well below the 1% level. With the financial crisis the City has not seen any change in the interest rates on Treasuries and Agencies.

This quarter the City was not able to purchase agencies or treasuries that were close to the rate we were earning on our savings accounts at our local depository. In June 2015 the City opted to close our trust account at J.P. Morgan Trust. At this time we are not purchasing any investments that need to be kept as delivery versus payment. Since June we have looked into other investment opportunities. We have contacted local banks to see if it is feasible to place funds in local certificates of deposits. We have one local bank that is currently working with the City to set up an account for this purpose.

In June 2013 the City was able to start allowing customers to view and pay their utility billings online through the City's ESuite module. This was one of the final phases on the City's conversion to New World Systems software modules for Finance, Human Resources, Code Enforcement and Utility Management. The payment link is located on the City of Orange website at orangetexas.net. The number of payments processed online was slow at first, but we are receiving more payments online every day. The City is averaging about 7% of our utility payment through online payments.

We also continue to offer to debit customer's bank accounts for water/sewer/garbage billings. We presently have approximately 9% of our customers who are using this option. This percentage went down slightly when we started offering the online payment option.

Compliance

The City is presently investing in collateralized savings accounts. At the end of this quarter the City did not have any investments in Government Agencies, Treasury Bills or collateralized Certificates of Deposit.

The savings accounts are collateralized, or covered by FDIC Insurance, in the same manner in which the City's cash accounts and CD's are collateralized or insured. On June 30, 2015 the City had 100%, \$4,937,000.00, of the portfolio balance in the collateralized high yield savings accounts. On June 30, 2015 the High Yield Savings were earning 0.24% (on 365 day basis). The savings rate is presently higher than other quotes the City is receiving on other allowable investments.

The investment policy specifies that the investments, in order of priority, be (1) suitable for the entity (2) provide for preservation and safety of principal (3) liquid (4) marketable if the need arises (5) diverse types of investments in the portfolio and (6) able to achieve a fair yield.

For the City our present investments meet all the requirements. With the setting of percentage factors for portfolio investment types (within our Investment Policy as required by State Law) the City is striving to diversify its investments and still maximize the rate of return. The specific reason for the diversity of a portfolio is to eliminate the risk of loss from over concentration of assets in a specific maturity, specific issuer, or specific class of securities. The City is presently unable to obtain instruments backed by the full faith and credit of the federal government the City's investments are

not as diverse as they have been in the past.

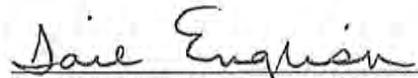
The City is currently in compliance with the Public Funds Investment Act. The present investment options have made it very difficult to stay within the City's Investment Policy and Strategies. The City also is getting less diversification within the portfolio than normally recommended.

The City Council will continue to receive financial information on a quarterly basis and the quarterly investment report.

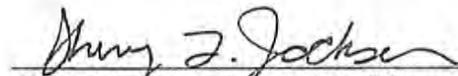
Submitted by City of Orange Designated Investment Officers:



Shawn Oubre, City Manager



Gail English, Director of Finance



Sherry Jackson, Accounting Manager

City of Orange Investment Report
for the Quarter Ending June 30, 2015

| | Total All Funds | General | Debt Service | CIP General | Water & Sewer | W/S I&S | Utility CIP | Sanitation | Internal Service | Special Revenue |
|--------------------------------------|--------------------|--------------|-----------------|-------------|------------------|------------|----------------|------------|---------------------|--------------------|
| Investments 03/31/2015 | | | | | | | | | | |
| Purchase Cost | 5,186,871.67 | 3,711,871.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Accrued Book Value | 5,186,967.92 | 3,711,967.92 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Fair Value | 5,186,905.00 | 3,711,905.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Maturity Value | 5,187,000.00 | 3,712,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Earnings on Investments at Maturity | 1,050.80 | 775.20 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 51.38 | 17.75 | 206.47 |
| Average Length of Maturity | 35 | 37 | 0 | 0 | 0 | 0 | 0 | 31 | 31 | 31 |
| Annualized Earnings | 0.212% | 0.209% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.220% | 0.220% | 0.220% |
| Quarterly Trust Fees | 625.00 | | | | | | | | | |
| Annualized Earnings (Net of Fees) | 0.163% | | | | | | | | | |
| Investment Change | | | | | | | | | | |
| Investment Purchases (Reinvestments) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investment Maturities | 249,871.67 | 249,871.67 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Investments 06/30/2015 | | | | | | | | | | |
| Purchase Cost | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Accrued Book Value | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Fair Value | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Maturity Value | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Earnings on Investments at Maturity | 1,006.33 | 705.68 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 56.05 | 19.36 | 225.24 |
| Average Length of Maturity | 30 | 30 | 0 | 0 | 0 | 0 | 0 | 30 | 30 | 30 |
| Annualized Earnings | 0.240% | 0.240% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.240% | 0.240% | 0.240% |
| Quarterly Trust Fees | 625.00 | | | | | | | | | |
| Annualized Earnings (Net of Fees) | 0.218% | | | | | | | | | |
| Change in Market Value | (249,905.00) | (249,905.00) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Treasury Bills | | | | | | | | | | |
| Treasury Bills | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Percentage of Portfolio | 0.00% | | | | | | | | | |
| Government Agencies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Percentage of Portfolio | 0.00% | | | | | | | | | |
| CD Covered by Collateral | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Percentage of Portfolio | 0.00% | | | | | | | | | |
| Savings Account | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Percentage of Portfolio | 100.00% | | | | | | | | | |
| Total | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Percentage of Total Portfolio | 100% | 70% | 0% | 0% | 0% | 0% | 0% | 6% | 2% | 22% |
| Maturity Less Than 90 Days | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |
| Maturity 90-180 Days | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Maturity 181-365 Days | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 4,937,000.00 | 3,462,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 275,000.00 | 95,000.00 | 1,105,000.00 |

