Regular Meeting of the:

Pampa City Commission
November 13, 2012
4:00 p.m.

City of Pampa
201 W. Kingsmill St.
P.O. Box 2499
Pampa, Texas 79066-2499
Phone: 806-669-5750
Fax: 806-669-5767
PLEDGE OF ALLEGIANCE TO TEXAS FLAG

“HONOR THE TEXAS FLAG; I PLEDGE ALLEGIANCE TO THEE; TEXAS, ONE STATE UNDER GOD, ONE AND INDIVISIBLE.
CITY OF PAMPA
CITY COMMISSION AGENDA
REGULAR MEETING

John Studebaker, Commissioner Ward 1
Chris Porter, Commissioner Ward 2
Robert Dixon, Commissioner Ward 3
Karen McLain, Commissioner Ward 4
Brad Pingel, Mayor
Richard Morris, City Manager
Karen Price, City Secretary
Leland Waters, City Attorney
Shane Stokes, Asst. City Manager

Notice is hereby given of a REGULAR MEETING of the City Commission of the City of Pampa, Texas to be held on TUESDAY, NOVEMBER 13, 2012 at 4:00 p.m. at City Hall – City Commission Chamber, Third Floor, 201 W. Kingsmill, Pampa, Texas, for the purpose of considering the following agenda items.

All agenda items are subject to action. The City Commission reserves the right to adjourn into Executive Session on any agenda item should the need arise and if applicable pursuant to authorization by Title 5, Chapter 551, of the Texas Government Code.

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

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PUBLIC COMMENTS:
Citizens who have signed a card to speak to the City Commission will be heard at this time. In compliance with the Texas Open Meetings Act, unless the subject matter of the presentation is on the agenda, the City Staff and City Commission Members are prevented from discussing the subject and may respond only with statements of factual information or existing city policy. Citizens are limited to three (3) minutes for their presentation to the City Commission.

SPOT LIGHT:

► Donny Hooper – Richard Morris
► Award for Excellence in Financial Reporting – Richard Morris

DISCUSSION:

► Super Playground Status

AUTHORIZATIONS BY CITY COMMISSION:

1. Consider approving the minutes of the October 23, 2012 regular City Commission Meeting as presented.

2. Excuse the absence of Commissioner Karen McLain from the October 23, 2012 regular City Commission Meeting.

3. Consider authorizing the City Manager to sign the 2012 Chapter 59 Asset for Forfeiture Report for the Pampa Police Department.

4. Consider adopting Resolution No. R12-020, a Resolution of the City of Pampa, Texas authorizing the refunding of Canadian River Municipal Water Authority contract revenue bonds.

5. Consider approving on first reading Ordinance No. 1581, an Ordinance of the City of Pampa, Texas amending its Code of Ordinances, Article 4.06, relating to Peddlers, Solicitors and Vendors.

6. Consider approving on first reading Ordinance No. 1582, an Ordinance of the City of Pampa, Texas amending its Code of Ordinances, Chapter 12, to provide for limited operation of golf carts on public streets and highways.
7. Consider approving on first reading Ordinance No. 1583, an Ordinance of the City of Pampa, Texas amending its Code of Ordinances, Chapter 12, prohibiting electronic messaging while driving upon public streets.

8. Consider approving on first reading Ordinance No. 1584, an Ordinance of the City of Pampa, Texas amending the existing gas franchise agreement with ATMOS Energy Corporation.

9. Consider amending the existing agreement with the Emergency Services Foundation of Texas, Inc.

ADJOURNMENT

CERTIFICATION

I certify that the above Agenda was posted on the outside officially designated bulletin board in front of City Hall, facing Kingsmill Street, a place convenient and readily accessible to the general public at all times and said Agenda was posted on Friday, November 9, 2012 before 5:00 p.m. and remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting.

Karen L. Price, City Secretary

ASSESSIBILITY STATEMENT

In compliance with the Americans with Disabilities Act, the City of Pampa will provide for reasonable accommodations for persons attending City Commission meetings. To better serve you, requests should be received 24 hours prior to the meetings. Please contact Karen Price, City Secretary, at 669-5750. City Hall is wheelchair accessible. Entry is on the West side of the building.

AGENDA REMOVAL NOTICE

This public notice was removed from the official designated bulletin board at 201 W. Kingsmill Street, Pampa, Texas, City Hall on the following date and time:

Date: ___________________________ Time: ___________________________

By: ___________________________
10/04/2012
NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(City) -- The Certificate of Achievement for Excellence in Financial Reporting has been awarded to City of Pampa by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Robin Bailey, Director of Finance

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.
October 4, 2012

Richard Morris
City Manager
City of Pampa
PO Box 2499
Pampa, TX 79066-2499

Dear Mr. Morris:

We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended September 30, 2011 qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

The Certificate of Achievement plaque will be shipped to:

Robin Bailey
Director of Finance

under separate cover in about eight weeks. We hope that you will arrange for a formal presentation of the Certificate and Award of Financial Reporting Achievement, and that appropriate publicity will be given to this notable achievement. A sample news release is enclosed to assist with this effort. In addition, details of recent recipients of the Certificate of Achievement and other information about Certificate Program results are available in the "Awards Program" area of our website, www.gfoa.org.

We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.

Sincerely,
Government Finance Officers Association

[Signature]

Stephen J. Gauthier, Director
Technical Services Center
SJG/ds
AGENDA ITEM NO. 1

ITEM/PROJECT: MINUTES

MEETING DATE: November 13, 2012

DESCRIPTION: Consider approving the minutes of the October 23, 2012 regular City Commission Meeting as presented.

STAFF CONTACT: Karen Price

FINANCIAL IMPACT: N/A

SOURCE OF FUNDS: N/A

START/COMPLETION SCHEDULE: N/A

RECOMMENDED ACTION: Approve minutes.

BACKGROUND/ADDITIONAL INFORMATION: Minutes attached.
CALL TO ORDER: Mayor Brad Pingel at 4:00 p.m.

PRESENT: Brad Pingel Mayor
          John Studebaker Commissioner
          Chris Porter Commissioner
          Robert Dixon Commissioner

ABSENT: Karen McLain Commissioner
        Richard Morris City Manager
        Leland Waters City Attorney

STAFF: Shane Stokes Asst. City Manager
       Karen Price City Secretary
       Donny Hooper Public Works Director
       Kelly Rushing Police Chief
       Gayla Pickens Asst. Finance Directory
       Jil Arias Engineer in Training
       Kevin Webb IT Manager
       James Wagonknecht
       Terry Brown
       Jay Weeden
       Tony Hughes
       Doug Brown
       Tim Smith
       Ed Turner
       Wayne Terry
       Chris Wagner
       Geno Shuck

VISITORS: Kyle Ohlsfelt Grace Baptist Church
          Clay Rice PEDC
          Kathy Cota PEDC

NEWS MEDIA: Mike Ehrle KGRO
            Tim Howsare Pampa News

INVOCATION: Kyle Ohlsfelt Grace Baptist Church

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PUBLIC COMMENTS: NONE

AUTHORIZATIONS BY COMMISSION:

SPOTLIGHT

► Public Works Rodeo Winners – Donny Hooper

12-138

1. Consider approving the minutes of the October 9, 2012 regular City Commission Meeting as presented.

A motion was made by Commissioner Dixon and Seconded by Commissioner Studebaker to approve the minutes of the October 9, 2012 regular City Commission Meeting as presented, with each Commission Member voting AYE, the motion carried.
2. Consider adopting on second and final reading Ordinance No. 1580, an Ordinance of the City of Pampa, Texas amending tonnage fees to be charged at the City’s Landfill.

**ORDINANCE NO. 1580**

**AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT THE CODE OF ORDINANCES, CITY OF PAMPA, TEXAS, BE AMENDED BY REVISING SECTION 6.06.004 OF SAID CODE PROVIDING FOR FEES TO BE CHARGED AT THE CITY’S SANITARY LANDFILL; AND PROVIDING AN EFFECTIVE DATE.**

A motion was made by Commissioner Studebaker and Seconded by Commissioner Dixon to adopt on second and final reading Ordinance No. 1580, an Ordinance of the City of Pampa, Texas amending tonnage fees to be charged at the City’s Landfill, with each Commission Member voting AYE, the motion carried.

3. Consider adopting on second and final reading Resolution No. R12-018, a Resolution of the City of Pampa approving a grant in the amount of $50,000.00 from the Pampa Economic Development Corporation to Hidden Hills Golf Course.

**RESOLUTION NO. R12-018**

**A RESOLUTION APPROVING A GRANT BY THE PAMPA ECONOMIC DEVELOPMENT CORPORATION TO THE CITY OF PAMPA FOR CONSTRUCTION OF CART PATHS AT HIDDEN HILLS PUBLIC GOLF COURSE.**

A motion was made by Commissioner Porter and Seconded by Commissioner Dixon to adopt on second and final reading Resolution No. R12-018, a Resolution of the City of Pampa approving a grant in the amount of $50,000.00 from the Pampa Economic Development Corporation to Hidden Hills Golf Course, with each Commission Member voting AYE, the motion carried.

4. Consider adopting on second and final reading Resolution No. R12-019, a Resolution of the City of Pampa approving an Economic Development Agreement and loan in the amount of $282,000.00 between the Pampa Economic Development Corporation and The Theater Group d/b/a/ Cinema IV.

**RESOLUTION NO. R12-019**

**A RESOLUTION APPROVING ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE PAMPA ECONOMIC DEVELOPMENT CORPORATION AND THE THEATER GROUP LLC, AND A LOAN BY THE PAMPA ECONOMIC DEVELOPMENT CORPORATION TO THE THEATER GROUP**

A motion was made by Commissioner Studebaker and Seconded by Commissioner Dixon to adopt on second and final reading Resolution No. R12-019, a Resolution of the City of Pampa approving an Economic Development Agreement and loan in the amount of $282,000.00 between the Pampa Economic Development Corporation and The Theater Group d/b/a Cinema IV, with each Commission Member voting AYE, the motion carried.

A motion was made by Commissioner Porter and Seconded by Commissioner Studebaker to approve the List of Disbursements dated September 30, 2012, with total disbursements being $12,039,395.42 and the amount after balance sheet and income accounts being $1,292,560.07, with each Commission Member voting AYE, the motion carried.

6. CONSENT AGENDA – All Consent Agenda items listed below are considered to be routine in nature by the City Commission and will be enacted by one motion. There will be no separate discussion on these items unless a Commissioner so request, in which event, that item will be removed from the Consent Agenda and considered in normal sequence on the agenda. Information concerning Consent Agenda items is attached.

   a. Consider awarding a bid in the amount of $320.00 from Ricky Rivera for delinquent tax property located at W72’ of Lot 11, Block 3, Channing aka as TR B, commonly known as 900 E. Francis.

   b. Consider awarding a bid in the amount of $300.00 from J. D. Mullen for delinquent tax property located at Lots 21 & 22, Block 35, Wilcox Addition, commonly known as 738 Brunow.

   c. Consider awarding a bid in the amount of $1,106.00 from Troy & Becky Holtmeier for delinquent tax property located at Lots 4 thru 7, Block 3, Haggard Addition, commonly known as 1035, 1030, and 1022 Wilcox and Lots.

   d. Consider awarding a bid in the amount of $300.00 from Robert A. Cain for delinquent tax property located at E75’ of Lot 8, Block 8, Crawford Addition, commonly known as 429 N. Starkweather.

   e. Consider awarding a bid in the amount of $2,000.00 from Jose Alejandro Gonzalez Jr. for delinquent tax property located at W40’ of Lot 11 & 12, Block 31, Original Town Addition, commonly known as 315 E. Francis.

   f. Consider awarding a bid in the amount of $3,035.00 from Maria Loeza for delinquent tax property located at Lots 24 & 25, Block 1, Rouston Subdivision, commonly known as 912 & 908 Clark.

A motion was made by Commissioner Dixon and Seconded by Commissioner Studebaker to approve the Consent Agenda, Items A-F as presented, with each Commission Member voting AYE, the motion carried.

ADJOURNMENT

There being no further business on the agenda, the meeting was adjourned at 4:18 p.m. by Mayor Brad Pingel.

Karen L. Price, City Secretary Brad Pingel, Mayor
AGENDA ITEM NO. 2

ITEM/PROJECT: COMMISSION ABSENCE

MEETING DATE: November 13, 2012

DESCRIPTION: Excuse the absence of Commissioner Karen McLain from the October 23, 2012 regular City Commission Meeting.

STAFF CONTACT:

FINANCIAL IMPACT:

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION:
AGENDA ITEM NO. 3

ITEM/PROJECT: POLICE DEPARTMENT FORFEITURE REPORT

MEETING DATE: November 13, 2012

DESCRIPTION: Consider authorizing the City Manager to sign the 2012 Chapter 59 Asset for Forfeiture Report for the Pampa Police Department.

STAFF CONTACT: Kelly Rushing

FINANCIAL IMPACT: $4,248.00

SOURCE OF FUNDS: Forfeiture Funds

START/COMPLETION SCHEDULE: 2011-2012 Fiscal Year

RECOMMENDED ACTION: Authorize City Manager to sign report.

