

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF LAKE JACKSON, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2015", A PAYING AGENT/REGISTRAR AGREEMENT, AND AN ESCROW AGREEMENT; PROVIDING FOR THE SALE OF SUCH BONDS; DELEGATING AUTHORITY TO CITY REPRESENTATIVES TO SELECT OBLIGATIONS TO BE REFUNDED AND APPROVE FINAL TERMS OF THE BONDS; AND APPROVING ALL OTHER MATTERS RELATED THERETO

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WHEREAS, the City desires to refund certain of its outstanding bonds listed on Schedule I attached hereto;

ORDINANCE AUTHORIZING THE ISSUANCE OF "CITY OF LAKE JACKSON, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2015", A PAYING AGENT/REGISTRAR AGREEMENT, AND AN ESCROW AGREEMENT, PROVIDING FOR THE SALE OF SUCH BONDS, DELEGATING AUTHORITY TO CITY REPRESENTATIVES TO SELECT OBLIGATIONS TO BE REFUNDED AND APPROVE FINAL TERMS OF THE BONDS, AND APPROVING ALL OTHER MATTERS RELATED THERETO

WHEREAS, Chapter 1207, Texas Government Code, authorizes the City to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a trust company or commercial bank not a depository of the City, and such deposit, if made before such payment dates, shall constitute the making of loan banking and financial arrangements for the discharge and final payment of the Refunded Obligations (defined below);

WHEREAS, the City Council of the City hereby finds and declares a public purpose and deems it advisable to refund the Refunded Obligations in order to effect present value savings; and established pursuant to the laws of the State of Texas as a home rule city and political subdivision of the State of Texas;

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

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAKE JACKSON TEXAS THAT:

Section 1. Authorization of the Bonds and Approval Parameters. There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended, a series of bonds of the City to be known as "CITY OF LAKE JACKSON, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2015" (the "Bonds"), payable from ad valorem taxes as provided in this Ordinance, for the purposes of refunding the Refunded Obligations and paying costs of issuance thereof.

As authorized by Section 1207.007, Texas Government Code, Mr. Joe Rinehart, Mayor, Mr. William P. Yenne, City Manager, and Mrs. Pamela Eaves, Director of Finance, each an "Authorized Representative", are hereby authorized, appointed, and designated as officers of the City authorized to act on behalf of the City in selling and delivering the Bonds authorized herein and carrying out the procedures specified in this Ordinance, including determining the aggregate principal amount of each maturity of the Bonds and the rate of interest to be borne on the principal amount of each maturity, the allocation of generated from the sale of the Bonds, the redemption provisions therefor, the City contribution, if any, and the obligations to be refunded (the "Refunded Obligations"). Each of the above individuals, acting for and on behalf of the City, is authorized to execute the Pricing Certificate substantially in the form attached hereto as Exhibit A. The Bonds shall be issued in the principal amount not to exceed \$8,200,000 net present value savings on the Bonds shall be not less than 6.00%, and the net effective per annum rate, calculated in a manner consistent with the provisions with Chapter 1204 Texas Government Code, shall not exceed 4.00%. The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (hereinafter defined). Upon execution of the Pricing

Certificate, it shall become a part of this Ordinance and be incorporated by reference herein, and (to the extent necessary or appropriate) Bond Counsel is authorized to complete this Ordinance to reflect such final terms.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds.

The Bonds shall be dated December 1, 2015 and shall be in the denomination of \$5,000 or any integral multiple thereof. Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, with the Initial Bond (as hereinafter defined) being number I-1 and the Definitive Bonds (as hereinafter defined) numbered consecutively from R-1 upward, payable to the Purchaser (as hereinafter defined), or to the registered assigned or assignees of the Bonds or any portion or portions thereof (in each case, the "Owner").

The Bonds shall mature on March 15 in each of the years and in the amounts and bear interest as set forth in the Pricing Certificate.

Section 3. General Characteristics. The Bonds shall be issued, shall be payable, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated in the form set forth below.

(a) Registration, Transfer, and Exchange; Authentication: The City shall keep or cause to be kept at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer and exchange of the Bonds (the "Register"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, and exchanges as herein provided. The Mayor and the City Secretary are authorized to enter into a Paying Agent/Registrar Agreement substantially in the form of Exhibit B attached hereto. The Paying Agent/Registrar shall obtain and record in the Register the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provide; but it shall be the duty of each Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of the Bonds shall be made within three business days after request and presentation thereof. The City shall have the right to inspect the Register during the regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange, and delivery of a substitute Bond or Bonds shall be paid as provided in the "Form of Bonds" set forth in this Ordinance. Registration of assignments, transfers, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the "Form of Bonds" set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

Except as provided in subsection (c) below, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any Definitive Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for transfer and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the forgoing transfer and exchange of any Bond or portion thereof, and the

THE CITY OF LAKE JACKSON, TEXAS (the "City"), a home rule city and political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "Owner") on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Delivery Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check dated March 15, 2016 and each September 15 and March 15 thereafter, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last business day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the City and the Paying Agent/Registrar, the Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Ordinance defined below.

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

THIS BOND is one of a series of Bonds, dated as of December 1, 2015 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Ordinance adopted by the City Council of the City on November 16, 2015 and the "Pricing Certificate" authorized therein (together the "Ordinance"), in the original aggregate principal amount of \$_____ for the purpose of providing money for refunding certain outstanding obligations of the Issue described in the Ordinance and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code.