City of Orange Investment Analysis

June 30, 2015

| | Original Purchase Cost | Accrued Book Value | Present Market Value | Maturity Value | Purchase Date | Maturity Date | Yield % | Earnings | Annualized Earnings | Term Days | Days to Maturity |
|----|------------------------------|--------------------------|----------------------------|-------------------|------------------|------------------|------------|----------|------------------------|--------------|---------------------|
| 1 | 3,462,000.00 | 3,462,000.00 | 3,462,000.00 | 3,462,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 705.68 | 8,308.80 | 31 | 0 |
| | 3,462,000.00 | 3,462,000.00 | 3,462,000.00 | 3,462,000.00 | | | 0.240% | 705.68 | 8,308.80 | 31 | |
| 28 | 275,000.00 | 275,000.00 | 275,000.00 | 275,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 56.05 | 660.00 | 31 | 0 |
| | 275,000.00 | 275,000.00 | 275,000.00 | 275,000.00 | | | 0.240% | 56.05 | 660.00 | 31 | |
| 30 | 95,000.00 | 95,000.00 | 95,000.00 | 95,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 19.36 | 228.00 | 31 | 0 |
| | 95,000.00 | 95,000.00 | 95,000.00 | 95,000.00 | | | 0.240% | 19.36 | 228.00 | 31 | |
| 40 | 525,000.00 | 525,000.00 | 525,000.00 | 525,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 107.01 | 1,260.00 | 31 | 0 |
| 50 | 350,000.00 | 350,000.00 | 350,000.00 | 350,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 71.34 | 840.00 | 31 | 0 |
| 51 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 10.19 | 120.00 | 31 | 0 |
| 56 | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 5.10 | 60.00 | 31 | 0 |
| 63 | 50,000.00 | 50,000.00 | 50,000.00 | 50,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 10.19 | 120.00 | 31 | 0 |
| 64 | 25,000.00 | 25,000.00 | 25,000.00 | 25,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 5.10 | 60.00 | 31 | 0 |
| 65 | 5,000.00 | 5,000.00 | 5,000.00 | 5,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 1.02 | 12.00 | 31 | 0 |
| 70 | 75,000.00 | 75,000.00 | 75,000.00 | 75,000.00 | 01-Jun-15 | 30-Jun-15 | 0.240% | 15.29 | 180.00 | 31 | 0 |
| | 1,105,000.00 | 1,105,000.00 | 1,105,000.00 | 1,105,000.00 | | | 0.240% | 225.24 | 2,652.00 | 31 | |
| | 4,937,000.00 | 4,937,000.00 | 4,937,000.00 | 4,937,000.00 | | | 0.240% | 1,006.34 | 11,848.80 | 31 | |

MOTION

Motion acknowledging receipt of the Quarterly Investment Report for the period ending June 30, 2015.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

_____, 2015

ECONOMIC DEVELOPMENT DEPARTMENT

MEMORANDUM

DATE: July 20, 2015
TO: Dr. Shawn Oubre, City Manager
FROM: Jay Trahan, EDC Director
RE: TxDOT – STATE HIGHWAY 62 WATERLINE PROJECT

The City Council recently approved an agreement with TxDOT that provides for a 4" waterline extension along State Highway 62, which TxDOT has agreed to fund. Please see the attached Preliminary Cost Estimate for the Highway 62 waterline extension of a 4' waterline at a distance of 2,500 LF in the amount of \$189,910. The cost estimate includes services such as engineering, bidding, construction monitoring, and Topo surveying to name a few.