BACKGROUND/ADDITIONAL INFORMATION: Forfeiture Report attached.
### FY 2012
### CHAPTER 59 ASSET FORFEITURE REPORT
### BY LAW ENFORCEMENT AGENCY

<table>
<thead>
<tr>
<th>Agency Name:</th>
<th>Pampa PD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting Period:</td>
<td>10-01-11 To 09-30-12</td>
</tr>
<tr>
<td>(local fiscal year) example:</td>
<td>01/01/12 to 12/31/12, 09/01/11 to 08/31/12 etc.</td>
</tr>
<tr>
<td>Name of Agency Head (Chief, Sheriff etc.) (Printed)</td>
<td>Chief Kelly Rushing</td>
</tr>
<tr>
<td>Agency Mailing Address:</td>
<td>P.O. Box 2499, 201 W. Kingsmill, Pampa, TX 79065</td>
</tr>
<tr>
<td>Phone Number:</td>
<td>(806) 591-5700</td>
</tr>
<tr>
<td>County:</td>
<td>Gray</td>
</tr>
<tr>
<td>Email Address:</td>
<td><a href="mailto:chief@pampapd.com">chief@pampapd.com</a></td>
</tr>
</tbody>
</table>

**NOTE:** PLEASE ROUND ALL DOLLAR FIGURES TO NEAREST WHOLE DOLLAR.

### I. SEIZED FUNDS (Funds that have been seized, but have not yet been awarded to your agency by the judicial system)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Beginning Balance: Instructions: Include total amount of seized funds on hand (in your agency's possession) at beginning of reporting period. Include funds that may have been forfeited but have not been transferred to your agency's forfeiture account. Do not include funds that are in an account held by another agency, e.g., the District Attorney's account.</td>
<td>$ - 0 -</td>
</tr>
<tr>
<td>B) Ending Balance: Instructions: Include total amount of seized funds on hand (in your agency's possession) at end of reporting period. Do not include funds that are in an account held by another agency, e.g., the District Attorney's account.</td>
<td>$ - 0 -</td>
</tr>
</tbody>
</table>

### II. FORFEITED FUNDS (Funds awarded to your agency by the judicial system)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Beginning Balance: Instructions: Include total amount of forfeited funds that have been forfeited to your agency and are on hand (in your agency's account or in your agency's possession) at the beginning of the reporting period including interest. Do not include funds that have been forfeited but not yet received by your agency.</td>
<td>$ 10,760.00</td>
</tr>
<tr>
<td>B) Ending Balance: Instructions: Include total amount of forfeited funds that have been forfeited to your agency and are on hand (in your agency's account or in your agency's possession) at the end of the reporting period including interest. Do not include funds that have been forfeited but not yet received by your agency.</td>
<td>$ 8,345.00</td>
</tr>
</tbody>
</table>

### III. SEIZURES DURING REPORTING PERIOD
A) Funds:

Instructions: Include only those seizures which occurred during the reporting period and where the seizure affidavit required by Article 59.03 is sworn to by a peace officer employed by your agency. (e.g. seizing officer's affidavit).

1) Amount seized and retained in your agency's custody: $ 0.00
2) Amount seized and transferred to the District Attorney pending forfeiture: $ 4459.00

B) Property:

Instructions: List the number of items seized for the following categories. Include only those seizures where a seizure is made by a peace officer employed by your agency.

<table>
<thead>
<tr>
<th>Please note - this should be a number not a currency amount. Example 4 cars seized, 3 cars forfeited.</th>
<th>SEIZED</th>
<th>FORFEIT TO AGENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) MOTOR VEHICLES (include cars, motorcycles, tractor trailers, etc.)</td>
<td>- 0 -</td>
<td>- 0 -</td>
</tr>
<tr>
<td>2) REAL PROPERTY (Count each parcel seized as one item)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) COMPUTERS (Include computer and attached system components, such as printers and monitors, as one item)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) FIREARMS (Include only firearms seized for forfeiture under Chapter 59. Do not include weapons disposed under Chapter 18.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5) Other Property - Description:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6) Other Property - Description:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7) Other Property - Description:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

IV. FORFEITED FUNDS RECEIVED DURING REPORTING PERIOD

Amount Forfeited to and Received by Reporting Agency (Including Interest) During Reporting Period:

Instructions: Do not include amounts forfeited but not yet received by your agency; interest refers to the amount earned prior to forfeiture and distributed as part of the judgment of forfeiture.

$ 4248.00

V. FORFEITED PROPERTY RECEIVED FROM ANOTHER AGENCY

Instructions: Enter the total number of items transferred to your agency where the forfeiture judgment awarded ownership of the property to another agency prior to the transfer.

| A) Motor Vehicles (the number of vehicles, not a currency amount): | - 0 - |
| B) Real Property (the number of separate parcels of property, not a currency amount): | |
| C) Computers (the number of computers, not a currency amount): | |
| D) Firearms (the number of firearms, not a currency amount): | |
| E) Other (the number of items, not a currency amount): | |

VI. FORFEITED PROPERTY TRANSFERRED OR LOANED TO ANOTHER AGENCY

Instructions: Enter the total number of items transferred or loaned from your agency where the forfeiture judgment awarded ownership of the property to your agency prior to the transfer.

- 0 -
### A) Motor Vehicles (the number of vehicles, not a currency amount):  
- 0 -

### B) Real Property (the number of separate parcels of property, not a currency amount):  
- 0 -

### C) Computers (the number of computers, not a currency amount):  
- 0 -

### D) Firearms (the number of firearms, not a currency amount):  
- 0 -

### E) Other (the number of items, not a currency amount):  
- 0 -

#### VII. EXPENDITURES

**Instructions:** This category is for Chapter 59 expenditures SOLELY for law enforcement purposes - not for expenditures made pursuant to your general budget. List the total amount expended for each of the following categories. If proceeds are expended for a category not listed, state the amount and nature of the expenditure under the Other category.

### A) SALARIES

1. Increase of Salary, Expense, or Allowance for Employees (Salary Supplements):  
   $ - 0 -$

2. Salary Budgeted Solely From Forfeiture Funds:  
   $ - 0 -$

3. Number of Employees Paid Using Forfeiture Funds:  
   - 0 -

**TOTAL SALARIES PAID OUT OF CHAPTER 59 FUNDS:**  
$ - 0 -$

### B) OVERTIME

1. For Employees Budgeted by Governing Body:  
   $ - 0 -$

2. For Employees Budgeted Solely Out of Forfeiture Funds:  
   $ - 0 -$

3. Number of Employees Paid Using Forfeiture Funds:  
   - 0 -

**TOTAL OVERTIME PAID OUT OF CHAPTER 59 FUNDS:**  
$ - 0 -$

### C) EQUIPMENT

1. Vehicles:  
   $ - 0 -$

2. Computers:  
   $ - 0 -$

3. Firearms, Vests, Personal Equipment:  
   $ 5,004.00$

4. Furniture:  
   $ - 0 -$

5. Software:  
   $ - 0 -$

6. Maintenance Costs:  
   $ - 0 -$

7. Uniforms:  
   $ - 0 -$

8. K9 Related Costs:  
   $ - 0 -$

9. Other (Provide Detail on Additional Sheet):  
   $ - 0 -$

**TOTAL EQUIPMENT PURCHASED WITH CHAPTER 59 FUNDS:**  
$ 5,004.00
### D) SUPPLIES

1. Office Supplies: $0.00
2. Cellular Air Time: $58.00
3. Internet: $0.00
4. Other (Provide Detail on Additional Sheet): $0.00

**TOTAL SUPPLIES PURCHASED WITH CHAPTER 59 FUNDS:** $58.00

### E) TRAVEL

1. In State Travel
   a) Transportation: $0.00
   b) Meals & Lodging: $0.00
   c) Mileage: $0.00
   d) Incidental Expenses (Any other travel expense not included on a, b, or c above): $0.00

   **Total In State Travel:** $0.00

2. Out of State Travel
   a) Transportation: $0.00
   b) Meals & Lodging: $0.00
   c) Mileage: $0.00
   d) Incidental Expenses (Any other travel expense not included on a, b, or c above): $0.00

   **Total Out of State Travel:** $0.00

**TOTAL TRAVEL PAID OUT OF CHAPTER 59 FUNDS:** $0.00

### F) TRAINING

1. Fees (Conferences, Seminars): $0.00
2. Materials (Books, CDs, Videos, etc.): $0.00
3. Other (Provide Detail on Additional Sheet): $0.00

**TOTAL TRAINING PAID OUT OF CHAPTER 59 FUNDS:** $0.00

### G) INVESTIGATIVE COSTS

1. Informant Costs: $0.00
2. Buy Money: $1,000
3. Lab Expenses: $0.00

**TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS:** $1,000
4. Other (Provide Detail on Additional Sheet): $ - \_ \_ \_ -

**TOTAL INVESTIGATIVE COSTS PAID OUT OF CHAPTER 59 FUNDS:** $1,000.00

**H) TOTAL PREVENTION/TREATMENT PROGRAMS/FINANCIAL ASSISTANCE**

1. Total Prevention/Treatment Programs (pursuant to 59.06 (b), (f), (i)): $ - \_ \_ \_ -

2. Total Financial Assistance (pursuant to Articles 59.06 (n) and (o)): $ - \_ \_ \_ -

**TOTAL PREVENTION/TREATMENT PROGRAMS/FINANCIAL ASSISTANCE (pursuant to Articles 59.06 (b), (f), (i), (n), (o)):** $ - \_ \_ \_ -

**I) FACILITY COSTS**

1. Building Purchase: $ - \_ \_ \_ -

2. Lease Payments: $ - \_ \_ \_ -

3. Remodeling: $ - \_ \_ \_ -

4. Maintenance Costs: $ - \_ \_ \_ -

5. Utilities: $ - \_ \_ \_ -

6. Other (Provide Detail on Additional Sheet): $ - \_ \_ \_ -

**TOTAL FACILITY COSTS PAID OUT OF CHAPTER 59 FUNDS:** $ - \_ \_ \_ -

**J) MISCELLANEOUS FEES**

1. Court Costs: $ - \_ \_ \_ -

2. Filing Fees: $ - \_ \_ \_ -

3. Insurance: $ - \_ \_ \_ -

4. Witness Fees: $ - \_ \_ \_ -

5. Audit Costs and Fees: $ - \_ \_ \_ -

6. Other (Provide Detail on Additional Sheet): $ - \_ \_ \_ -

**TOTAL MISCELLANEOUS FEES PAID OUT OF CHAPTER 59 FUNDS:** $ - \_ \_ \_ -

**K) PAID TO OR SHARED WITH COOPERATING AGENCY:** $ - \_ \_ \_ -

**L) TOTAL OTHER PAID OUT OF CHAPTER 59 FUNDS (provide detailed descriptions on additional sheet(s) and attach to this report):** $ - \_ \_ \_ -

**M) TOTAL EXPENDITURES:** $ - \_ \_ \_ -
NOTE: If you are governed by a Commissioners Court or a City Council, BOTH CERTIFICATIONS MUST BE COMPLETED. Otherwise, please complete the Agency Head Certification.

CERTIFICATION

I swear or affirm that the Commissioners Court or City Council has conducted the audit required by Article 59.06 of the Code of Criminal Procedure, unless after due inquiry, it has been determined that no accounts, funds or other property pursuant to Chapter 59 of the Code of Criminal Procedure are being held or have been transacted in the relevant fiscal year by the agency for which this report is being completed, and that upon diligent inspection of all relevant documents and supporting materials, I believe that this asset forfeiture report is true and correct and contains all of the required information.

COUNTY JUDGE, MAYOR or CITY MANAGER
(Printed Name):

SIGNATURE:

DATE:

AGENCY HEAD CERTIFICATION

I swear or affirm, under penalty of perjury, that I have accounted for the seizure, forfeiture, receipt, and specific expenditure of all proceeds and property subject to Chapter 59 of the Code of Criminal Procedure, and that upon diligent inspection of all relevant documents and supporting materials, this asset forfeiture report is true and correct and contains all information required by Article 59.06 of the Code of Criminal Procedure. I further swear or affirm that all expenditures reported herein were lawful and proper, and made in accordance with Texas law.

AGENCY HEAD (Printed Name):

SIGNATURE:

DATE:

RETURN COMPLETED FORM TO: Office of the Attorney General
Criminal Prosecutions Division
P.O. Box 12548
Austin, TX 78711-2548
Attn: Kent Richardson
(512)936-1348
kent.richardson@oag.state.tx.us

WE CANNOT ACCEPT FAXED OR EMAILED COPIES. PLEASE MAIL THE SIGNED, ORIGINAL DOCUMENT TO OUR OFFICE AT THE ADDRESS ABOVE.
AGENDA ITEM NO. 4

ITEM/PROJECT: RESOLUTION NO. R12-020 – REFUNDOING OF CRMWA BONDS

MEETING DATE: November 13, 2012

DESCRIPTION: Consider adopting Resolution No. R12-020, a Resolution of the City of Pampa, Texas authorizing the refunding of Canadian River Municipal Water Authority contract revenue bonds.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: Bond refund not to exceed $47,650,000

SOURCE OF FUNDS:

START/COMPLETION SCHEDULE:

RECOMMENDED ACTION:

BACKGROUND/ADDITIONAL INFORMATION: Resolution and back-up information attached.
A RESOLUTION BY THE CITY OF PAMPA, TEXAS, AUTHORIZING
REFUNDING OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY
CONTRACT REVENUE BONDS, SERIES 2005 (CONJUNCTIVE USE
GROUNDWATER SUPPLY PROJECT)

WHEREAS, the City of Pampa, Texas (the “City”) has entered into that certain
Agreement for the Purchase and Acquisition of Conjunctive Use Groundwater Supply
(the "Agreement") entered into as of May 15, 1996, as amended, with the Canadian
River Municipal Water Authority (the “Authority”); and

WHEREAS, the Authority has entered similar agreements with each of the other
cities that are members of the Authority (the “Member Cities”); and

WHEREAS, the Authority issued and has outstanding its Canadian River
Municipal Water Authority Contract Revenue Bonds, Series 2005 (Conjunctive Use
Groundwater Supply Project); Canadian River Municipal Water Authority Contract
Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply
Project); Canadian River Municipal Water Authority Contract Revenue Bonds, Series
2006 (Conjunctive Use Groundwater Supply Project); Canadian River Municipal Water
Authority Contract Revenue Bonds, Series 2009 (Conjunctive Use Groundwater Supply
Project); Canadian River Municipal Water Authority Contract Revenue Refunding
Bonds, Series 2010 (Conjunctive Use Groundwater Supply Project); and Canadian
River Municipal Water Authority Contract Revenue Bonds, Series 2011 (Conjunctive
Use Groundwater Supply Project); and

WHEREAS, the Authority desires to issue refunding bonds in a principal amount
not to exceed $47,650,000 to refund all or part of the outstanding Series 2005 Bonds; and

WHEREAS, the Agreement provides for certain notice requirements before the
Authority may issue Additional Bonds, as defined in the Agreement; and

WHEREAS, the refunding bonds are Additional Bonds under the Agreement; and

WHEREAS, the timing constraints of getting the governing bodies of all Member
Cities of the Authority to meet and approve refunding bonds may prevent the Authority
from issuing refunding bonds in a timely manner to provide savings to the Member
Cities; and

WHEREAS, it is in the best interest of the City to waive certain notice
requirements under the Agreement and consent to the issuance of the Bonds to permit
the Authority to refund all or part of the outstanding Series 2005 Bonds if present value
savings at least 5.90% can be achieved; and

WHEREAS the City agrees to the Authority’s issuance of bonds as subordinate
lien bonds to eliminate the need of a reserve fund;
BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF PAMPA, TEXAS:

SECTION 1. That the City waives the notice requirements of Section 4.1(a) of the Agreement, and consents to the issuance of the Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 in a principal amount not to exceed $47,650,000 to refund all or part the outstanding Series 2005 Bonds, subject to the requirement that the refunding bonds provide present value debt service savings of at least 5.90%.