THE BONDS are issued pursuant to the Ordinance whereunder the City covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the City, within the limitations prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Ordinance, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due and

to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Ordinance for provisions with respect to the custody and application of the City's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Ordinance. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance. The Owner of this Bond shall be deemed and treated by the City and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the City and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

THE CITY RESERVES THE RIGHT to redeem the Bonds maturing on or after March 15, 2026, in whole or in part, in integral multiples of \$5,000, on March 15, 2025, or on any date thereafter. Such optional redemptions shall be at a redemption price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected by the City in integral multiples of \$5,000 within any one maturity. At least 45 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 given by the City to the Paying Agent/Registrar, and the Paying Agent/Registrar shall send a copy of such notice at least 30 days prior to the date fixed for redemption by United States mail, first class, postage prepaid, addressed to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the Registration Books; 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. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

IF THE DATE for the payment of the principal of or interest on the Bonds shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding business day; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

IN CASE any officer of the City whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The City authorizes the printing of a true and correct copy of an opinion of Winstead PC, Attorneys, relating to the validity and enforceability of the Bonds under

Texas law and the status of interest on the Bonds under federal income tax laws on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the City Secretary of the City, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Ordinance, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Bonds.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the City have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the City; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Ordinance constitute a contract between each Owner and the City.

IN WITNESS WHEREOF this Bond has been signed with the manual or facsimile signature of the Mayor of the City and countersigned with the manual or facsimile signature of the City Secretary of the City, and the official seal of the City has been duly impressed, or placed in facsimile, on this Bond.

CITY OF LAKE JACKSON, TEXAS

/s/ Alice A. Rodgers _____

/s/ Joe Rinehart _____ City Secretary

(SEAL)

* * *

[FORM OF INITIAL BOND]

The Initial Bond shall be in the form set forth above for the Definitive Bonds except the following shall replace the heading and the first paragraph and the details are found in the Pricing Certificate:

NO. I-1

\$ _____

United States of America

State of Texas

CITY OF LAKE JACKSON, TEXAS

LIMITED TAX REFUNDING BOND, SERIES 2015

Dated Date: DECEMBER 1, 2015

Delivery Date: DECEMBER 28, 2015

Registered Owner: _____

Principal Amount: _____ AND NO/100 DOLLARS
(\$ _____)

THE CITY OF LAKE JACKSON, TEXAS (the "City"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Owner, specified above, or the registered assignee thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on March 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

(Information to be inserted from Pricing Certificate.)

INTEREST on the unpaid Principal Amount hereof from the Delivery Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on September 15 and March 15 of each year, commencing March 15, 2016.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Owner upon presentation and surrender of this Bond at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Owner hereof as shown by the Register kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the Owner hereof at its address as it appears on the Register kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for determining the Owner for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The City covenants with the Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Ordinance defined below.

* * *

(COMPTROLLER'S SEAL)
[FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER OF PUBLIC ACCOUNTS]
Comptroller of Public Accounts
(TO BE PRINTED ON OR ATTACHED TO THE INITIAL BOND ONLY)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the
Dated _____ By _____
Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of
Public Accounts of the State of Texas. Authorized Representative

[FORM OF AUTHENTICATION CERTIFICATE]

Witness my signature (TO BE PRINTED ON DEFINITIVE BONDS ONLY)

AUTHENTICATION CERTIFICATE

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

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas
as Paying Agent/Registrar

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto the following abbreviations, when used in the Assignment above, or on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

_____/_____
(Please insert Social Security or Taxpayer Identification of Transferee) (Please print name and address, including zip code, of Transferee)
TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
attorney to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution for the Uniform Gifts to Minors Act _____
(State)

Dated: _____
Additional abbreviations may also be used though not in the list above.

Signature Guaranteed: * * *

[END OF FORMS]

Section 5. Definitions. In addition to other words and terms defined in this Ordinance (except those defined and used in Section 4), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Bonds” means the Depository for all of the bonds, as the case may be, and that series styled “City of Lake Jackson, Texas Limited Tax Refunding Bonds, Series 2015” authorized by this Ordinance.

“Bond Counsel” means Winstead PC, or such other firm of nationally recognized bond counsel appointed by the City.

“Escrow Agent” means Bank of New York Mellon Trust Company, National Association, Dallas, Texas. **“Chapter 1207”** means Chapter 1207 of the Texas Government Code.

“City” means the City of Lake Jackson, Texas, a home-rule city and a political subdivision of the State of Texas, or any successor thereto.
“Escrow Agreement” means the agreement dated as of December 1, 2015, between the City and the Escrow Agent attached hereto as Exhibit C.

“Code” means the Internal Revenue Code of 1986, as amended.

“Government Obligations” means direct noncallable obligations of the United States, including (i) obligations that are unconditionally guaranteed by the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (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 that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm of not less than “AAA” or its equivalent.

“Deceased Bond” means any Bond, and the interest thereon, deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance.

“Definitive Bonds” means the Bonds issued in exchange for the Initial Bonds.

“Initial Bond” means the Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 11 hereof.

“Initial Purchaser” means the entity named in the Pricing Certificate.

“Interest Payment Date” means, when used in connection with any Bond, March 15, 2016 and each September 15 and March 15 thereafter until maturity.

“Official Statement” means the disclosure document describing the Bonds dated the date of the Pricing Certificate.

“Ordinance” means this “Ordinance Authorizing the Issuance of “City of Lake Jackson, Texas Limited Tax Refunding Bonds, Series 2015”, a Paying Agent/Registrar Agreement, and an Escrow

Agreement; Providing for the Sale of Such bonds; Delegating Authority to City Representatives to Select Obligations to be Refunded and Approve Final Terms of the Bonds; and Approving All Other Matters Related Thereto” adopted by the City Council of the City on November 16, 2015.

“Owner” means any person who shall be the registered owner of any outstanding Bonds as shown on the Register.

“Paying Agent/Registrar” means the Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Ordinance.

“Paying Agent/Registrar Agreement” means the agreement, dated December 1, 2015, between the Paying Agent/Registrar and the City relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit B.

“Pricing Certificate” means the certificate substantially in the form of Exhibit A.

“Record Date” means the last business day of the calendar month next preceding the applicable Interest Payment Date.