To increase the size of the waterline to a 12" waterline in an effort to ensure adequate fire suppression protection and to promote new and expanded business development along Highway 62, the cost estimate is \$237,175, which is a difference of \$47,265. The City EDC may consider funding the difference in an amount not to exceed \$48,000.

Subject to your review and approval, please add this request for the next EDC Board meeting for discussion and possible action. Please contact me at extension #1077 for additional information.

Preliminary Cost Estimate
SH 62 Water Extension

Justification:
4" Water Line only

Date: 6/10/2015
Prepared by DRK

| ITEM | DESCRIPTION | UNITS | QUANTITY | UNIT PRICE | AMOUNT |
|--|---------------------------------|-------|----------|------------|------------------------------|
| SH 62 - 900' N of IH-10 to TxDOT Office | | | | | |
| <u>Water</u> | | | | | |
| 1 | 4" C-900 Waterline | L.F. | 2,500 | 33.00 | 82,500.00 |
| 2 | Wet Bore 4" water lines | L.F. | 300 | 70.00 | 21,000.00 |
| 3 | 4" Valves | Ea. | 3 | 900.00 | 2,700.00 |
| 4 | Fire Hydrant Assembly | Ea. | 0 | 4,200.00 | 0.00 |
| 5 | Fittings | L.S. | 1 | 2,000.00 | 2,000.00 |
| 6 | Connect to exist 12" water line | L.S. | 1 | 1,100.00 | 1,100.00 |
| 7 | 4 in Tap, wat svc & Mtr box | Ea. | 1 | 800.00 | 800.00 |
| SUBTOTAL | | | | | 110,100.00 |
| <u>Misc Construction</u> | | | | | |
| 1 | Erosion Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| 2 | Site Clearing | L.S. | 1 | 1,500.00 | 1,500.00 |
| 3 | Valve Marker Signs | Ea. | 4 | 95.00 | 380.00 |
| 4 | Route Marker Signs | Ea. | 3 | 75.00 | 225.00 |
| 5 | Regrade ditches & culverts | LF | 2,500 | 2.00 | 5,000.00 |
| 6 | Seeding | Ac. | 1.2 | 2,000.00 | 2,300.00 |
| 7 | Traffic Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| SUBTOTAL | | | | | 9,800.00 |
| TOTAL CONSTRUCTION | | | | | 119,900.00 |
| 15% Contingency | | | | | 17,985.00 |
| Engineering | | | | | 12,975.00 |
| Bidding | | | | | 2,500.00 |
| Constr Monitoring | | | | | 3,900.00 |
| Topo Surveying | | | | | 4,650.00 |
| Parcel Surveys | | | | | est. 10 parcels 16,000.00 |
| Easements | | | | | 12,000.00 |
| TOTAL ESTIMATED COST | | | | | 189,910.00 |

Preliminary Cost Estimate
SH 62 Water Extension

Justification:
12" Water Line + Fire Hydrants

Date: rev.6/9/2015
Prepared by DRK

| ITEM | DESCRIPTION | UNITS | QUANTITY | UNIT PRICE | AMOUNT |
|--|---------------------------------|-------|----------|------------|------------------------------|
| SH 62 - 900' N of IH-10 to TxDOT Office | | | | | |
| <u>Water</u> | | | | | |
| 1 | 12" C-900 Waterline | L.F. | 2,500 | 40.00 | 100,000.00 |
| 2 | Wet Bore 12" water lines | L.F. | 300 | 100.00 | 30,000.00 |
| 3 | 12" Valves | Ea. | 3 | 2,700.00 | 8,100.00 |
| 4 | 8" Valve | Ea. | 1 | 1,500.00 | 1,500.00 |
| 5 | 12x6 Tee w/6" Valve | Ea. | 4 | 1,200.00 | 4,800.00 |
| 6 | Fittings | L.S. | 1 | 4,500.00 | 4,500.00 |
| 7 | Connect to exist 12" water line | L.S. | 1 | 1,500.00 | 1,500.00 |
| 8 | 4 in Tap, wat svc & Mtr box | Ea. | 1 | 800.00 | 800.00 |
| SUBTOTAL | | | | | 151,200.00 |
| <u>Misc Construction</u> | | | | | |
| 1 | Erosion Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| 2 | Site Clearing | L.S. | 1 | 1,500.00 | 1,500.00 |
| 3 | Valve Marker Signs | Ea. | 4 | 95.00 | 380.00 |
| 4 | Route Marker Signs | Ea. | 3 | 75.00 | 225.00 |
| 5 | Regrade ditches & culverts | LF | 2,500 | 2.00 | 5,000.00 |
| 6 | Seeding | Ac. | 1.2 | 2,000.00 | 2,300.00 |
| 7 | Traffic Control | L.S. | 1 | 2,500.00 | 2,500.00 |
| SUBTOTAL | | | | | 9,800.00 |
| TOTAL CONSTRUCTION | | | | | 161,000.00 |
| 15% Contingency | | | | | 24,150.00 |
| Engineering | | | | | 12,975.00 |
| Bidding | | | | | 2,500.00 |
| Constr Monitoring | | | | | 3,900.00 |
| Topo Surveying | | | | | 4,650.00 |
| Parcel Surveys | | | | | est. 10 parcels 16,000.00 |
| Easements | | | | | 12,000.00 |
| TOTAL ESTIMATED COST | | | | | 237,175.00 |