SECTION 2. That the City Secretary be and is hereby authorized to deliver certified copies of this Resolution and minutes pertaining to its adoption to the Authority in such numbers as may be requested for the Authority's records and proceedings.

[The remainder of this page intentionally left blank.]
PASSED, APPROVED AND ENACTED this the _____ day of November, 2012.

______________________________
Mayor, City of Pampa, Texas

ATTEST:

______________________________
City Secretary
City of Pampa, Texas

[City Seal]
EXHIBIT "A"

CITIES' SHARES

Each of the Member Cities is responsible solely for the payment of its fixed annual proportionate part of such principal and interest, as follows:

<table>
<thead>
<tr>
<th>Member City</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Amarillo</td>
<td>40.621%</td>
</tr>
<tr>
<td>City of Borger</td>
<td>5.549%</td>
</tr>
<tr>
<td>City of Brownfield</td>
<td>2.198%</td>
</tr>
<tr>
<td>City of Lamesa</td>
<td>2.179%</td>
</tr>
<tr>
<td>City of Levelland</td>
<td>2.790%</td>
</tr>
<tr>
<td>City of Lubbock</td>
<td>37.058%</td>
</tr>
<tr>
<td>City of O'Donnell</td>
<td>0.278%</td>
</tr>
<tr>
<td>City of Pampa</td>
<td>3.600%</td>
</tr>
<tr>
<td>City of Plainview</td>
<td>3.691%</td>
</tr>
<tr>
<td>City of Slaton</td>
<td>1.576%</td>
</tr>
<tr>
<td>City of Tahoka</td>
<td>0.460%</td>
</tr>
</tbody>
</table>

None of the Member Cities have exercised the escrow fund option found in Section 3.3(a) of the Conjunctive Use Groundwater Supply Agreements.

The City of Lubbock is responsible for the repayment of 37.058% of the project costs. Repayment of this portion of the Bonds has a different structure than the remaining portion of the Bonds. All other Member Cities will have a proportionate obligation for annual debt service on the remaining portion of the Bonds.
RESOLUTION NO. 2012-__-

RESOLUTION AUTHORIZING THE ISSUANCE OF

CANADIAN RIVER MUNICIPAL WATER AUTHORITY
SUBORDINATE LIEN CONTRACT REVENUE REFUNDING BONDS
SERIES 2012
(Conjunctive Use Groundwater Supply Project)

October 10, 2012
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RESOLUTION NO. 2012-10-15

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE CANADIAN RIVER MUNICIPAL WATER AUTHORITY AUTHORIZING THE ISSUANCE OF CANADIAN RIVER MUNICIPAL WATER AUTHORITY SUBORDINATE LIEN CONTRACT REVENUE REFUNDING BONDS, SERIES 2012 (CONJUNCTIVE USE GROUNDWATER SUPPLY PROJECT), IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $47,650,000, PRESCRIBING THE FORM OF SAID BONDS; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; DELEGATING THE SALE THEREOF; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT.

WHEREAS, the CANADIAN RIVER MUNICIPAL WATER AUTHORITY, a conservation and reclamation district duly created and existing under Section 59, Article XVI of the Texas Constitution and the laws of the State of Texas (the "Authority"), provides water to the cities of Amarillo, Borger, Brownfield, Lamesa, Levelland, Lubbock, O'Donnell, Pampa, Plainview, Slaton, and Tahoka which are located within the boundaries of the Authority (collectively, the "Member Cities") under water supply contracts; and

WHEREAS, the Authority provides the Member Cities with water for their municipal water supply through the operation and maintenance of the Sanford Dam and Lake Meredith (the "Canadian River Project"); and

WHEREAS, the Authority was created in 1953 by Chapter 243, Acts of the 53rd Legislature, Regular Session, as amended, and such enabling legislation was formerly codified as article 8280-154 of Vernon's Texas Civil Statutes (the "Authority Act"); and

WHEREAS, the Authority has acquired an additional source of water in addition to the supply from the Canadian River Project for the benefit of its Member Cities in the form of an underground water supply, used in conjunction with the existing Canadian River Project supply, which will increase both the quantity and quality of water the Authority is able to supply its Member Cities; and

WHEREAS, each of the Member Cities has executed a contract with the Authority to provide for the funding of the costs of the Project (the "Conjunctive Use Groundwater Supply Agreements") dated to be effective as of May 15, 1996; and

WHEREAS, each of the Member Cities and the Authority have executed Amendment No. 1, Amendment No. 2, Amendment No. 3, Amendment No. 4 and Amendment No. 5 to such contracts (collectively the contracts and amendments will be referred to as the "Conjunctive Use Groundwater Supply Agreements"); and
WHEREAS, the Conjunctive Use Groundwater Supply Agreements, as amended, are hereby referred to and adopted for all purposes as if they had been set forth in their entirety in this Resolution; and

WHEREAS, the Authority has previously issued the following outstanding bonds as Parity Bonds:

Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project) (the "Series 2005 Bonds"); and

Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2005 (Conjunctive Use Groundwater Supply Project) (the "Series 2005 Refunding Bonds"); and

Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2006 (Conjunctive Use Groundwater Supply Project) (the "Series 2006 Bonds"); and

Canadian River Municipal Water Authority Contract Revenue Bonds, Series 2009 (Conjunctive Use Groundwater Supply Project) (the "Series 2009 Bonds"); and

Canadian River Municipal Water Authority Contract Revenue Refunding Bonds, Series 2010 (Conjunctive Use Groundwater Supply Project) (the "Series 2010 Refunding Bonds"); and

WHEREAS, Amendment No. 5 to the Conjunctive Use Groundwater Supply Agreements authorized the Authority to issue non-parity subordinate lien bonds without a reserve fund; and

WHEREAS, the Authority has previously issued its Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Bonds, Series 2011 (Conjunctive Use Groundwater Supply Project) (the "Series 2011 Bonds"); and

WHEREAS, the Authority proposes to issue its Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 (Conjunctive Use Groundwater Supply Project) (the "Bonds") to refund all or part of its outstanding Series 2005 Bonds in advance of their maturities pursuant to the parameters set forth herein (the "Refunded Bonds"); and

WHEREAS, the Bonds will not be issued as Parity Bonds; and

WHEREAS, the Board of Directors of the Authority hereby finds and determines that the total debt service of the refunding bonds herein authorized to be issued will amount to less than the total debt service on the Refunded Bonds which will result in a
gross present value savings based on the projections presented, and the actual present value savings is to be set forth in the Approval Certificate, and that the Refunded Bonds should be refunded by the issuance of refunding bonds hereinafter mentioned, in accordance with the laws of the State of Texas, including particularly, Chapter 1207, Texas Government Code, as amended; and

WHEREAS, the Authority and each of the Member Cities have entered into a Conjunctive Use Groundwater Supply Agreement, under various legislative authority, including, but not limited to Chapter 243, Acts of the 53rd Legislature, Regular Session, as amended, section 791.026, Texas Government Code, section 402.012, Texas Local Government Code, as amended, and former article 1113, Tex. Rev. Civ. Stat. Ann. [now codified in Chapter 1502, Texas Government Code; specifically, section 1502.056 therein], which provides for (a) the terms of each Member Cities' payment of its share of the construction and development costs of the Project, (b) each Member City's payment of its share of the operation, maintenance and replacement costs of the Project, (c) the obligation of the Authority to maintain the Project, and (d) the other obligations and performances of the parties; and

WHEREAS, each of the Member Cities has waived notice and has agreed to the issuance of the Bonds; and

WHEREAS, the Conjunctive Use Groundwater Supply Agreements became effective on May 15, 1996, Amendment No. 1 thereto became effective on July 1, 1999, Amendment No. 2 became effective on December 1, 2004, Amendment No. 3 became effective on February 1, 2006, Amendment No. 4 became effective on January 1, 2009 and Amendment No. 5 became effective on July 1, 2011; and

WHEREAS, the Bonds authorized to be issued by this Resolution are to be issued and delivered pursuant to the Authority Act, Chapters 791 and 1207, Texas Government Code, as amended, and other applicable laws; and

WHEREAS, pursuant to Chapter 1207, Texas Government Code, as amended, the Authority desires to delegate the authority to effect the sale of the Bonds to the Authorized Representative;

NOW, THEREFORE, be it resolved:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Resolution the following terms shall have the meanings specified below:
Additional Bonds means the additional Revenue Bonds, issued as Parity Bonds or Subordinate Lien Bonds, related to the Project or Project Expansion which the Authority reserves the right to issue and deliver in the future as provided by this Resolution and the Conjunctive Use Groundwater Supply Agreements.

Approval Certificate means the certificate or certificates of the Authorized Representative of the Authority approving certain terms of the Bonds.

Aqueduct means the system for transporting water to the points of delivery established for the Project and the Canadian River Project, and includes all pipelines, conduits, pumping facilities and related works, and the land and rights-of-way for such works and facilities.

Aqueduct Construction Costs means those costs associated with the construction and acquisition of the Aqueduct.

Authority means the Canadian River Municipal Water Authority, a conservation and reclamation district duly created and existing under the laws of the State of Texas.


Authorized Representative means the General Manager of the Authority, or in his absence, the President of the Board of the Authority, authorized to act on behalf of the Authority in selling and delivering of the Bonds and carrying out the other procedures and making the determinations specified in Section 15.03 of this Resolution.

Board means the Board of Directors of the Authority.

Bond or Bonds means the Authority's Subordinate Lien Contract Revenue Refunding Bonds entitled "Canadian River Municipal Water Authority Subordinate Lien Contract Revenue Refunding Bonds, Series 2012 (Conjunctive Use Groundwater Supply Project)" in the aggregate principal amount authorized to be issued by Section 3.01 of this Resolution.

Bond Date means the initial date of the Bonds which is designated in Section 3.02 of this Resolution.

Bond Documents mean the Conjunctive Use Groundwater Supply Agreements, the bond resolution or resolution, authorizing the issuance of the Bonds, and all amendments or supplements thereto.

Bond Reserve Fund means the fund established by the Board for the Bonds, if any, in accordance with Section 7.06 of this Resolution.
**Canadian River Project** means the project that includes the Sanford Dam and Lake Meredith as authorized by the Act of Congress dated December 29, 1950 (64 Stat. 1124).

**City** means a Member City.

**Closing Date** and **Date of Delivery** mean the date of initial delivery of and payment for the Bonds to be delivered to the Underwriters.

**Code** means the Internal Revenue Code of 1986, as amended, including the regulations and published rulings thereunder.

**Construction Cost Payment Schedule** means the schedule prepared by the General Manager as provided in the Conjunctive Use Groundwater Supply Agreements.

**Construction Fund** means the fund established by the Board for the Bonds in accordance with Section 7.04 of this Resolution.

**Designated Payment/Transfer Office** shall mean the office of the Paying Agent/Registrar which is designated for payment of the Bonds.

**DTC** means The Depository Trust Company, New York, New York, or any successor securities depository.

**DTC Participant** means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with bonds credited to an account maintained on its behalf by DTC.

**Escrow Agent** means U.S. Bank National Association, and its successors in that capacity.

**Escrow Agreement** means the escrow agreement between the Authority and the Escrow Agent.

**Escrow Fund** means the fund referred to in Section 7.02 of this Resolution to hold cash and securities for the payment of debt service on the Refunded Bonds.

**Event of Default** means any Event of Default as defined in Section 11.01 of this Resolution.

**Financing Costs** means the costs associated with the issuance of the Bonds, including but not limited to the cost of funding the Reserve Fund, or surety bond in lieu thereof, rating agency fees, bond insurance premiums, underwriters discount, original issue discount, printing, and professional services associated with the Bonds.

**General Manager** means the General Manager of the Authority.
Holder, Owner or Registered Owner means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

Initial Bond means the Bond described in Sections 3.04(b) and 6.02(e).

Insurance Policy means the insurance policy, if any, guaranteeing the scheduled payment of principal and interest on the Bonds, if approved in the Approval Certificate.

Interest and Sinking Fund means the fund established by the Board in accordance with Section 7.05 of this Resolution.

Interest Payment Date means, with respect to any Bond, the date or dates upon which interest on the Bond is scheduled to be paid until the maturity of the Bond, such dates being February 15 and August 15 of each year commencing as provided in the Approval Certificate.

Member City means a city, town, or municipality which is a member of the Authority pursuant to Acts 53rd Leg., Ch. 243 (1953), as amended.

Parity Bonds shall have the meaning as ascribed in Section 8.01(a) of this Resolution, and the following outstanding bonds are Parity Bonds: Series 2005 Bonds, Series 2005 Refunding Bonds, Series 2006 Bonds, Series 2009 Bonds, Series 2010 Refunding Bonds, and Series 2011 Bonds.

Paying Agent/Registrar means U.S. Bank National Association, and any successor thereto or an entity which is appointed as and assumes the duties of paying agent/Registrar as provided in this Resolution.

Project the acquisition of Water Rights, the construction of the well field, collection and production facilities, the Aqueduct, operation and maintenance of the Conjunctive Use Groundwater Supply Project, and the supplying of water from the Conjunctive Use Groundwater Supply Project.

Project Construction Costs means the Aqueduct Construction Costs and the Project Water Supply Costs, which together shall include any and all costs and expenses whatsoever, of all kinds, of the Authority with respect to the acquisition, purchase, determination of the feasibility of, testing, or construction of the Project or the abandonment, sale, exchange, or other disposition of the Project for which the Authority is liable, incurred on, after, or before the date hereof, including but not limited to, the Authority’s costs of acquiring Water Rights, all Financing Costs, labor, materials, equipment, engineering, legal fees, superintendence, administration, overhead, general expenses, acquisition of land, rights-of-way and other property rights, inspections, special services, National Environmental Policy Act compliance, property damages, insurance, costs of all licenses and permits; provided, however, to the extent a Member City participates in Project Construction Costs under Section 3.3 of its respective
Conjunctive Use Groundwater Supply Agreement, the Financing Costs of the Bonds shall not be included as Project Construction Costs for that Member City.