“Refunded Obligations” means the obligations described in Schedule I and as finalized in the Pricing Certificate.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

Section 6. Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the City at an official depository bank of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City and shall be used only for paying the interest on and principal of the Bonds. Accrued interest received from the Purchaser of the Bonds and the net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the City shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures (but never less than 2% of the original principal amount of the Bonds as a sinking fund each year); the tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

Section 7. Investments and Security. (a) Investment of Funds. The City may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. It

is provided in Section 8 of the City's General Code. The City covenants and represents that the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(i) The City is a duly created and existing home rule city and political subdivision of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue the fullest extent required by law for the security of funds of the City. All funds created by this Ordinance shall be secured in the manner and to the fullest extent required by law for the security of funds of the City. Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms; and

(ii) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(b) Specific Covenants. The City covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax that will be sufficient to provide funds to pay the current interest on the Bonds and to provide the necessary sinking fund, all as described in this Ordinance; and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Ordinance, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

(c) Covenants Regarding Tax Matters. The City covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the City specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

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

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith, then the amount in excess of 5% is used for a "private business use" which is

“related” and not “disproportionate” within the meaning of section 141(d)(2) of the Code, to the Governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds 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;

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally-recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Bonds under section 103 of the Code.

(v) To refrain from taking any action which would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code; and

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, 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(h)(2) of the Code) which produces a materially higher yield over the term of the Bonds.

(vii) 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);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, 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% 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% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the City to fulfill its responsibilities under this subsection 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.

Proper officers of the City charged with the responsibility of issuing the Bonds are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Notwithstanding any other provision in this Resolution, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The City covenants that the City will regulate the use of the property financed, directly or indirectly, with the proceeds of the Refunded Obligations and will not sell, lease, or otherwise dispose of such property unless (i) the City takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the City seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

Section 9. Designation as Qualified Tax-Exempt Obligations. The City hereby designates the Bonds as “qualified tax-exempt obligations” as defined in section 265(b)(3) of the Code. In furtherance of such designation, the City represents, covenants, and warrants the following: (a) during the calendar year in which the Bonds are issued, the City (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Bonds, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the City reasonably anticipates that the amount of tax-exempt obligations issued during 2015 by the City (including any subordinate entities) will not exceed \$10,000,000; and (c) the City will take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Bonds as “qualified tax-exempt obligations.”

Section 10. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 4 hereof.

The City, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Ordinance shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its designated payment offices in Texas 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 the terms of this Ordinance.

The City may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and

shall be authorized by law to serve as a paying agent/registrar. In such event, the City shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Ordinance.

The Mayor and the City Secretary of the City are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the City on this date.

Section 11. Successor Registrar, Successor Paying Agent. The City covenants with the registered owners of the Bonds that prior to the time all of the Bonds have been finally retired, the City will provide competent and legally qualified persons to act as and perform the services of paying agent and as registrar for the Bonds under this Ordinance. The City reserves the right to, and may, at its option, change the Paying Agent/ Registrar with respect to the Bonds upon not less than 60 days written notice to the Paying Agent/Registrar. Any Paying Agent/Registrar may resign and be discharged of its respective duties under this Ordinance by written resignation filed with the City not less than 60 days before the date such resignation is to take effect. In the event that the person at any time acting as a Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified national or state banking institution organized and doing business under the laws of the United States of America or the State of Texas, authorized under such laws to exercise trust powers, subject to supervision or examination by federal or state authority, to act as such Paying Agent/Registrar, under this Ordinance. Upon any change in a Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in a Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, postage prepaid which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

Section 12. Initial Bond; Exchange or Transfer of Bonds. Initially, one Bond (the "Initial Bond") numbered I-1 and being in the principal amount, respectively, as shown in Section 2 for each year of maturity, and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bond to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bonds upon authorization of the City as provided in such instructions.

Each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and

under reasonable circumstances within three business day after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Ordinance and each Bond so delivered shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Paying Agent/Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

Section 13. Book-Entry Only System. (a) The Definitive Bonds may be initially issued in the name of Cede & Co., as nominee of DTC, as Registered Owner of the Bonds, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of Definitive Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate. No person shall acquire or hold any beneficial interest in any Bond representing a portion of the principal amount of such Bond which is other than \$5,000 or an integral multiple thereof.

(b) Replacement Definitive Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the City and the Paying Agent/Registrar); or (ii) the City has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the City has determined (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the City shall use its best efforts to attempt to locate another qualified securities depository. If the City fails to locate another qualified securities depository to replace DTC, the City shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. In the event that the City makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the City. The City undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

(d) If at any time, DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

Section 14. City Officers' Duties. (a) Issuance of Bonds. The Mayor of the City shall submit the Initial Bond, the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the Mayor of the City shall cause the Initial Bond to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the City are authorized to execute and deliver on behalf of the City such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) Execution of Ordinance. The Mayor and the City Secretary of the City are authorized to execute the certificate to which this Ordinance is attached on behalf of the City and to do any and all things proper and necessary to carry out the intent hereof.

Section 15. Remedies of Owners. In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State of Texas, the City and the City Council covenant and agree that in the event the City defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Ordinance to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Ordinance, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council and other officers of the City to observe and perform any covenant, obligation, or condition prescribed in this Ordinance. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Ordinance shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

Section 16. Notice to Owners. Except as may be otherwise provided in this Ordinance, where this Ordinance provides for notice to Owners of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Owner, at the address of such Owner as it appears in the Register. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Owner of Bonds shall affect the sufficiency of such notice with respect to all other Owners. Wherever this Ordinance provides for notice in any manner, such notice may be waived in writing by the entity entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Owners shall be filed with the City, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 17. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds. (a) Replacement Bonds. In the event any outstanding Bond shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the City shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and

substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the Paying Agent/Registrar. In every case the applicant for a substitute Bond shall furnish to the Paying Agent/Registrar such deposit for fees and costs as may be required by the City to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the Paying Agent/Registrar indemnity to the Paying Agent/Registrar's satisfaction and shall file with the City evidence to the City's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bonds, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the City may charge the owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the City, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority to Issue Substitute Bonds. This Ordinance shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the City or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Ordinance.