MOTION

Motion approving the Orange Economic Development Corporation's motion of intent to expend funds not to exceed \$48,000.00 for the upsizing to a 12" waterline for the waterline extension along State Highway 62. The upsizing to a 12" waterline will ensure adequate fire protection when required in the future and to promote new or expanded business development.

Jimmy Sims, Mayor

ATTEST:

Rhonda Haskins, City Secretary

July 28, 2015

Michael C. Cedars, *Chief Appraiser*

Lynda Gunstream, *Chair*
Hughie Allen, *Vice Chair*
Laura Floyd, *Secretary*



Tim Schossow, *Member*
Tim Andrews, *Member*

ORANGE COUNTY APPRAISAL DISTRICT

June 30, 2015

City of Orange
City Manager
PO Box 520
Orange, TX 77631

Dear Sir or Madam;

Section 6.03 of the Property Tax Code requires the Board of Directors of the appraisal district serve a two year term beginning on January 1 of even-numbered years. 2016 is the beginning of the next two year term of the Orange County Appraisal District's board and the election process must take place over the next few months.

I have enclosed a timeline as defined by the tax code for the election of the board of directors. As you will see, the next step in the process is for each taxing unit to nominate potential board members to fill one of five positions. Each unit may nominate up to five candidates. Nominations must be made by resolution of the unit's managing board. I have included a sample resolution for your use. Please do not submit your votes at this time. A separate ballot will be mailed for voting in November.

Nominations must be returned to this office by October 15, 2015. Please include the mailing address of your unit's nominee/s so that I may notify them of the results of the election.

Sincerely,

A handwritten signature in cursive script that reads "Michael Cedars".

Michael Cedars
Chief Appraiser

9157 IH 10, East

P.O. Box 457
(409) 745-4777 (409) 745-4112 Fax
<http://www.orangecad.net>

Orange, Texas 77631-0457

Timeline for Selection of Directors

Taxing units select directors in the fall of each odd-numbered year. The Chief Appraiser announces the new directors **before December 1**.

- ✓ **Step 1 – Obtain prior year tax levies** – The number of votes allocated to a voting unit is based on the ratio of its tax levy in the preceding year to the total tax levy of all voting units.
- ✓ **Step 2 – Calculate votes for each voting unit – Before September 15**, the Chief Appraiser must calculate the number of votes for each voting unit.
- ✓ **Step 3 – Notify each voting unit – Before September 15**, the Chief Appraiser must notify each voting taxing unit of the number of votes it may cast.

Step 4 – Receive director nominations. – Each voting unit may nominate one candidate for each position to be filled (5). The presiding officer of the unit submits the names of the nominees by written resolution to the Chief Appraiser **before October 1**.

Step 5 – Prepare the ballot – Before October 15, the Chief Appraiser must prepare a ballot listing the nominees alphabetically by each candidate's last name. The Chief Appraiser must deliver a copy of this ballot to the presiding officer of the governing body of each voting unit.

Step 6 – Cast the votes – Each voting unit must cast its vote by written resolution and submit it to the Chief Appraiser **before November 15**.

Step 7 – Announce the winners – The Chief Appraiser must count the votes and declare the candidates who received the largest vote totals **before December 1**.

THE STATE OF TEXAS

§
§
§

COUNTY OF ORANGE

A RESOLUTION

On this the ____ day of _____, 2015, the Board of Trustees of _____ met in a _____ session at _____, at the _____, Orange, Texas with the following members present:

President: _____

Vice-President: _____

Secretary: _____

Member: _____

Member: _____

Member: _____

Among other things properly coming before the Board of Trustees, the following business was transacted:

A motion was made as follows: "BE IT RESOLVED by the Board of Trustees of the _____, Orange, Texas, that the Board nominates: _____ as a Candidate(s) for the Board of Directors of the Orange County Appraisal District."

The motion was made by _____, seconded by _____; There upon the motion being voted upon, the motion to adopt the resolution passed.

PASSED, APPROVED AND AUTHENTICATED this the ____ day of _____, 2015.

Board of Trustees

ATTESTED:

Secretary of the Board of Trustees