**Project Expansion** means the acquisition of additional Water Rights, the construction of additional well fields, collection and production facilities, and extensions of the Aqueduct to serve Member Cities.

**Project Operation and Maintenance Costs** means the reasonable and necessary expenses incurred in the efficient and economical administration, management and operation and the maintenance of the Project in good repair and operating condition as provided in the Revised Manual.

**Project Payments** means the payments from each Member City under its respective Conjunctive Use Groundwater Supply Agreement with the Authority for the Project Construction Costs.

**Project Payment Fund** means the fund established by the Board for the Bonds in accordance with Section 7.03 of this Resolution.

**Project Water Supply Costs** means those costs associated with the acquisition of the Water Rights, well fields, collection facilities and production facilities for the Project.

**Record Date** means the Record Date as prescribed by Section 3.03(b) of this Resolution.

**Refunded Bonds** means:


**Register** means the Register specified in Section 3.06(a) of this Resolution.

**Revenue Bonds** means bonds issued by the Authority to pay Project Construction Costs, whether in one or more issues, including Parity Bonds and Subordinate Lien Bonds, such bonds to be secured by a lien on and pledge of Project Payments and any bonds issued to refund any Revenue Bonds.

**Revised Manual** means the current version of the Canadian River Municipal Water Authority Manual, as amended from time to time by the unanimous vote of the Board.

**Rule** means United States Securities and Exchange Commission Rule 15c2-12, as amended.
**Subordinate Lien Bonds** means Revenue Bonds issued pursuant to Section 8.01(b), including the Series 2011 Bonds and the Bonds authorized by this Resolution.

**Surety Policy** means a surety bond, insurance policy, letter of credit or other agreement or instrument, including any related reimbursement or financial guaranty agreement, by which the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument provided that the issuer and Surety Policy shall be rated, at the time of issuance of such Surety Policy, in one of the three highest rating categories by A.M. Best Company, Standard & Poor's Ratings Services, or Moody's Investors Service.

**Unallocated and Unpledged Balance** means the balance of funds determined by the Board according to Section 7.07 of this Resolution.

**Underwriters** means the purchaser of the Bonds as determined in the Approval Certificate.

**Verification Report** means the report of Grant Thornton LLP, the Verification Agent, verifying the mathematical accuracy of certain calculations and the sufficiency of receipts of the Escrow Account to pay, when due, the principal and interest on the Refunded Bonds.

**Water Rights** means those rights to underground water acquired by the Authority in Roberts and Hutchinson Counties pursuant to the Water Rights Acquisition Agreement between the Authority and Quixx Corporation dated June 23, 1995, and any additional water rights acquired through a Project Expansion.

Section 1.02. Other Definitions. The term "Conjunctive Use Groundwater Supply Agreements" shall have the meaning assigned in the preamble to this Resolution.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Resolution are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and
vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Resolution.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. **Pledge of Revenues; Priority of Parity Bonds.** The Bonds herein authorized are and shall be payable from and secured by an irrevocable lien on and pledge of the Project Payments, as defined herein, that is junior and subordinate to the first lien pledged to the Parity Bonds, to be derived from the Member Cities from the Conjunctive Use Groundwater Supply Agreements, and the Project Payments are further pledged irrevocably to the establishment and maintenance of the funds hereinafter created. The proportionate share of each Member City for principal and interest payments on the Bonds is set forth on Exhibit "A" to this Resolution. Each Member City is responsible for its own fixed annual proportionate share of such principal and interest payments, and no Member City is responsible for the payment due from another Member City, except as provided in the Conjunctive Use Groundwater Supply Agreements. Before amounts received from a Member City as a Project Payment are deposited by the Authority in a Project Fund for Subordinate Lien Bonds (or any other fund established to secure Subordinate Lien Bonds), the Authority will apply amounts received from each Member City as a Project Payment to satisfy such Member City's payment and funding requirements for any outstanding Parity Bonds and no Project Payment received from a Member City (or any portion thereof) shall be applied or used to satisfy or discharge the obligation of any other Member City to make a Project Payment in respect of Parity Bonds, except as provided in the Conjunctive Use Groundwater Supply Agreements.

Section 2.02. **Special Obligations.** The Bonds and the interest thereon shall constitute special obligations of the Authority, payable solely from the Project Payments made under the Conjunctive Use Groundwater Supply Agreements with each of the Member Cities herein pledged, and the Registered Owner of the Bonds shall never have the right to demand payment thereof out of any funds raised or to be raised by taxation.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. **Authorization.** The Bonds are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, in the
aggregate principal amount not to exceed $47,650,000 to be set forth in the Approval Certificate for the following purposes: for providing funds (i) to refund the Refunded Bonds, and (ii) to pay the costs of issuance.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest. The Bonds shall have the Bond Date as specified in the Approval Certificate, and (other than the Initial Bond referenced in Section 3.04(b) hereof) shall be in denominations of $5,000 or any integral multiple (within a stated maturity) thereof, shall be lettered "R" and numbered consecutively from One (1) upward, and principal shall become due and payable on February 15 in each of the years and in the amounts (the "Stated Maturities") set forth in the Approval Certificate, such maturities not to mature later than 30 years from the Bond Date.

The Bonds shall bear interest on the unpaid principal amounts from the Date of Delivery at the per annum rates to be determined when the Bonds are sold (but in no event shall the Bonds bear interest at a net effective rate in excess of 15% per annum calculated in the manner required by Chapter 1204, Texas Government Code, as amended, as set forth in the Bond Purchase Agreement and the Approval Certificate. The amount of interest to be paid each payment period shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Bonds shall be payable on semiannually, as specified in the Approval Certificate.

All details of the Bonds not fully set forth herein shall be as set forth in the Bond Purchase Agreement and the Approval Certificate.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Registered Owner whose name appears in the Register at the close of business on the last business day of the month next preceding such Interest Payment Date (the "Record Date"); provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date and for thirty (30) days thereafter, a new record date for such interest payment (the "Special Record Date") will be established by the Paying Agent/Registrar (hereinafter defined and designated) if and when funds for the payment of such interest have been received from the Authority. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date," 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 Registered Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing of such notice.
(c) Interest on a Bond shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Registered Owner, first class United States mail, postage prepaid, to the address of each Registered Owner as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and each Registered Owner to whom interest is to be paid; provided, however, that the Registered Owner shall bear all risk and expenses of such customary banking arrangements.

(d) The principal of and premium of, if any, each Bond shall be paid to the Registered Owner thereof on the Stated Maturity Date or the date of prior redemption thereof upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, a legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

Section 3.04. Control, Execution and Initial Registration.

(a) The General Manager of the Authority is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval by the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) Initially, a single bond (the "Initial Bond") representing the entire principal amount of the Bonds registered in the name of the Underwriters' designee, as specified in the Resolution and Approval Certificate, shall be executed and submitted to the Attorney General of the State of Texas for his approval, and, thereupon, the Comptroller of Public Accounts of the State of Texas, or a deputy designated in writing to act on behalf of the Comptroller, will execute the Comptroller's Registration Certificate.

(c) After the Initial Bond has been approved by the Attorney General and registered by the Comptroller of Public Accounts, the Paying Agent/Registrar shall register the Bonds in the name of the Underwriters or their designee, and shall cancel the Initial Bond and deliver the Bonds in accordance with the provisions of Article XV of this Resolution.

(d) The Bonds shall be executed on behalf of the Authority by the President and Secretary of the Board, by their manual or facsimile signatures, and the official seal of the Authority shall be impressed or placed in facsimile thereon. Such facsimile
signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Authority had been manually impressed upon each of the Bonds.

(e) In the event that any officer of the Authority whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(f) No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon either (i) the Comptroller’s Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, or (ii) the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution of an authorized signatory of the Paying Agent/Registrar. It shall not be required that the same authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. Either of such certificates upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

Section 3.05. Ownership.

(a) The Authority, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the Authority nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the Authority and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Authority shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Resolution.
(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of $5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three business days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the Registered Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal or maturity amount equal to the unpaid principal or maturity amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of $5,000 at the request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds will be required to be delivered by the Paying Agent/Registrar to the Registered Owner of the Bond or Bonds in not more than three business days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the Authority and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such substituted Bond is delivered.

(e) The Authority will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer, exchange or
conversion of Bonds, but the Paying Agent/Registrar will require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, exchange or conversion of a Bond. In addition, the Authority hereby covenants with the Registered Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Bonds as provided herein.

(f) Neither the Authority nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, where such redemption is scheduled to occur within 45 days after the transfer or exchange date; provided, however, such limitation shall not be applicable to an exchange by the Registered Owner of the uncalled principal balance of the Bond.

Section 3.07. Cancellation and Authentication.

(a) All Bonds paid or redeemed before scheduled maturity in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Resolution, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the Authority with certificates of destruction of such Bonds.

(b) Each substitute Bond issued in conversion of and exchange for or replacement of (pursuant to the provisions of Sections 3.06, 3.08 and 3.09 hereof) any Bond or Bonds issued under this Resolution shall have printed thereon a Certificate of Paying Agent/Registrar, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. No additional resolutions, orders, or resolutions need be passed or adopted by the Board of Directors of the Authority or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of customary type and composition and be printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D of Chapter 1201, Texas Government Code, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Certificate of Paying Agent/Registrar, the converted and exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which was originally delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.
(c) Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the Form of Bond set forth in Section 6.02 of this Resolution.

Section 3.08. Temporary Bonds.

(a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the Authority may execute and, upon the Authority's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the Authority executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Resolution.

(c) The Authority, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Registered Owner.

Section 3.09. Replacement Bonds.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Authority or the Paying Agent/Registrar may require the Registered Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected herewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas
and in the absence of notice or knowledge that such Bond has been acquired by a bona
fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and
principal amount, bearing a number not contemporaneously outstanding, provided that
the Registered Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his
or her ownership of and the circumstance of the loss, destruction or
theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the
Paying Agent/Registrar, and acceptable to the Authority, to save it
harmless;

(iii) pays all expenses and charges in connection therewith, including,
but not limited to, printing costs, legal fees, fees of the Paying
Agent/Registrar and any tax or other governmental charge that is
authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the
Authority and the Paying Agent/Registrar.

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

(d) In the event that any such mutilated, lost, apparently destroyed or
wrongfully taken Bond has become or is about to become due and payable, the Paying
Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such
Bond.

(e) Each replacement Bond delivered in accordance with this Section shall
constitute an original additional contractual obligation of the Authority and shall be
entitled to the benefits and security of this Resolution to the same extent as the Bond or
Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry-Only System.

(a) The definitive Bonds shall be initially issued in the form of a separate
single fully registered Bond for each of the maturities thereof. Upon initial issuance, the
ownership of each such Bond shall be registered in the name of Cede & Co., as
nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

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

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the Authority or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter by and between the Authority, the Paying Agent/Registrar and DTC (the "Representation Letter"), and that it is in the best interest of the Owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Authority or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended; notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities
depository; or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Redemption of Bonds. The Bonds shall be subject to redemption prior to maturity as provided in the Approval Certificate.

Section 4.03. Notice of Redemptions.

(a) Notice and Conditional Redemption. When Bonds (or portions thereof) are to be redeemed, the Authority shall give or cause to be given notice of the redemption of the Bonds to the Paying Agent/Registrar no later than fifteen (15) days prior to the last date on which notice of such redemption can be given or such shorter time as may be acceptable to the Paying Agent/Registrar. In the case of an optional redemption, the notice may state (1) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar no later than the redemption date or (2) that the Authority retains the right to rescind such notice at any time prior to the scheduled redemption date if the Authority delivers a certificate to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice (in either case, a "Conditional Redemption"), and such notice and optional redemption shall be of no effect if such moneys are not to deposited or if the notice is rescinded as described in subsection (d) of this Section.

The Paying Agent/Registrar, at the expense of the Authority, shall send notice of any redemption, identifying the Bonds to be redeemed, the redemption date and the method and place of payment and the information required by subsection (b) of this Section to each Owner of a Bond called for redemption at the address listed on the
Security Register. Such notice shall be sent by the Paying Agent/Registrar by first class mail, or other commercially acceptable method of communication, at least thirty (30) days prior to the scheduled redemption date. With respect to book-entry Bonds, the Paying Agent/Registrar shall send notice of redemption to the Securities Depository pursuant to the Letter of Representations and the Paying Agent/Registrar shall not be required to give the notice to any beneficial owners. If notice is given as stated in this paragraph (a), failure of any Owner to receive such notice, or any defect in the notice, shall not affect the redemption or the validity of the proceedings for the redemption of the Bonds.

(b) Contents of Notice. In addition to the foregoing, the redemption notice shall contain with respect to each Bond being redeemed (1) the CUSIP number, (2) the date of issue, (3) the interest rate, (4) the maturity date, and (5) any other descriptive information determined by the Paying Agent/Registrar to be necessary to identify the Bonds called for redemption. If a redemption is a Conditional Redemption, the notice shall so state. The Paying Agent/Registrar also shall send each notice of redemption to (i) any rating agency then rating the Bonds to be redeemed, and (ii) EMMA.

(c) Deposit of Redemption Price. On or before the date fixed for redemption, subject to the provisions of subsections (a) and (d) of this Section, moneys shall be deposited with the Paying Agent/Registrar to pay the principal of, redemption premium, if any, and interest accrued or accreted to the redemption date on the Bonds called for redemption. Upon the deposit of such moneys, unless the Authority has given notice of rescission as described in subsection (d) of this Section, the Bonds shall cease to bear interest on the redemption date and shall no longer be entitled to the benefits of this Resolution (other than for payment and transfer and exchange), and such bonds shall no longer be considered Outstanding.

(d) Rescission of Conditional Redemption. Any Conditional Redemption may be rescinded in whole or in part at any time prior to the redemption date if the Authority delivers a certificate to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice. The Paying Agent/Registrar shall give prompt notice of such rescission to the affected Owners. Any Bonds subject to Conditional Redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an event of default. Further, in the case of a Conditional Redemption, the failure of the Authority to make funds available in part or in whole on or before the redemption date shall not constitute an event of default.
ARTICLE V
PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The Authority hereby appoints U.S. Bank National Association as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Authority and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Registered Owners and record in the Register the address of such Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The Authority or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar; but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The Authority hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the Authority and the Paying Agent/Registrar with respect to the Bonds, and of all conversions, replacements and exchanges of such Bonds, as provided in the Resolution.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution, or other entity duly qualified and legally authorized under the laws of the United States or of any state thereof, (ii) authorized under such laws to exercise trust powers, and (iii) subject to supervision or examination by a federal or state governmental authority.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds are outstanding, the Authority will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Resolution.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Authority will promptly appoint a replacement.