(f) Destruction of Paid Bonds. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the City a certificate evidencing such destruction.

Section 18. Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Bonds shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Bond shall have been made available by the City to the Paying Agent/Registrar for the benefit of the Registered Owner thereof, all liability of the City to the Registered Owner thereof for the payment of the principal of or interest on such Bond shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance with respect to the principal of or interest on such Bond. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, and shall comply with the reporting requirements of Chapter 74, Texas Property Code, or to the extent such provisions do not apply to the

funds, such funds will be paid by the Paying Agent/Registrar Agreement to the City upon receipt by the Paying Agent/Registrar of a written request thereof from the City.

Section 19. Redemption. The Bonds maturing on March 15, 2026 are subject to optional redemption prior to their stated maturities, in whole or part, on March 15, 2025, or any date thereafter, at the par value thereof, plus accrued interest to the date fixed for redemption, in accordance with the provisions specified in Section 4 hereof.

Section 20. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Ordinance (a “Defeased Bond”) when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity, redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a “Depository”), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the “Deposit”) (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment or redemption of any Defeased Bond. To cause a Bond scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the City must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the City shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or redemption date thereof (the “Verification”); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the Mayor of the City certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the City shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the City. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Ordinance, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations.

(b) Any money so deposited with a Depository may at the written direction of the City also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the City.

(c) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

Section 21. Ordinance a Contract; Amendments. This Ordinance shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the City and its successors and assigns, and shall not be amended or repealed by the City as long as any Bond remains outstanding except as permitted in this Section. The City may, without the consent of or notice to any Owners, amend, change, or modify this Ordinance as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The City may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Ordinance; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the City desires to make any amendment or addition to or rescission of this Ordinance requiring consent of the Owners, the City shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the City may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 22. Sale of the Bonds. (a) The Authorized Representative is hereby authorized to prepare a Preliminary Official Statement and Notice of Sale and solicit public bids for the sale of the Bonds. The Pricing Certificate shall name the Initial Purchaser and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Ordinance, upon payment therefor, in accordance with the accepted bid and the Pricing Certificate.

(b) Approval of Official Statement. The City hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement dated November 16, 2015, prior to the date hereof is hereby ratified and confirmed. The City finds and determines that the Preliminary Official Statement is “deemed final” as that term is defined in 17 C.F.R. Section 240.15c2-12.

(c) Legal Opinion. The Purchaser’s obligation to accept delivery of the Bonds is subject to its being furnished an opinion of Winstead PC, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(d) Registration and Delivery. Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond pursuant to the instruction of the Mayor of the City for delivery to the Initial Purchaser.

Section 23. Use of Proceeds. The proceeds from the sale of the Bonds shall be as follows: (i) the amount specified in the Pricing Certificate, shall be deposited to credit of the Escrow Fund which proceeds, together with other funds on deposit therein and received from the investment thereof, shall be used to retire the Refunded Obligations; and (ii) the amount specified in the Pricing Certificate of the proceeds will be used to pay costs of issuance of the Bonds.

Section 24. Matters Related to Refunding. (a) In order that the City shall satisfy in a timely manner all of its obligations under this Ordinance, the Authorized Representative and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the payment of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the City all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the City's obligations under this Ordinance and to direct the transfer and application of funds of the City consistent with the provisions of this Ordinance.

(b) The Escrow Agreement, attached hereto as Exhibit "C", is hereby approved and may be executed and delivered on behalf of the City. To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the Authorized Representative and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase non-callable obligations of the United States of America, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report referred to in the Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization, and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

(c) The Refunded Obligations are subject to redemption prior to their stated maturities at the price of par plus accrued interest to the date of redemption. The City shall give written notice to The Bank of New York Mellon Trust Company, N.A., Dallas, Texas as paying agent for the Refunded Obligations that the Refunded Obligations have been called for redemption, and the City hereby orders that the Refunded Obligations be called for redemption on the dates set forth in the respective Notices of Redemption in Exhibit D hereto, which are incorporated herein by reference for all purposes, and such order to redeem the Refunded Obligations on such dates shall be irrevocable upon delivery of the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as paying agent for the Refunded Obligations, is authorized and instructed to provide notice of the redemption to the owners of the Refunded Obligations in the form and manner described in the respective ordinances authorizing issuance of the Refunded Obligations.

Section 25. Continuing Disclosure Undertaking. (a) Annual Reports. The City shall provide annually to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to its Electronic Municipal Market Access System ("EMMA"), within six months after the end of each fiscal year ending in or after 2015, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit E hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit E hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, the City shall provide audited financial statements for the applicable fiscal year to each the MSRB when and if the audit report on such statements becomes available.

If the City 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 City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section 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).

(b) Notice of Occurrence of Certain Events, Whether or Not Material. The City will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, without regard to whether such event is material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person. (Neither the Bonds nor the Resolution make any provision for credit enhancement – (unless a municipal bond insurance policy is obtained -) or liquidity enhancement).

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(c) Notice of Occurrence of Certain Events, if Material. The City also will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of “holders”; (3) redemption calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) 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; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide

pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

The provisions of this Section may be amended, supplemented, or repealed by the City from time to time under the following circumstances, but not otherwise: (1) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial owners of the Bonds, (2) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (3) in any other circumstance or manner permitted by the Rule.

Section 26. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in such pledge, the City agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 27. Further Procedures. The Mayor and the City Secretary of the City and all other officers, employees, attorneys, and agents of the City, 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 and on behalf of the City, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the Pricing Certificate, the Escrow Agreement, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall

nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the Mayor and the City Secretary of the City and Bond Counsel to the City are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Attorney General of the State of Texas.

Section 28. Attorney General Examination Fee. The City recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Bonds and that, based upon the principal amount of the Bonds, such fee is the lesser of one-tenth of one percent of the principal amount of the Bonds or \$9,500.00. Bond Counsel is accommodating the City by paying such fee upon such submission of such transcript. Officials of the City are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The City is also authorized to reimburse the fund used for such repayment with proceeds of the Bonds.