(c) The execution and delivery of a Paying Agent/Registrar Agreement, in form and content as set forth in Exhibit "B" attached hereto, specifying the duties and responsibilities of the Authority and the Paying Agent/Registrar, is hereby approved with such changes as may be approved by the President of the Board, and the President of said Board is hereby authorized to execute such agreement.
Section 5.04. Termination. The Authority reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the Authority (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.05. Notice of Change to Registered Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the Authority will cause notice of the change to be sent to each Holder by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Resolution and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally.

(a) The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Paying Agent/Registrar, and the assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and (ii) 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 (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the Authority or by the officers executing such Bonds, as evidence by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds shall be typed, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other
similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 6.02. Form of Bond. The form of Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of Paying Agent/Registrar and the form of assignment appearing on the Bonds, shall be substantially as follows:

(a) **Form of Definitive Bonds.**

<table>
<thead>
<tr>
<th>REGISTERED NO. R-____</th>
<th>REGISTERED PRINCIPAL AMOUNT $__________</th>
</tr>
</thead>
</table>

**UNITED STATES OF AMERICA**

**STATE OF TEXAS**

**CANADIAN RIVER MUNICIPAL WATER AUTHORITY**

**SUBORDINATE LIEN CONTRACT REVENUE REFUNDING BOND**

**SERIES 2012**

(Conjunctive Use Groundwater Supply Project)

<table>
<thead>
<tr>
<th>Bond Date:</th>
<th>Interest Rate:</th>
<th>Stated Maturity:</th>
<th>CUSIP No.:</th>
</tr>
</thead>
<tbody>
<tr>
<td>__________, 2012</td>
<td>_______________</td>
<td>_______________</td>
<td>____________</td>
</tr>
</tbody>
</table>

Date of Delivery: ________________, 2012

Registered Owner:

Principal Amount: DOLLARS

The Canadian River Municipal Water Authority (hereinafter referred to as the "Authority"), being a governmental agency and body corporate and politic of the 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 Date of Delivery or the most recent date to which the interest has been paid by check or duly provided for, 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 15 and August 15 in each year, commencing ________________, ______.* Principal of this Bond 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. Interest is payable to the Registered Owner of this Bond whose name appears on the

* From Approval Certificate
"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 by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the 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 and interest on this Bond shall be without exchange or collection charges to the Registered 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 Bond is one of the series specified in its title issued in the aggregate principal amount of $___________* (herein referred to as the "Bonds") and issued pursuant to a certain resolution of the Board of Directors of the Canadian River Municipal Water Authority (the "Resolution") for the purpose of providing funds (1) to refund the Refunded Bonds, and (2) to pay costs related to the issuance of the Bonds, as described in the Resolution.

This Bond and all the bonds of the series of which it is a part constitute special obligations of the Authority, are payable as to both principal and interest solely from and secured by a lien on and pledge of the Project Payments, as defined in the Resolution, made by the Member Cities in the Conjunctive Use Groundwater Supply Agreements that is junior and subordinate to the first lien on such Project Payments which have been pledged to secure payment of the Parity Bonds; for a more complete statement of the covenants and provisions securing the payment of this Bond and the series of which it is one, reference is hereby made to the Resolution authorizing this series of Bonds.

The Registered Owner hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by the levy of taxes, or from any source other than specified in the Resolution.

The Authority expressly reserves the right to issue further and additional special revenue obligations as Parity Bonds or Subordinate Lien Bonds secured by a lien on and pledge of the Project Payments made by the Member Cities in the Conjunctive Use Groundwater Supply Agreements, subject to the covenants, conditions, limitations and restrictions relating thereto which are set out and contained in the Resolution authorizing this series of Bonds and such resolutions authorizing the Parity Bonds or Subordinate Lien Bonds, including Subordinate Lien Bonds on parity with other Subordinate Lien Bonds, as the case may be.

REDEMPTION PROVISIONS

[TO BE PROVIDED IN THE APPROVAL CERTIFICATE]

* From Approval Certificate
At least 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first class postage prepaid, not less than 30 days prior to the date fixed for any such redemption, to the Registered Owner of each Bond to be redeemed at its address as it appeared on the 45th day prior to such redemption date, provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest 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.

In the event of a partial redemption of the principal amount of this Bond, payment of the redemption price of such principal amount shall be made to the Registered Owner only upon presentation and surrender of this Bond to the Paying Agent/Registrar at its Designated Payment/Transfer Office, and there shall be issued to the Registered Owner hereof, without charge, a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the principal sum hereof. If this Bond is selected for redemption, in whole or in part, the Authority and the Paying Agent/Registrar shall not be required to transfer this Bond 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 hereof in the event of its redemption in part.

Reference is hereby made to the Resolution, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner of this Bond by the acceptance hereof hereby asserts, for definitions of terms; the description of and the nature and extent of the revenues pledged for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond, the rights, duties, and obligations of the Authority and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Resolution.

This Bond is subject to certain limitations contained in the Resolution, and it may be transferred on the 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 Register occurs, one or more new fully registered Bonds 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 Authority and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal at the 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 Authority, 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 Bond 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 Authority. 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 Registered Owner of a Bond appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

The Authority, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the Registered Owner hereof for the purpose of receiving payment as herein provided and for all purposes, whether or not this Bond be overdue, and neither the Authority nor the Paying Agent/Registrar shall be affected by notice to the contrary.

It is hereby certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, sold, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; and that this Bond is a special obligation of the Authority payable from and secured by an irrevocable lien on and pledge of the Project Payments from the "Conjunctive Use Groundwater Supply Agreements" dated as of May 15, 1996, and as amended July 1, 1999, December 1, 2004, February 1, 2006, January 1, 2009 and July 1, 2011, between the Authority and each of the Member Cities that is subordinate and junior to the first lien on such Project Payments securing payment of the Parity Bonds. It is specifically provided in the Conjunctive Use Groundwater Supply Agreements that the Member Cities are obligated collectively to make payments in amounts sufficient to pay the principal of and interest on the Parity Bonds and this series of Bonds, when due. It is provided, however, that each of the Member Cities is responsible solely for the payment of its fixed annual proportionate share of such principal and interest, as set forth in the Resolution. A Member City is not
obligated to pay any part of the amount due by another Member City, except as provided in the Conjunctive Use Groundwater Supply Agreements.

IN WITNESS WHEREOF, this Bond has been duly executed on behalf of the Authority, under its official seal, in accordance with law.

______________________________________________  __________________________________________
Secretary, Canadian River Municipal               President, Canadian River Municipal
Water Authority                                  Water Authority

[SEAL]

(b) **Form of Comptroller’s Registration Certificate.**

The following Comptroller’s Registration Certificate may be deleted from the definitive Bonds if such certificate on the Initial Bond is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a Certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that this Bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, ________________.

[SEAL]  Comptroller of Public Accounts
of the State of Texas

(c) **Form of Certificate of Paying Agent/Registrar.**

The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller’s Registration Certificate appears thereon.
CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Bond of this series of Bonds was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Bonds referred to in the within-mentioned Resolution.

U.S. BANK NATIONAL ASSOCIATION,
Dallas, Texas

Dated: ____________________  By: ______________________________________
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Bond, or duly authorized representative or attorney thereof, hereby assigns this Bond to __________

(print or typewrite Assignee's name and address, including zip code) (Assignee's Social Security or Taxpayer Identification Number)

and hereby irrevocably constitutes and appoints ________________________________ , attorney, to transfer the registration of this Bond on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: ____________________

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240-17Ad-15).

Registered Owner
NOTICE: The signature must correspond with the name of the Registered Owner appearing on the face of this Bond.
(e) The Initial Bond shall be in the respective form set forth therefor in paragraph (a) of this Section, except as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
No. T-1

$_________________________*

UNITED STATES OF AMERICA
STATE OF TEXAS
CANADIAN RIVER MUNICIPAL WATER AUTHORITY
SUBORDINATE LIEN CONTRACT REVENUE REFUNDING BOND
SERIES 2012
(Convjuunctive Use Groundwater Supply Project)

Bond Date: ________________, _______*

CUSIP No.: ___________________

Date of Delivery: __________________________, 2012

Registered Owner: *

Principal Amount: ___________________________ * DOLLARS

The Canadian River Municipal Water Authority (hereinafter referred to as the "Authority"), being a governmental agency and body corporate and politic of the 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 hereinafore stated on February 15 in the years and in principal installments in accordance with the following schedule:

<table>
<thead>
<tr>
<th>YEAR OF MATURITY</th>
<th>PRINCIPAL INSTALLMENTS</th>
<th>INTEREST RATE</th>
</tr>
</thead>
</table>

(Information to be inserted from schedule in the Approval Certificate.)

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the later of the Date of Delivery or the most recent date to which the interest has been paid by check or duly provided for, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing _______________*.

Principal installments of

* From Approval Certificate
this Bond are payable in the year of maturity or on a prepayment date to the Registered Owner hereof by _______________ (the "Paying Agent/Registrar"), upon presentation and surrender, at its Designated Payment/Transfer Office in __________. Interest is payable to the Registered Owner of this Bond whose name appears on the "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 by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the 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 Bond shall be without exchange or collection charges to the Registered 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 6.03. **CUSIP Registration.** The Authority may secure identification numbers ("CUSIP Numbers") and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP Numbers on the Bonds shall be of no significance or effect as regards the legality thereof, and neither the Authority nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP Numbers incorrectly printed on the Bonds.

Section 6.04. **Legal Opinion.** The approving legal opinion of Bickerstaff Heath Delgado Acosta LLP, Bond Counsel, which opinion shall be dated and delivered the Closing Date, may be printed on the reverse side of each Bond, which may be executed in facsimile or may be attached to each Bond.

Section 6.05. **Statement of Insurance.** A statement relating to a municipal bond insurance policy, if any, to be issued for the Bonds may be printed on each Bond.

**ARTICLE VII**

**FUNDS AND ACCOUNTS, AND APPLICATION OF MONEY**

Section 7.01. **Funds.** For the Bonds and each series of Additional Bonds issued as Subordinate Lien Bonds, the following special funds are established and shall be maintained by the Authority at an official depository bank of the Authority as provided in the Bond Documents, and must be kept separate and apart from all other funds and accounts of the Authority, including other issues of Revenue Bonds (except for Parity Bonds to the Bonds) issued under the Conjunctive Use Groundwater Supply Agreement; and shall be secured in accordance with the Laws of the State of Texas so long as any of the Bonds or any additional obligations or interest thereon are outstanding or unpaid:

(a) Canadian River Municipal Water Authority Subordinate Lien Bonds Project Payment Fund, hereinafter called the "Project Payment Fund".
(b) Canadian River Municipal Water Authority Subordinate Lien Bonds Construction Fund, hereinafter called the "Construction Fund".

(c) Canadian River Municipal Water Authority Subordinate Lien Bonds Interest and Sinking Fund, hereinafter called the "Interest and Sinking Fund".

(d) Canadian River Municipal Water Authority Subordinate Lien Bond Reserve Fund, hereinafter called the "Bond Reserve Fund".

Section 7.02. Initial Deposits. On the Closing Date, the Authority shall cause the proceeds from the sale of the Bonds to be deposited as follows:

(i) All accrued interest on the Bonds from the Bond Date until the Closing Date and premium, if any, shall be deposited to the credit of the Interest and Sinking Fund.

(ii) The sum described in the Approval Certificate and the Verification Report shall be deposited to the Escrow Fund or with paying agent for the Refunded Bonds to pay all principal and interest on the redemption date as provided in the Approval Certificate.

(iii) The sum set forth in the Approval Certificate to be deposited as directed by the General Manager and used to pay costs and expenses pertaining to the issuance of the Bonds. To the extent that any of such sum is not used for such purpose, such excess shall be deposited to the Interest and Sinking Fund.

(iv) The sum set forth in the Approval Certificate, if any, to be deposited in the Bond Reserve Fund.

(v) To the extent necessary to accomplish fully the purposes of this Resolution, the General Manager is authorized to reallocate the funds directed to be used for the purposes specified above.

Section 7.03. Project Payment Fund.

(a) Subject to Section 2.01, all payments for Project Construction Costs for the Bonds from the Member Cities to the Authority under the Conjunctive Use Groundwater Supply Agreements with the Member Cities, except for payments under an escrow agreement as provided for in Section 3.3 of the Conjunctive Use Groundwater Supply Agreements or payments for Project Operation and Maintenance Costs, as received, are to be deposited in the Project Payment Fund for the Bonds. All money in the Project Payment Fund shall be applied as hereinafter provided.
(b) The money in Project Payment Fund authorized by this Resolution is to be used by the Board to pay the debt service on the Bonds and to make deposits or payments required for the reserve funds or special accounts as provided herein for the Bonds.

Section 7.04. RESERVED.

Section 7.05. Interest and Sinking Fund. Concurrently with the Authority's receipt of funds on the Closing Date for the Bonds, the Authority shall establish an "Interest and Sinking Fund." Subject to Section 2.01, the Authority shall deposit in the Interest and Sinking Fund the amount provided by Section 7.02 and the following:

(a) such amounts, in substantially equal monthly installments, made on or before the fifth day of the month following the Closing Date and each month thereafter, as will be sufficient to pay the interest scheduled to come due on the Bonds and any future subordinate lien bonds on the next Interest Payment Date; and

(b) such amounts, in substantially equal monthly installments, made on or before the fifth day of the month following the Closing Date and each month thereafter, as will be sufficient to pay the principal of the Bonds next due and payable. Except for Subordinate Lien Bonds issued on parity with the Bonds and any future subordinate lien bonds, the money deposited into the Interest and Sinking Fund for the Bonds shall be used only for principal and interest due on the Bonds and any future subordinate lien bonds. Money in the Interest and Sinking Fund shall be invested as provided in Section 7.08 of this Resolution, and interest earned on such investment is to be retained in the Interest and Sinking Fund for the Bonds.