Section 29. Miscellaneous Provisions. (a) General. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection or other subdivision, as applicable, of this Ordinance.

(b) Titles Not Restrictive. The titles assigned to the various sections of this Ordinance are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Ordinance.

(c) Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed and declared to be inapplicable, and the provisions of this Ordinance shall be and remain controlling as to the matters prescribed herein.

(d) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance shall nevertheless be valid and the City hereby declares that this Ordinance would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(e) Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas.

(f) Open Meeting. The City officially finds and determines that the meeting at which this Ordinance is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(g) Immediate Effect. Notwithstanding any charter provision or other laws, this Ordinance shall be immediately effective upon its adoption by the City Council.

MATURITY DATES (March 15)	INTEREST RATES	SCHEDULE PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)	CALL DATE
2021*	3.750%	CITY OF LAKE JACKSON, TEXAS 510048119	120,000	03/15/2018
2024*	4.000%	510048TS0	360,000	03/15/2018
2029*	4.300%	Limited Tax Bonds, Series 2004	600,000	03/15/2018
TOTAL			\$1,980,000	

MATURITY DATES (March 15)	INTEREST RATES	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)	CALL DATE
*Represented by Bond				
2017	3.600%	510048RY9	180,000	01/28/2016
2018	3.700%	510048RZ6	180,000	01/28/2016
2019	3.800%	510048SA0	180,000	01/28/2016
2020	3.900%	510048SB8	180,000	01/28/2016
2021	4.000%	510048SC6	180,000	01/28/2016
2022	4.100%	510048SD4	180,000	01/28/2016
2023	4.150%	510048SE2	180,000	01/28/2016
2024	4.200%	510048SF9	180,000	01/28/2016
TOTAL			\$1,440,000	

Limited Tax Bonds, Series 2007

MATURITY DATES (March 15)	INTEREST RATES	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)	CALL DATE
2017	4.000%	510048SR3	265,000	03/15/2016
2018	4.000%	510048SS1	265,000	03/15/2016
2019	4.000%	510048ST9	265,000	03/15/2016
2021*	4.000%	510048SV4	530,000	03/15/2016
2023*	4.000%	510048SX0	530,000	03/15/2016
2025*	4.000%	510048SZ5	530,000	03/15/2016
2027*	4.000%	510048TB7	530,000	03/15/2016
TOTAL			\$2,915,000	

Limited Tax Bonds, Series 2009

Certificates of Obligation, Series 2009

MATURITY DATES (March 15)	INTEREST RATES	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)	CALL DATE
2021	4.000%	510048UU3	250,000	03/15/2018
2022	4.000%	510048UV1	250,000	03/15/2018
2023	4.000%	510048UW9	250,000	03/15/2018
2024	4.000%	510048UX7	250,000	03/15/2018
2025	4.000%	510048UY5	250,000	03/15/2018
2026	4.100%	510048UZ2	250,000	03/15/2018
2027	4.150%	510048VA6	250,000	03/15/2018
2028	4.200%	510048VB4	250,000	03/15/2018
2029	4.250%	510048VC2	250,000	03/15/2018
2030	4.300%	510048VD0	250,000	03/15/2018
			<u>250,000</u>	
TOTAL			<u>\$2,500,000</u>	

* * *

and as representative of a syndicate of underwriters including _____ and _____, for a purchase price of \$ _____ representing the principal amount of the Bonds of \$ _____ [Form of Pricing Certificate] plus a net premium of \$ _____, and less an Underwriters' discount of \$ _____. The City contribution is \$ _____ Initial _____.

EXHIBIT A
PRICING CERTIFICATE

Maturity (2/15)	Principal Amount (\$)	Yield (%)	Price
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			

The refunding will result in a net present value savings of approximately \$ _____ or _____% and a gross savings of \$ _____. The net effective interest rate is _____% which is less than _____% as provided in the Ordinance adopted by the City Council of the City on November 16, 2015 (the "Ordinance") authorizing the issuance of "CITY OF LAKE JACKSON, TEXAS LIMITED TAX REFUNDING BONDS, SERIES 2015" (the "Bonds") to hereby approve the following terms of the Bonds:

2016
 2017
 2018
 2019
 2020
 2021
 2022
 2023
 2024
 2025
 2026
 2027
 2028
 2029
 2030

The Bonds scheduled to mature on or after March 15, 2026, are subject to redemption, in whole or in part, prior to their scheduled maturities, at the option of the City, in whole or part, in the principal amounts of \$5,000 or any integral multiple thereof, on March 15, 2025, or any date thereafter, at a

redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

5. The Refunded Obligations are approved as set forth below:

Limited Tax Bonds, Series 2004

Maturity Date	Interest Rate (%)	Par Amount (\$)	Call Date	Call Price
3/15/2017	3.600	180,000	01/28/2016	100.00
3/15/2018	3.700	180,000	01/28/2016	100.00
3/15/2019	3.800	180,000	01/28/2016	100.00
3/15/2020	3.900	180,000	01/28/2016	100.00
3/15/2021	4.000	180,000	01/28/2016	100.00
3/15/2022	4.100	180,000	01/28/2016	100.00
3/15/2023	4.150	180,000	01/28/2016	100.00
3/15/2024	4.200	180,000	01/28/2016	100.00

Limited Tax Bonds, Series 2007

Maturity Date	Interest Rate (%)	Par Amount (\$)	Call Date	Call Price
3/15/2017	4.000	265,000	03/15/2016	100.00
3/15/2018	4.000	265,000	03/15/2016	100.00
3/15/2019	4.000	265,000	03/15/2016	100.00
3/15/2020	4.000	265,000	03/15/2016	100.00
3/15/2021	4.000	265,000	03/15/2016	100.00
3/15/2022	4.000	265,000	03/15/2016	100.00
3/15/2023	4.000	265,000	03/15/2016	100.00
3/15/2024	4.000	265,000	03/15/2016	100.00
3/15/2025	4.000	265,000	03/15/2016	100.00
3/15/2026	4.000	265,000	03/15/2016	100.00
3/15/2027	4.000	265,000	03/15/2016	100.00