Section 7.06. Bond Reserve Fund. No account is being established in the Bond Reserve Fund for the benefit of the Registered Owners of the Bonds; consequently, no proceeds of the Bonds shall be deposited into the Reserve Fund, no funds shall be deposited in the Reserve Fund (unless otherwise provided by the Authority in a subsequent Resolution) and a Registered Owner of the Bonds shall not be entitled to any funds which may be on deposit in the Reserve Fund (unless otherwise provided by the Authority in a subsequent Resolution).

Section 7.07. Unallocated and Unpledged Balance. Within thirty (30) days after the close of each fiscal year after the fiscal year in which the Bonds are issued, the Board shall examine for the Bonds (and Additional Bonds if issued as Parity Bonds) the balances in the Project Payment Fund, the Interest and Sinking Fund, and the Bond Reserve Fund. If, on the last day of any such fiscal year, the Board is current in the making of deposits into the Interest and Sinking Fund and the Bond Reserve Fund for the Bonds, so that all deposits required under the Conjunctive Use Groundwater Supply Agreements and this Resolution have been made into the respective funds, and if there are no unpaid obligations against any of the respective funds, or in the event there are unpaid obligations if they are taken into account as indicated below, the Board will take
the following actions with respect to the funds maintained for the Bonds (and Additional Bonds if issued as Subordinate Lien Bonds issued on parity with the Bonds):

(a) Ascertain the balance of funds in the Project Payment Fund for the Bonds;

(b) Ascertain for the Bonds and Additional Bonds if issued as Subordinate Lien Bonds on parity with the Bonds, the total amount of unpaid obligations against: the Project Payment Fund, the Interest and Sinking Fund, and the Bond Reserve Fund, including obligations which have been issue and those which have not been issued but, which in the opinion of the Board, will probably be issued;

(c) Subtract item (b) from the sum from item (a). The remainder shall constitute the Unallocated and Unpledged Balance for the Bonds and Additional Bonds if issued as Subordinate Lien Bonds on parity with the Bonds;

(d) Transfer to the Interest and Sinking Fund for the Bonds and Additional Bonds if issued as Subordinate Lien Bonds on parity with the Bonds, such Unallocated and Unpledged Balance.

Section 7.08. Investments.

(a) Any money held in the Project Payment Fund for the Bonds will be separately invested and reinvested in the following investments, as authorized by the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code: (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) certificates of deposit issued by a state or national bank domiciled in the State of Texas, a savings bank domiciled in the State of Texas, or a state or federal credit union domiciled in the State of Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (5) or in any other manner and amount provided by law for Authority deposits, (7) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas, (8) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (9) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or
P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (10) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of $1 for each share, and (11) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, invested exclusively in obligations described in this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. If specifically authorized in the authorizing document, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The Authority may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA-m or Aaa or an equivalent by at least one nationally recognized rating service. The Authority may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Authority retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Authority must do so by order, ordinance, or resolution. The Authority is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

(b) Any money held in the Interest and Sinking Fund and the Bond Reserve Fund for the Bonds will be separately invested and reinvested by the Board in investments described in subsections (1) or (2) of the preceding paragraph.

(c) Any investments will be held by or under the control of the Board and while so held will be deemed a part of the fund in which such money was originally held. The earnings accruing on such investments, including any profit realized, will be credited to such funds as provided for in this Resolution.
(d) The Authority shall pay the required rebate on any excess earnings on investments to the United States in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended.

Section 7.09. Final Payment. Notwithstanding anything to the contrary herein, whenever the total amount of funds in the Interest and Sinking Fund and the Bond Reserve Fund for the Bonds is equivalent to the aggregate principal and interest amount due and to become due on the Bonds (and Additional Bonds if Parity Bonds), no further payments need be made into the Interest and Sinking Fund or the Bond Reserve Fund securing the Bonds, and the obligations shall not be regarded as being outstanding except for the purpose of being paid with the funds on hand. Any amounts remaining in any of these funds after defeasance and payment of the Bonds (and any Additional Bonds issued as Parity Bonds) may be transferred to the Project Payment Fund for the Bonds.

ARTICLE VIII

ADDITIONAL BONDS

Section 8.01. Additional Bonds. The Authority reserves the right to issue, on a parity or non-parity basis, further revenue obligations (the "Additional Bonds") payable from the Project Payments for the purpose of refunding the Bonds or Revenue Bonds or completing the Project or for a Project Expansion to the extent contemplated by this Resolution. Unless Additional Bonds expressly provide they have a junior lien position, Additional Bonds will have a first lien position on the Project Payments for such series of Revenue Bonds.

(a) Parity Bonds. When issued as Parity Bonds in compliance with applicable law and the terms and conditions set forth in this Resolution and Bond Documents, if any, such Additional Bonds shall occupy a senior position with respect to the Bonds and such Additional Bonds issued as Subordinate Lien Bonds and shall occupy an equal position with any previously issued Parity Bonds. The Authority hereby covenants and agrees that no Additional Bonds will be issued on a parity basis with previously issued Parity Bonds, including the Bonds, unless and until the following conditions have been met:

(1) The Authority is not then in default as to any covenant, condition or obligation prescribed by this Resolution or the Bond Documents and that the Interest and Sinking Fund, and the Bond Reserve Fund contain the amounts then required to be on deposit therein;

(2) The applicable laws of the State of Texas in force at such time and which provide permission and authority for the issuance of such Additional Bonds have been fully complied with;
(3) The resolution authorizing such Additional Bonds shall contain provisions for increasing the Project Payments made in accordance with the Construction Cost Payment Schedule so that the monthly deposits to be made into the Interest and Sinking Fund will assure the availability of money on time for the purpose of paying the installments of interest and principal of such Additional Bonds;

(4) The Additional Bonds are scheduled to mature only on the same interest payment dates as the Parity Bonds, and the interest thereon is scheduled to be paid only on the same interest payment dates as the Parity Bonds;

(5) The calculation of average annual principal and interest requirements made pursuant to this Section 8.01 shall be made as of and from the date of the installment or series of Revenue Bonds then proposed to be issued; and

(6) The resolution authorizing the issuance of such installment or series of Additional Bonds provides that the aggregate amount to be accumulated and maintained in the Bond Reserve Fund shall be increased from bond proceeds of the Additional Bonds to an aggregate amount not less than the least of the average annual principal and interest requirements for the Parity Bonds and the installment or series of Additional Bonds then proposed to be issued as Parity Bonds or the amounts stated in Section 7.06.

(b) Non-parity Basis. Unless the Additional Bonds are issued as Parity Bonds, such bonds shall occupy a subordinate position with respect to the Parity Bonds and shall be issued with the establishment of separate Project Payment Funds, Construction Funds, Interest and Sinking Funds, and Bond Reserve Funds, if any, which shall not be used except for the series of Revenue Bonds for which they were issued unless such Additional Bonds are issued as Subordinate Lien Bonds on parity with the Bonds. Such Additional Bonds issued on a non-parity basis may not be issued unless:

(1) The Authority is not then in default as to any covenant, condition or obligation prescribed by this Resolution;

(2) The applicable laws of the State of Texas in force at such time and which provide permission and authority for the issuance of such Additional Bonds have been fully complied with; and

(3) The Additional Bonds are scheduled to mature only on the same interest payment dates as the other Revenue Bonds, and the interest thereon is scheduled to be paid only on the same interest payment dates as the other Revenue Bonds.
Section 8.02. Refunding Bonds.

(a) Subject to subsection (b) of this Section, the Authority reserves the right to refund all or any part of the Bonds in the manner permitted by law.

(b) The Authority may issue partial refunding bonds if the conditions set forth in Section 8.01 with respect to Additional Bonds have been met.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS
OF THE AUTHORITY

Section 9.01. Obligation to Complete Project. The Authority agrees to proceed promptly and to the best of its ability to refund the Series 2005 Bonds under the Conjunctive Use Groundwater Supply Agreements and this Resolution.

Section 9.02. Operation of Project. The Authority agrees to exercise reasonable efforts to ensure that the Project is operated and maintained in accordance with applicable federal, state, and local laws.

Section 9.03. Project Alterations and Repairs. While the Authority may be compelled to make necessary alterations, repairs, and installations of new or additional equipment from time to time during the life of the Project, the Authority agrees to make every reasonable effort to provide the Member Cities with water in accordance with the Conjunctive Use Groundwater Supply Agreements.

Section 9.04. Maintenance and Operation - Insurance. The Authority has agreed in the Conjunctive Use Groundwater Supply Agreements that it will maintain the Project in good condition and that it will operate the Project in an efficient manner and at a reasonable cost. So long as any of the Bonds are outstanding, the Authority will maintain a traditional insurance policy or will provide coverage through a governmental self-insurance pool for the benefit of the Registered Owners of the Bonds and of any Additional Bonds of the kinds and in the amounts, if any, which are normally provided for governmental projects of this type, and that during such time all policies of insurance or governmental pool coverages shall be maintained in force and effect and that payments will be made promptly when due. All moneys received from losses under such insurance policies or governmental pool coverages, other than public liability policies will be pledged as security for the Bonds and any Additional Bonds except for the pro rata amount attributable to a Member City making payments under an escrow agreement as provided in Section 3.3 of the Conjunctive Use Groundwater Supply Agreements, 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. Adequate provision for making good such loss or damage is to be made within ninety days after the date of the loss. The payment of premiums for all insurance policies required are to be considered as Project Operation and Maintenance Costs.
Section 9.05. Records and Accounts.

(a) So long as any of the Bonds or any interest thereon remain outstanding and unpaid, the Authority will keep and maintain a proper and complete system of books, records and accounts pertaining to the acquisition, construction and operation of the Project, separate and apart from all other records and accounts in which complete and correct entries shall be made of all transactions relating to the Project, and that the Registered Owner of any of the Bonds or any duly authorized agent or agents of such Registered Owner shall have the right at all reasonable times to inspect all such books, records, accounts and data relating thereto, and to inspect the properties comprising the Project. Within six (6) months following the close of each fiscal year, the Board will cause an audit of such books and accounts to be made by an independent certified public accountant, showing the receipts and disbursements for account of the Project for such fiscal year. Each such audit, shall in addition to any other items considered proper by the independent certified public accountant, particularly include the following:

1. a detailed statement of the income and expenditures for account of the Project for such fiscal year;

2. a balance sheet as of the end of such fiscal year;

3. the independent certified public accountant’s comments regarding the manner in which the Board has carried out the requirements of this Resolution and Bond Documents, and his or her recommendations for any changes or improvements in the operation, records and accounts of the Project; and

4. a list of the insurance policies in force at the end of the fiscal year on the properties of the Project, setting out as to each policy the amount thereof, the risk covered, the name of the insurer, and the policy’s expiration date.

(b) For so long as the Project is in operation, the Authority will maintain a proper set of books, records and accounts pertaining to the operation of the Project which shall be available for inspection by the Member Cities. The Underwriters of the Bonds and any bondholder shall have the right to discuss with the accountant making the annual audit the contents thereof and to request such additional information as they may reasonably request.

(c) Expenses incurred in making the audits above required shall be considered as Project Operation and Maintenance Costs and paid as such.

Section 9.06. Sale or Encumbrance of Properties. So long as any of the Revenue Bonds remain outstanding, the Authority shall not, except as otherwise prescribed herein or in the Bond Documents or as consented to by the Registered Owners of the Bonds, sell, or in any other manner dispose of any properties comprising
the Project, including property acquired later with the proceeds of Additional Bonds. Notwithstanding anything herein to the contrary, the Board may dispose of property which in its judgment has become inexpedient for use in connection with the Project, including the exchange of water rights for a similar amount in quality and quantity of water rights which can be used more efficiently for the Project. In the event of the disposition of any property under such circumstances, the proceeds from such sale shall be used to acquire other property suitable for use and needed by the Project or, if such sale occurs following the termination of the Project pursuant to Section 3.5 of the Conjunctive Use Groundwater Supply Agreements, the proceeds of the sale will be disposed of as follows: (a) return the pro rata portion attributable to a City which was paid directly pursuant to Section 3.3 of the Conjunctive Use Groundwater Supply Agreements, and (b) deposit the remainder to the credit of the Interest and Sinking Fund for the payment of the Bonds issued to pay all or a part of the property sold.

Section 9.07. Board to Submit Information to Meet Continuing Disclosure Requirements. In order to meet the requirements imposed by United States Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"), if Revenue Bonds are issued and outstanding, the Authority shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB"), within six months after the end of each fiscal year ending in or after 2012, financial information and operating data with respect to itself of the general type included in the final Official Statement. This undertaking is more explicitly described in Exhibit "C" to this Resolution, which is incorporated by reference. To the extent the Member Cities provide the requisite information, the Authority will provide such financial information and operating data with respect to such Member Cities of the general type included in the final Official Statement annually to the MSRB, within six months after the end of each fiscal year ending in or after 2012. The obligation to make such reports will be for so long as any of the Member Cities provide the information to the Authority and remain an "obligated person" as defined in Rule 15c2-12(f)(10). The Authority, with respect to the Bonds, also agrees to notify the MSRB, in a timely manner (not to exceed 10 business days), of any of the events listed in Rule 15c2-12(b)(5)(ii)(C), if such event is material within the meaning of the federal securities laws. This covenant is for the benefit of the Member Cities and the Registered Owners of the Bonds and shall remain in effect for so long as the Authority remains an "obligated person."

Section 9.08. Covenants Regarding Tax Exemption. The Authority covenants to refrain from taking any action which would adversely affect, and to take any required action to ensure, the treatment of the Bonds as obligations described in Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the Registered Owner for purposes of federal income taxation. In furtherance thereof, the Authority covenants as follows:

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

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

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

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

(e) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of Section 149(b) of the Code;

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

1. proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

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

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

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not
otherwise contravene the requirements of Section 148 of the Code (relating to arbitrage) and, to the extent applicable, Section 149(d) of the Code (relating to advance refundings);

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of Section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under Section 148(f) of the Code; and

(i) to maintain such records as will enable the Authority to fulfill its responsibilities under this Section and Section 148 of the Code, and to retain such records for at least six years following the final payment of principal and interest on the Bonds.

In order to facilitate compliance with the above covenants (g), (h) and (i), a "Rebate Fund" is hereby established by the Authority for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with Section 148 of the Code.