Limited Tax Bonds, Series 2009

Maturity Date	Interest Rate (%)	Par Amount (\$)	Call Date	Call Price
3/15/2021	3.750	120,000	03/15/2018	100.00
3/15/2022	4.000	120,000	03/15/2018	100.00
3/15/2023	4.000	120,000	03/15/2018	100.00
3/15/2024	4.000	120,000	03/15/2018	100.00
3/15/2025	4.300	120,000	03/15/2018	100.00
3/15/2026	4.300	120,000	03/15/2018	100.00
3/15/2027	4.300	120,000	03/15/2018	100.00
3/15/2028	4.300	120,000	03/15/2018	100.00
3/15/2029	4.300	120,000	03/15/2018	100.00

Certificates of Obligation, Series 2009

Maturity Date	Interest Rate (%)	Par Amount (\$)	Call Date	Call Price
3/15/2021	4.000	250,000	03/15/2018	100.00
3/15/2022	4.000	250,000	03/15/2018	100.00
3/15/2023	4.000	250,000	03/15/2018	100.00
3/15/2024	4.000	250,000	03/15/2018	100.00
3/15/2025	4.000	250,000	03/15/2018	100.00
3/15/2026	4.100	250,000	03/15/2018	100.00
3/15/2027	4.150	250,000	03/15/2018	100.00
3/15/2028	4.200	250,000	03/15/2018	100.00
3/15/2029	4.250	250,000	03/15/2018	100.00
3/15/2030	4.300	250,000	03/15/2018	100.00

6. Allocation of premium: \$_____to pay costs of issuance, \$_____deposited to the Interest and Sinking Fund, and the balance deposited into the Escrow Fund.

7. The terms of sale of the Bonds are the most reasonable and advantageous and are in the best interest of the City.

EXECUTED AND DELIVERED this_____.

CITY OF LAKE JACKSON, TEXAS

Director of Finance

EXHIBIT B

[Form of Paying Agent/Registrar Agreement]

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of December 1, 2015 (the “Agreement”), by and between the CITY OF LAKE JACKSON, TEXAS (the “City”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the City has duly authorized and provided for the issuance of its “City of Lake Jackson, Texas Limited Tax Refunding Bonds, Series 2015” (the “Securities”), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof as provided in the “Ordinance” (hereinafter defined);

WHEREAS, the City has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the City and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The City hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the City the principal and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Ordinance.

The City hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the City books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Ordinance.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank’s services as Paying Agent/Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank’s current fee schedule then in effect for services as Paying Agent/Registrar for municipalities,

which shall be supplied to the City on or before 90 days prior to the close of the Fiscal Year of the City, and shall be effective upon the first day of the following Fiscal Year.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the City in writing of any change in location of the Bank Office.

“Fiscal Year” means the fiscal year of the City, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“City Request” and “City Ordinance” means a written request or order signed in the name of the City by the Mayor, the City Secretary, or the Director of Finance of the City, any one or more of said officials, delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Ordinance” means the order of the governing body of the City pursuant to which the Securities are issued, certified by the Secretary of the Board of Trustees or any other officer of the City and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Ordinance).

“Redemption Date” when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those

performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the City providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank,” “City,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The City hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the City at the Bank Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Bonds. The City shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.03. List of Security Holders. The Bank will provide the City at any time requested by the City, upon payment of the required fee, a copy of the information contained in the Security Register. The City may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the City so that the City may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.04. Return of Cancelled Bonds. The Bank will, at such reasonable intervals as it determines, surrender to the City, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.05. Mutilated, Destroyed, Lost or Stolen Securities. The City hereby instructs the Bank, subject to the applicable provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.06. Transaction Information to City. The Bank will, within a reasonable time after receipt of written request from the City, furnish the City information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the City's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the City as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Transfer of Funds. The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the City as prepared by the City's financial advisor or other agent.

Section 5.03. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any

investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by City.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.04. Recitals of City. The recitals contained herein with respect to the City and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the City, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.05. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledge of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.06. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the City and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts or checks drawn by the City and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Ordinance to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the issuer, and the Holder of such Security shall thereafter look only to the City for payment thereof, and all liability of the Bank with respect to such

money shall thereupon cease. If the City does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.07. Indemnification. To the extent permitted by law, the City agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.08. Interpleader. The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the City are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.09. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements,” currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.10. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the City, to report to the owners of the Bonds and the Internal Revenue Service (i) the amount of “reportable payments”, if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Bonds and (ii) the amount of interest or amount treating as interest on the Bonds and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the City shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the City.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

(Remainder of this page intentionally left blank)

By _____ **Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

Title _____ Title _____
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and
(BANK SEAL) _____ Address: 2001 Bryan, 11th Floor of the day and
Dallas, Texas 75201

Attest:
By _____
Attest: City Secretary
(CITY SEAL)

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,**
CITY OF LAKE JACKSON, TEXAS
Address: 25 Oak Drive
Lake Jackson, Texas 77566

SCHEDULE A

Paying Agent/Registrar Fee Schedule

EXHIBIT C

[Form of Escrow Agreement]

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of December 1, 2015 (herein, together with any amendments or supplements hereto, called this “Agreement”) is entered into by and between the CITY OF LAKE JACKSON, TEXAS (herein called the “Issuer”) and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., having an office in Dallas, Texas, as escrow agent (herein, together with any successor in such capacity, called the “Escrow Agent”). The addresses of the Issuer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESS:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the Obligations (the “Refunded Obligations”) described in the Verification Report of Grant Thornton LLP (the “Report”) relating to the Refunded Obligations, attached hereto as Exhibit B and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

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

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, administration, and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in direct 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, and which may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, The Bank of New York Mellon Trust Company, N.A., having an office in Dallas, Texas, as successor to J.P. Morgan Trust Company, N.A., Dallas, Texas is the Paying Agent/Registrar (the “Paying Agent”) for the Refunded Obligations and is a trust company or commercial bank and does not act as depository for the Issuer, and this Agreement constitutes an escrow agreement of the kind authorized and required by Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the Paying Agent the amounts required to provide for the payment

of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the “City of Lake Jackson, Texas Limited Tax Refunding Bonds, Series 2015” (the “Refunding Obligations”) will be issued for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase the Escrowed Securities (defined herein) for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent.