It is the understanding of the Authority that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Authority will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Authority agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code. In furtherance of such intention, the Authority hereby authorizes and directs the President of the Board and/or the General Manager of the Authority to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Authority, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Section 9.09. Additional Certifications. Proper officers of the Authority charged with the responsibility of issuing the Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates and circumstances in existence as of the Closing Date and stating whether there are any facts, estimates or circumstances that would materially change the Authority's current expectations.
Section 9.10. **Benefit of Covenants.** The covenants and representations made or required by this Article are for the benefit of the Registered Owners and may be relied upon the Registered Owners and bond counsel for the Authority.

Section 9.11. **Application of Parity Bond Covenants and Agreements.** It is the intention of the Board and accordingly hereby recognized and stipulated that the provisions, agreements and covenants contained herein bearing upon the management and operations of the Project, and the administering and application of Project Payments and other revenues derived from payments pursuant to the Conjunctive Use Groundwater Supply Agreements, shall to the extent possible be harmonized with like provisions, agreements and covenants contained in the resolutions authorizing the issuance of obligations which, by their terms, have a prior right and claim on the Project Payments and other revenues derived from payments pursuant to the Conjunctive Use Groundwater Supply Agreements to the claim and right securing the payment of the Bonds and any Additional Bonds (other than Parity Bonds), and to the extent of any irreconcilable conflict between the provisions contained herein and in the resolutions authorizing the issuance of such obligations, the provisions, agreements and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Resolution but in all respects subject to the priority of rights and benefits, if any, conferred thereby to the holders of such obligations.

**ARTICLE X**

**PARTICULAR REPRESENTATIONS AND COVENANTS OF THE MEMBER CITIES**

Section 10.01. **Covenants of Member Cities.** The Authority in issuing the Bonds relies on the covenants made by the Member Cities for the benefit of the Registered Owners of the Bonds and Additional Bonds as set forth in the Conjunctive Use Groundwater Supply Agreements.

Section 10.02. **Member City’s Disclosure Agreement.** Each Member City has agreed in its Conjunctive Use Groundwater Supply Agreement that if Revenue Bonds are issued, it will be an "obligated person" as defined in Rule 15c2-12(f)(10) of the Rules of the United States Securities and Exchange Commission. If Revenue Bonds are issued, each Member City appoints the Authority as its agent to file the financial information and operating data required by the Rule. Each Member City agrees to provide to the Authority a copy of its annual audited financial statement and such other financial and operating information necessary for the Authority to comply with the continuing disclosure requirements under the Rule. The information for the annual report shall be provided no later than four months from the end of the Member City's fiscal year. Each Member City has made this covenant for the benefit of the Authority and the Registered Owners of the Bonds and shall remain in effect for so long as the City remains an "obligated person" as defined in Rule 15c2-12(f)(10). Should the Member City fail to provide the requisite information to the Authority within the four month period after the end of its fiscal year, the Member City has agreed that it will
make its own filings to comply with the Rule within six months after the end of its fiscal year.

ARTICLE XI
DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an "Event of Default," to-wit:

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Authority or Member Cities under the Conjunctive Use Groundwater Supply Agreements, the failure to perform which materially, adversely affects the rights of the Registered Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Resolution, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Authority.

Section 11.02. Remedies for Default.

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

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

Section 11.03. Remedies Not Exclusive.

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

ARTICLE XII
DISCHARGE/DEFEASANCE

Section 12.01. Discharge/Defeasance. The Bonds may be defeased, refunded and discharged in any manner permitted by law. Bonds or any principal amount(s) 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 Bonds at maturity or to the redemption date thereof, 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 Bonds on the Stated Maturities thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor accepted to the Paying Agent/Registrar have been made) the redemption date thereof. The Authority 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 Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code 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 in excess of the amount required for the payment of the Bonds shall be remitted to the Authority or deposited as directed by the Authority. Furthermore, any money held by the Paying Agent/Registrar for the payment of the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the Authority, be remitted to the Authority against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the Authority shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, means (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 of America, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the Authority 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 Authority, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

ARTICLE XIII
UNCLAIMED PAYMENTS

Section 13.01. Unclaimed Payments. Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

ARTICLE XIV
APPROVAL OF ESCROW AGREEMENT
AND REDEMPTION OF REFUNDED BONDS

Section 14.01. Approval of Escrow Agreement. The Escrow Agreement, having such terms and provisions substantially in the form of Exhibit "D" and as finally approved by the Authorized Representative evidenced by his execution and delivery thereof, is hereby authorized and approved.

Section 14.02. Redemption of Refunded Bonds. The Refunded Bonds are hereby called for redemption prior to maturity as set forth in the Approval Certificate, at a redemption price equal to the principal amount thereof so redeemed plus accrued interest to the date of redemption. Interest on the Refunded Bonds shall cease to accrue on the date of redemption thereof.

Section 14.03. Notice of Redemption. Notice of redemption of the Refunded Bonds shall be given in the manner and within the times required by the resolution authorizing the issuance thereof.

Section 14.04. Source of Funds for Redemption. The source of funds for payment of the principal of and interest on the bonds called for redemption and to be redeemed in advance of maturity pursuant to this Resolution shall be from the cash and securities on deposit in the Escrow Fund.
ARTICLE XV

AWARDING SALE OF BONDS; AUTHORIZED REPRESENTATIVE; INSURANCE; AND ADDITIONAL MATTERS

Section 15.01. Sale of Bonds; Official Statement.

(a) The Sale of the Bonds to the Underwriters at a price approved by the Authorized Representative on or before the date of issuance of the Bonds, but in no event less than 95% of the principal amount thereof plus accrued interest, if any, from the date thereof to the date of delivery, is hereby authorized and approved and the Authorized Representative is hereby authorized and directed to enter into a Bond Purchase Agreement with the Underwriter to accomplish the issuance of the Bonds, provided that

(i) none of the Bonds shall bear interest at a rate greater than 15% per annum or in excess of the maximum rate allowed by Chapter 1204, Texas Government Code, as amended.

(ii) the present value savings in debt service resulting from the issuance of the Bonds shall be at least 5.90%, as shown by a table of calculations prepared by the Authority’s financial advisor and attached to the Approval Certificate.

(iii) the maximum maturity of the Bonds is February 15, 2025.

(iv) resolutions authorizing the Bonds have been received from each Member City.

The Bond Purchase Agreement is to be signed by the Authorized Representative, and the execution thereof and delivery to the Underwriters by the Authorized Representative shall constitute conclusive evidence of the approval of such Bond Purchase Agreement by the Authority.

(b) The Authorized Representative is hereby authorized, in the name and on behalf of the Authority, to approve, distribute, and deliver a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriters in the marketing of the Bonds.

(c) All officers of the Authority are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds.

(d) The obligation of the Underwriters to accept delivery of the Bonds is subject to, among other conditions specified in the Bond Purchase Agreement, the Underwriters being furnished with the final, approving opinion of Bickerstaff Heath
Section 15.02. Resolution a Contract - Amendments. This Resolution shall constitute a contract with the Holders from time to time, be binding on the Authority, and shall not be amended or repealed by the Authority while any Bond remains Outstanding except as permitted in this Section. The Authority, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution 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 Authority may, with the written consent from the owners holding a majority in aggregate principal amount of the Parity Obligations then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the written consent of all Holders of Outstanding Bonds effected, 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 Bonds, reduce the principal amount thereof, the redemption price therefor, 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 Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds or Parity Obligations, as the case may be, required to be held for consent to any such amendment, addition, or rescission.

Section 15.03. Further Procedures. The President of the Board and the General Manager of the Authority and all other officers, employees and agents of the Authority, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the seal of the Authority and on behalf of the Authority all agreements, instruments, or such other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Approval Certificate, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, and the Bond Purchase Agreement. In addition, prior to the initial delivery of the Bonds, the President of the Board and General Manager of the Authority, and its Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution: (i) in order to cure any technical ambiguity, formal defect, or omission in the Resolution or such other document; or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Resolution, which determination shall be final. In the event that any officer of the Authority whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.
Section 15.04. Designation of Authorized Representative. The General Manager is hereby designated as the Authorized Representative of the Authority (or in his absence, the President of the Board of the Authority), and as such is hereby authorized, appointed and designated as the officer or employee of the Authority authorized to act on behalf of the Authority in the selling and delivering of the Bonds and carrying out the other procedures and making the determinations specified in this Resolution; in addition, each also is authorized on behalf of the Authority to change the designation of the Bonds or any portion thereof to any other series, date or designation.

Section 15.05. Bond Insurance. The Authorized Representative is authorized to approve the purchase of a policy of municipal bond insurance if the Authority’s Financial Advisor certifies that its analysis indicates that municipal bond insurance would reduce the present value of the Authority’s total interest cost, net of payment of the insurance premium, to an amount which is less than if the Bonds were marketed without such insurance. The Authorized Representative may also approve the purchase of a surety policy or municipal bond debt service reserve policy.

ARTICLE XVI

PUBLIC MEETING

Section 16.01. Public Meeting. It is officially found, determined and declared that the meeting at which this Resolution has been read and has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

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PASSED AND APPROVED THIS 10TH DAY OF OCTOBER, 2012.

President  
Canadian River Municipal Water Authority

ATTEST:

Secretary  
Canadian River Municipal Water Authority

[SEAL]
EXHIBIT "A"

MEMBER CITIES' SHARES

Each of the Member Cities is responsible solely for the payment of its fixed annual proportionate part of such principal and interest, as follows:

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<th>Member City</th>
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<th>Participation Percentage*</th>
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None of the Member Cities have exercised the escrow fund option found in Section 3.3(a) of the Conjunctive Use Groundwater Supply Agreements.

* From Approval Certificate.
EXHIBIT "B"

PAYING AGENT/REGISTRAR AGREEMENT
EXHIBIT “C”

CONTINUING DISCLOSURE

The Authority enters into the following Continuing Disclosure Undertaking:

A. Annual Reports. The Authority shall provide annually to the MSRB through EMMA, within six months after the end of each fiscal year ending in or after 2009, financial information and operating data with respect to the Authority that is of the general type included in the Official Statement authorized by Section 15.01 of the Resolution, being the information described in the tables numbered 1 through 8, Appendix A and Appendix C thereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Appendix A thereto, and (2) audited, if the Authority commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not so provided, then the Authority shall provide audited financial statements for the applicable fiscal year to the MSRB through EMMA when and if the audit report on such statements becomes available.

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

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

B. Event Notices. The Authority shall notify the MSRB through EMMA, in a timely manner not in excess of ten business days after the occurrence of any of the following events with respect to the Bonds:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax-exempt status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;

8. Bond calls, if material, and tender offers;

9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the Bonds, if material;

11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event;

13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

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

The Authority shall notify the MSRB, in a timely manner, of any failure by the Authority to provide financial information or operating data in accordance with this Section by the time required by this Section.

C. Limitations, Disclaimers, and Amendments. The Authority shall be obligated to observe and perform the covenants specified in this Section with respect to the Authority and the Bonds while, but only while, the Authority remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Authority in any event will give notice required by subsection (b) of this Section of any bond calls and defeasance that cause the Authority to no longer be such an "obligated person."

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

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

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

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

The provisions of this Section may be amended by the Authority from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Authority, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Resolution that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Authority (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and Beneficial Owners of the Bonds. If the Authority so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.
D. **Definitions.** As used in this undertaking, the following terms have the meanings ascribed to such terms below:

"**EMMA**" means the Electronic Municipal Market Access System established by the MSRB.

"**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.
EXHIBIT "D"

ESCROW AGREEMENT
<table>
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<th>ITEM/PROJECT:</th>
<th>ORDINANCE NO. 1581 – AMENDING PEDDLERS, SOLICITORS AND VENDORS ORDINANCE</th>
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<tr>
<td>MEETING DATE:</td>
<td>November 13, 2012</td>
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<tr>
<td>DESCRIPTION:</td>
<td>Consider approving on first reading Ordinance No. 1581, an Ordinance of the City of Pampa, Texas amending its Code of Ordinances, Article 4.06 relating to Peddlers, Solicitors and Vendors.</td>
</tr>
<tr>
<td>STAFF CONTACT:</td>
<td>Richard Morris.</td>
</tr>
<tr>
<td>FINANCIAL IMPACT:</td>
<td>N/A</td>
</tr>
<tr>
<td>SOURCE OF FUNDS:</td>
<td>N/A</td>
</tr>
<tr>
<td>START/COMPLETION SCHEDULE:</td>
<td>This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.</td>
</tr>
<tr>
<td>RECOMMENDED ACTION:</td>
<td>Approve Ordinance No. 1581 on first reading.</td>
</tr>
<tr>
<td>BACKGROUND/ADDITIONAL INFORMATION:</td>
<td>Ordinance attached.</td>
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ORDINANCE NO. 1581

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT ITS CODE OF ORDINANCES BE AMENDED BY REVISING ARTICLE 4.06 PEDDLERS, SOLICITORS AND VENDORS, TO MAKE IT UNLAWFUL FOR SOLICITATION BY PEDESTRIANS EXCEPT FOR SOLICITATION OF CHARITABLE CONTRIBUTIONS UPON APPROVAL OF APPLICATION AND PROOF OF LIABILITY INSURANCE IN THE AMOUNT OF AT LEAST ONE MILLION DOLLARS, PROVIDING FOR SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PAMPA, TEXAS:

Section 1.

That Sec. 4.06.001 be amended by adding the following Definitions thereto:

Charitable Contribution. A contribution to an organization defined as charitable by the standards of the United States Internal Revenue Service.

Roadway. A street or road open to the public for vehicular traffic, including the width between the boundary lines of a publicly maintained way, and including the roadbed, shoulders, medians, curbs, safety zones, sidewalks, and utility easements located adjacent to or near thereto.

Section 2.

That Sec. 4.06 be amended by adding the following as Sec. 4.06.010:

Sec. 4.06.010 Solicitation by Pedestrians

It shall be unlawful for any person, except an employee or agent of the City of Pampa, to stand in a roadway to solicit a contribution, ride, employment, or business from an occupant of a vehicle, except that a person may stand in a roadway to solicit a charitable contribution if the following requirements of this section are met:

(1) A person seeking authorization under this section shall file a written application for a permit with the office of code enforcement of the City of Pampa not later than the eleventh (11th) day before the solicitation is to begin. The application must include the following:
   a) The date or dates and times when the solicitation is to occur;
   b) Each location at which the solicitation is to occur; and
   c) The number of solicitors to be involved in the solicitation each location.

(2) Any person who applies for a permit under this section shall pay a permit fee in the amount of twenty-five dollars ($25.00) to the City of Pampa.
(3) Any person who applies for a permit under this section shall furnish to the City of Pampa, not later than the date the application for permit is due, advance proof of liability insurance in the amount of at least $1,000,000 to cover damages that may arise from the solicitation, which insures claims against the applicant and any claim which might be asserted against the City of Pampa.

Section 3.

It is the intention of the City Commission that the sections, paragraphs, sentences, clauses, phrases and words of Ordinance are severable, and if any section, paragraph, sentence, clause, phrase or word(s) of this Ordinance shall be declared unconstitutional or otherwise invalid, such unconstitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses, phrases and words of this Ordinance since the same would have been enacted by the City Commission without the incorporation therein of any such unconstitutional or invalid portion.

Section 4.

This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.

INTRODUCED, PASSED, and APPROVED on its first reading this 13th day of November, 2012.

INTRODUCED, PASSED and APPROVED on its second and final reading this ______ day of November 2012.

CITY OF PAMPA, TEXAS

By: _______________________________

Brad Pingel, Mayor

ATTEST:

__________________________________

Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________

Leland W. Waters, City Attorney
AGENDA ITEM NO. 6

ITEM/PROJECT: ORDINANCE NO. 1582 – OPERATION OF GOLF CARTS ON PUBLIC STREETS & HIGHWAYS

MEETING DATE: November 13, 2012

DESCRIPTION: Consider approving on first reading Ordinance No. 1582, an Ordinance of the City of Pampa, Texas amending its Code of Ordinances, Chapter 12, to provide for limited operation of golf carts on public streets and highways.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: N/A

SOURCE OF FUNDS: N/A

START/COMPLETION SCHEDULE: This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.

RECOMMENDED ACTION: Approve Ordinance No. 1582 on first reading

BACKGROUND/ADDITIONAL INFORMATION: Ordinance attached.
ORDINANCE NO. 1582

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT IT’S CODE OF ORDINANCES BE AMENDED BY REVISING CHAPTER 12 TRAFFIC AND VEHICLES, TO PROVIDE FOR LIMITED OPERATION OF GOLF CARTS ON PUBLIC STREETS AND HIGHWAYS, PROVIDING FOR A PENALTY FOR VIOLATION, PROVIDING FOR SEVERABILITY, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PAMPA, TEXAS:

Section 1.

That Sec. 12.01.001 be amended by adding the following Definition thereto:

_Golf Cart._ A motor vehicle designed by the manufacturer primarily for use on a golf course.

Section 2.

That Chapter 12 be amended by adding the following as Sec. 12.03.010:

Sec. 12.03.010 Golf Carts

(a) An operator may operate a golf cart on a public street for which the posted speed limit is not more than 35 miles per hour, provided that the golf cart is equipped with headlamps, tail lamps, reflectors, parking brake, and mirrors, provided that the operator has a valid driver’s license, and further provided that the operator has proof of at least the minimum amounts of liability insurance required by the Texas Motor Vehicle Safety Responsibility Act. A golf cart may cross intersections, including a highway or street that has a posted speed limit of more than 35 miles per hour.

(b) It is unlawful for any person to operate a golf cart on a public street except as provided above.

(c) Any person who violates the provisions hereof, upon conviction, shall be fined in accordance with the general penalty provision found in Section 1.01.009 of this Code.

Section 3.

It is the intention of the City Commission that the sections, paragraphs, sentences, clauses, phrases and words of Ordinance are severable, and if any section, paragraph, sentence, clause, phrase or word(s) of this Ordinance shall be declared unconstitutional or otherwise invalid, such unconstitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses, phrases and words of this Ordinance since the same would have been enacted by the City Commission without the incorporation therein of any such unconstitutional or invalid portion.
Section 4.

This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.

INTRODUCED, PASSED, and APPROVED on its first reading this 13th day of November, 2012.

INTRODUCED, PASSED and APPROVED on its second and final reading this _____ day of November, 2012.

CITY OF PAMPA, TEXAS

By: _______________________________
Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
AGENDA ITEM NO. 7

ITEM/PROJECT: ORDINANCE NO. 1583 – PROHIBITING ELECTRONIC MESSAGING WHILE DRIVING ON PUBLIC STREETS

MEETING DATE: November 13, 2012

DESCRIPTION: Consider approving on first reading Ordinance No. 1583, an Ordinance of the City of Pampa, Texas amending its Code of Ordinance, Chapter 12, prohibiting electronic messaging while driving upon public streets.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: N/A

SOURCE OF FUNDS: N/A

START/COMPLETION SCHEDULE: This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.

RECOMMENDED ACTION: Approve Ordinance No. 1583 on first reading.

BACKGROUND/ADDITIONAL INFORMATION: Ordinance attached.
ORDINANCE NO. 1583

AN ORDINANCE OF THE CITY OF PAMPA, TEXAS, PROVIDING THAT IT S CODE OF ORDINANCES BE AMENDED BY REVISING CHAPTER 12 TRAFFIC AND VEHICLES, TO PROHIBIT ELECTRONIC MESSAGING WHILE DRIVING UPON PUBLIC STREETS, PROVIDING FOR A PENALTY FOR VIOLATION, PROVIDING FOR severability, AND PROVIDING FOR AN EFFECTIVE DATE.

BE IT ORDAINED BY THE CITY OF PAMPA, TEXAS:

Section 1.

That Sec. 12.01.001 be amended by adding the following Definitions thereto:

**Hands-free Device.** A speaker phone capability or telephone attachment or other piece of equipment, regardless of whether the permanently installed in the vehicle, which allows the use of a Wireless Communication Device without use of either of the motor vehicle operator’s hands.

**Wireless Communication Device.** A device that uses commercial mobile service as defined in 47 U.S.C. Section 332.

Section 2.

That Chapter 12 be amended by adding the following as Sec. 12.09.007:

**Sec. 12.09.007 Prohibition of Electronic Messaging While Driving**

(a) It is unlawful for any person, except the driver of an authorized emergency vehicle while acting in an official capacity, to operate a motor vehicle upon a public road, street or highway within the city limits while using a Wireless Communication Device for electronic messaging or for any purpose other than oral communication, unless the motor vehicle is lawfully parked or stopped at a traffic control signal or such person is using a Hands-free Device.

(b) It is an affirmative defense to prosecution that the person is making an emergency communication to or at the direction of:

(1) an emergency response service, including a rescue, emergency medical, or hazardous material response service;

(2) a fire department, police department, sheriff’s office or office of the Department of Public Safety;

(3) a hospital, health clinic, medical doctor’s office or administrator of first aid treatment.
(c) Signs giving notice of this Ordinance to motor vehicle operators shall be erected and maintained upon each point at which a United States or Texas highway enters the City limits and at such other places as may be recommended by the City Manager, which signs shall state that operation of a motor vehicle while using a Wireless Communication Device is prohibited and that the operator is subject to a fine if the operator uses a Wireless Communication Device while operating a motor vehicle in the City.

(d) Any person who violates the provisions hereof, upon conviction, shall be fined in accordance with the general penalty provision found in Section 1.01.009 of this Code. An offense under this Section 12.09.007 is not a moving violation and shall not be a part of a person’s permanent driving record or insurance record, unless otherwise required by law.

Section 3.

It is the intention of the City Commission that the sections, paragraphs, sentences, clauses, phrases and words of Ordinance are severable, and if any section, paragraph, sentence, clause, phrase or word(s) of this Ordinance shall be declared unconstitutional or otherwise invalid, such unconstitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses, phrases and words of this Ordinance since the same would have been enacted by the City Commission without the incorporation therein of any such unconstitutional or invalid portion.

Section 4.

This Ordinance shall be effective upon its adoption and shall be enforceable ten (10) days after its publication as provided by law.

INTRODUCED, PASSED, and APPROVED on its first reading this day of November, 2012.

INTRODUCED, PASSED and APPROVED on its second and final reading this 20th day of November, 2012.

CITY OF PAMPA, TEXAS

By: ______________________________
    Brad Pingel, Mayor

ATTEST:

__________________________________
Karen L. Price, City Secretary

APPROVED AS TO FORM:

__________________________________
Leland W. Waters, City Attorney
AGENDA ITEM NO. 8

ITEM/PROJECT: ORDNANCE NO. 1584 – AMENDING ATMOS ENERGY CORPORATION FRANCHISE AGREEMENT

MEETING DATE: November 13, 2012

DESCRIPTION: Consider approving on first reading Ordinance No. 1584, an Ordinance of the City of Pampa, Texas amending the existing gas franchise agreement with ATMOS Energy Corporation.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: N/A

SOURCE OF FUNDS: N/A

START/COMPLETION SCHEDULE: This Ordinance shall be effective upon its adoption.

RECOMMENDED ACTION: Approve Ordinance No. 1584 on first reading.

BACKGROUND/ADDITIONAL INFORMATION: Ordinance attached.
ORDINANCE NO. 1584

AN ORDINANCE AMENDING THE EXISTING GAS FRANCHISE BETWEEN THE CITY AND ATMOS ENERGY CORPORATION, (A TEXAS AND VIRGINIA CORPORATION, WITH ITS PRINCIPAL OFFICE IN THE CITY OF DALLAS, DALLAS COUNTY TEXAS), TO PROVIDE FOR A DIFFERENT CONSIDERATION; PROVIDING FOR ACCEPTANCE BY ATMOS ENERGY CORPORATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, Atmos Energy Corporation (hereinafter called “Atmos Energy” or “Company”) is engaged in the business of furnishing and supplying gas to the general public in the City, including the transportation, delivery, sale, and distribution of gas in, out of, and through the City for all purposes, and is using the public streets, alleys, grounds and rights-of-ways within the City for that purpose under the terms of a franchise ordinance, Ordinance No. 1434 heretofore duly passed by the governing body of the City and duly accepted by Atmos Energy; and

WHEREAS, the City and Atmos Energy desire to amend said franchise ordinance to provide for a different consideration;

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

SECTION 1: For the purpose of calculating the franchise fee payable to the City by Atmos Energy, the definition of “Gross Revenues” contained in the franchise ordinance, Ordinance No. 1434, duly passed by the governing body of this city and accepted by Company, is hereby amended to include:

A. fees collected pursuant to the franchise agreement; and

B. the value of gas transported by Atmos Energy for transport customers through the System of Atmos Energy to a delivery point within the City (excluding the value of any gas transported to another gas utility in City for resale to its customers within City), with the value of such gas to be established by utilizing Atmos Energy’s monthly Weighted Average Cost of Gas charged to industrial customers in the West Texas division of Atmos Energy, as reasonably near the time as the transportation service is performed.

SECTION 2: In all respects, except as specifically and expressly amended by this ordinance, the existing effective franchise ordinance, Ordinance No. 1434, heretofore duly passed by the governing body of the City and duly accepted by Atmos Energy, shall remain in full force and effect according to its terms until said franchise ordinance terminates as provided therein.
SECTION 3: This ordinance shall take effect upon the first day of the calendar quarter following its final passage and Atmos Energy’s acceptance. Atmos Energy shall, within thirty (30) days from the receipt of this ordinance, file its written acceptance of this ordinance with the Office of the City Secretary in substantially the following form:

To the Honorable Mayor and City Commission:

Atmos Energy Corporation, acting by and through the undersigned authorized officer, hereby accepts in all respects, on this the ___ day of ____________, 201_, Ordinance No. 1584 amending the current gas franchise between the City and Atmos Energy Corporation.

Atmos Energy Corporation, West Texas Division

By ______________________________

Jeffrey Foley, Vice President

SECTION 4: The City shall provide a copy of this Ordinance to Mr. Jeffrey Foley, VP of Rates and Regulatory Affairs, Atmos Energy Corporation, 5110 80th Street, Lubbock, Texas 79424, no later than ten (10) business days after its final passage and approval.

SECTION 5: It is hereby officially found and determined that the meeting at which this Ordinance is passed is open to the public as required by law and that public notice of the time, place and purpose of said meeting was given as required.

INTRODUCED, PASSED, and APPROVED on its first reading this the 13th day of November, 2012.

INTRODUCED, PASSED and APPROVED on its second and final reading this_____ day of November, 2012.

CITY OF PAMPA, TEXAS

By: ________________________________  ________________________________

Brad Pingel, Mayor    Karen L. Price, City Secretary

ATTEST:

APPROVED AS TO FORM:

________________________________

Leland W. Waters, City Attorney

Page 2 of 2
AGENDA ITEM NO. 9

ITEM/PROJECT: AMEND EMERGENCY SERVICES AGREEMENT

MEETING DATE: November 13, 2012

DESCRIPTION: Consider amending the existing agreement with the Emergency Services Foundation of Texas, Inc.

STAFF CONTACT: Richard Morris

FINANCIAL IMPACT: $19,800 per year

SOURCE OF FUNDS: Operating Budget

BACKGROUND/ADDITIONAL INFORMATION: EMS Agreement attached.
MODIFICATION OF CONTRACT FOR EMERGENCY MEDICAL SERVICES

Date: November 13, 2012.

Contract: CONTRACT FOR EMERGENCY MEDICAL SERVICES BY AND BETWEEN THE CITY OF PAMPA, TEXAS, AND EMERGENCY SERVICES FOUNDATION OF TEXAS, INC.

Date: September 21, 2009, effective October 1, 2009.

Original Consideration: $80,400.00 annually, payable in monthly installments of $6,700.00.

Modification: The City of Pampa, Texas, a home-rule municipality (“City”), and Emergency Services Foundation of Texas, Inc., d/b/a Pampa Emergency Medical Services, a not-for-profit corporation, (“EMS”), agree to the following modification of the Contract: Effective October 1, 2012, the annual consideration payable by the City to EMS shall be $100,200.00 annually, payable in monthly installments of $8,350.00 each due on or before the first day of each month during the term of the Contract, beginning October 1, 2012.

Ratification: In all other respects, the Contract is ratified, as modified.

CITY OF PAMPA, TEXAS

By: ____________________________________________
    Brad Pingel, Mayor

ATTEST:

__________________________________________
Karen L. Price, City Secretary

Emergency Services Foundation of Texas, Inc., d/b/a Pampa Emergency Medical Services, a not-for-profit corporation

By: ____________________________________________
    Gary Willoughby, President

ATTEST:

__________________________________________
Jane Steele, Secretary