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms have the meanings assigned to them below when they are used in this Agreement:

“Code” means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

“Escrow Fund” means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

“Escrowed Securities” means the direct noncallable, not pre-payable United States Treasury Obligations and Obligations the due timely payment of which is unconditionally guaranteed by the United States of America described in the Report or cash or other direct Obligations of the United States of America substituted therefor pursuant to Article IV of this Agreement.

Section 1.02. Other Definitions. The terms “Agreement,” “Issuer,” “Escrow Agent,” “Refunded Obligations,” “Refunding Obligations,” “Report,” and “Paying Agent,” when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II. DEPOSIT OF FUNDS AND ESCROWED SECURITIES IN THE ESCROW FUND

Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III. CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special fund and irrevocable escrow to be known as the “City of Lake Jackson, Texas Limited Tax Refunding Bonds, Series 2015 Escrow Fund” (the “Escrow Fund”). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity or redemption dates and interest thereon to such maturity or redemption dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature or are redeemed, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer’s failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall

hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as an Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts, or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct Obligations of, or Obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV. LIMITATION ON INVESTMENTS

Section 4.01. General Limitations. Except as provided in Sections 3.02, 4.02, 4.03, and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Obligations – State and Local Government Series with an interest rate equal to 0%, to the extent such Obligations are available from the Department of the Treasury. All such reinvestments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities that are United States Treasury Certificates of Indebtedness, Notes, or Obligations – State and Local Government Series. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

Section 4.03. Substitutions and Reinvestments. At the direction of the Issuer, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other money or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion of an independent certified public accountant or firm of certified public accountants that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct Obligations of the United States of America), together with the interest thereon and other available money, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and redemption premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be “arbitrage Obligations” within the meaning of section 148 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies

with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or non-interest-bearing direct noncallable and not pre-payable Obligations of the United States Treasury (i.e., Treasury Obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the “Substitute Obligations”) for non-interest bearing Escrowed Securities, if any, but only if such Substitute Obligations

(a) are in an amount, and/or mature in an amount, that is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,

(b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and

(c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or Obligations if the exercise of such power or the acquisition of such securities or Obligations would cause any Refunding Obligations or Refunded Obligations to be an “arbitrage bond” within the meaning of the Code.

ARTICLE V. APPLICATION OF CASH BALANCES

Except as provided in Sections 3.02, 4.02, 4.03, and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI. RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations, and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on

the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII. CONCERNING THE PAYING AGENT AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the Obligations and responsibilities imposed upon it herein, and that it will carry out all of its Obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable after having actual knowledge of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the express terms and provisions of this Agreement and no implied covenants or Obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to risk, use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or

other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees appointed with due care.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount of \$750.00, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) Upon receipt of the aforesaid specific sums stated in subsection (a) of this Section 7.03 for Escrow Agent fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

(c) To the extent permitted by law, the Issuer agrees to indemnify the Escrow Agent and its officers, directors, agents, and employees for, and hold it and them harmless against, any loss, liability, claim, cost, suit, judgment, or expense (including, without limitation, legal fees and expenses) incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. This Section 7.03(c) shall survive the termination of this Agreement and the earlier removal or resignation of the Escrow Agent.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the

Issuer within 60 days of the occurrence of such meaning or the Escrow Agent's giving notice of resignation, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact or the Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be: (i) a corporation, bank, or banking association organized and doing business under the laws of the United States or the State of Texas; (ii) be authorized under such laws to exercise corporate trust powers; (iii) be authorized under Texas law to act as an escrow agent; (iv) have its principal office and place of business in the State of Texas; (v) have a combined capital and surplus of at least \$5,000,000; and (vi) be subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than 60 days, written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations by a court or by the Issuer as herein provided and such successor Escrow Agent shall be qualified under Chapter 1207 and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. Any bank, corporation or association into which the Escrow Agent may be merged or converted to with which it may be consolidated, or any bank, corporation, or association resulting from any merger, conversion, or consolidation to which the Escrow Agent shall be a party, or any bank, corporation, or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

If the Escrow Agent resigns, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee hereunder.

Section 7.05. Paying Agent for Refunded Obligations. The Paying Agent has heretofore contracted with the Issuer to act as paying agent relative to the Refunded Obligations and has received notice of redemption of the Refunded Obligations, and will continue to fully perform and carry out all of the normal and customary duties as paying agent for the Refunded Obligations, for so long as the same remain unpaid, including, but not limited to, making payments of interest as the same shall become due and principal, at maturity or upon prior redemption, to the owners and holders of the Refunded Obligations, in accordance with the respective orders of the Issuer authorizing the respective issuances of the Refunded Obligations, and to apply all funds transferred to it pursuant to Section 3.02 hereof solely for the purpose of paying the principal of and interest on the Refunded Obligations in the manner provided herein; provided,

however, that in the event that the Paying Agent, acting in its capacity as paying agent relative to the Refunded Obligations, is requested to perform any extraordinary services in such respect and, as a result thereof, any other fees, expenses, or charges of any kind or character become due and payable by the Issuer to the Paying Agent, as paying agent relative to the Refunded Obligations, the Issuer agrees to pay to the Paying Agent, from a lawfully available source (specifically excluding funds on deposit in the Escrow Fund) reasonable fees for such extraordinary services performed and to reimburse the Bank for expenses incurred in connection with such extraordinary services.

ARTICLE VIII. MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further Obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of Obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall materially adversely affect the rights of the owners of the Refunded Obligations as evidenced by an opinion of counsel delivered to the Escrow Agent.

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all counterparts shall together constitute one and the same instrument.

EXECUTED as of the date first written above.
ATTEST:

Title: _____

CITY OF LAKE JACKSON, TEXAS

By: _____

Title _____

By: _ _____ Mayor

ATTEST:

By: _ _____ City Secretary

(SEAL)

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.**

As Escrow Agent hereunder

By: _____

EXHIBIT A

Addresses of the Issuer and Escrow Agent

ISSUER

City of Lake Jackson, Texas
25 Oak Drive
Lake Jackson, Texas 77566
Attention: Director of Finance

ESCROW AGENT AND PAYING AGENT

The Bank of New York Mellon Trust Company, N.A.
2001 Bryan Street, 11th Floor
Dallas, Texas 75201
Attention: Corporate Trust Department

EXHIBIT B

Cash Flow and Verification Report

The Bank of New York
Global Corporate Trust
Post Office Box 2320
Dallas, Texas 75221-2320

The Bank of New York
Global Corporate Trust 2001
Bryant Street, 9th Floor
Dallas, Texas 75201

The Bank of New York
Global Corporate Trust
101 Barclay Street, 1st Floor East
New York, NY 10286

To the Owners of
**THE FOLLOWING NAMED SERIES OF
CITY OF LAKE JACKSON, TEXAS
LIMITED TAX BONDS, SERIES 2004
Dated March 15, 2004**

NOTICE IS HEREBY GIVEN that the **CITY OF LAKE JACKSON, TEXAS** has called for redemption **ON JANUARY 28, 2016 AT A PRICE OF PAR, PLUS ACCRUED INTEREST** the following described outstanding bonds (the "Obligations") of the above described series as follows:

MATURITY DATES (MARCH 15)	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED (\$)
2017	510048RY9	180,000
2018	510048RZ6	180,000
2019	510048SA0	180,000
2020	510048SB8	180,000
2021	510048SC6	180,000
2022	510048SD4	180,000
2023	510048SE2	180,000
2024	510048SF9	<u>180,000</u>
		<u>\$1,440,000</u>

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, as successor to JPMorgan Chase Bank, Dallas, Texas, and as successor to Texas Commerce Bank National Association, Houston, Texas, the Paying Agent for the Bonds, with funds sufficient to pay the redemption price of the Bonds equal to the principal amount of the Bonds and the interest thereon to the redemption date. In the event the Bonds, or any of them, are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the redemption date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

First Class/Registered/Certified

Express Delivery Only

By Hand Only

IMPORTANT NOTICE: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 and broker reporting requirements, the redeeming institution is required to withhold 30.50% of the principal amount of your holdings redeemed unless it is provided with a W-9 Form certifying your social security number or federal employer tax identification number.

EXECUTED UNDER MY HAND and seal of office this November 16, 2015.

/s/ Joe Rinehart _____ Mayor, City of Lake Jackson, T

Any questions regarding this notice may be addressed to 800-254-2826.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Paying Agent

The Bank of New York
Global Corporate Trust
Post Office Box 2320
Dallas, Texas 75221-2320

Notice of Redemption
The Bank of New York
Global Corporate Trust 2001
Bryan Street, 9th Floor of
Duke Tower, Dallas, Texas 75201

The Bank of New York
Global Corporate Trust
101 Barclay Street, 1st Floor East
New York, NY 10286

**THE POLICE TOWNSHIP NAMED SERIES OF
CITY OF LAKE JACKSON, TEXAS
LIMITED TAX BONDS, SERIES 2007**

EXECUTED UNDER MY HAND and seal of office on this November 16, 2015.
Date April 15, 2007

NOTICE IS HEREBY GIVEN that the **CITY OF LAKE JACKSON, TEXAS** has called for redemption **ON MARCH 15, 2016 AT A PRICE OF PAR, PLUS ACCRUED INTEREST** the following described outstanding bonds (the "Obligations") of the above described series as follows:

MATURITY DATES <u>(MARCH 15)</u>	PRESENT CUSIP <u>NUMBERS</u>	PRINCIPAL <u>AMOUNT REDEEMED (\$)</u>
2017	510048SR3	265,000
2018	510048SS1	265,000
2019	510048ST9	265,000
2021	510048SV4	530,000
2023	510048SX0	530,000
2025	510048SZ5	530,000
2027	510048TB7	<u>530,000</u>
		<u>\$2,915,000</u>

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, as successor to JPMorgan Chase Bank, Dallas, Texas, and as successor to Texas Commerce Bank National Association, Houston, Texas, the Paying Agent for the Bonds, with funds sufficient to pay the redemption price of the Bonds equal to the principal amount of the Bonds and the interest thereon to the redemption date. In the event the Bonds, or any of them, are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the redemption date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

First Class/Registered/Certified

Express Delivery Only

By Hand Only

IMPORTANT NOTICE: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001 and broker reporting requirements, the redeeming institution is required to withhold 30.50% of the principal amount of your holdings redeemed unless it is provided with a W-9 Form certifying your social security number or federal employer tax identification number.

Any questions regarding this notice may be addressed to 800-254-2826.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Paying Agent

**MATURITY DATES
(MARCH 15)**

**Notice of Redemption
PRINCIPAL NUMBERS**

**PRINCIPAL
AMOUNT REDEEMED (\$)**

	To the Owners of	
2021	THE FOLLOWING NAMED SERIES OF	120,000
2024	CITY OF LAKE JACKSON, TEXAS	360,000
2029	LIMITED TAX BONDS, SERIES 2009	600,000
The Bank of New York	The Bank of New York	\$1,080,000
Global Corporate Trust	Global Corporate Trust 2001	Global Corporate Trust

NOTICE IS FURTHER GIVEN THAT THE CITY OF LAKE JACKSON, TEXAS HAS PLACED FIRST DUE DEDUCTION OF MARCH 15, 2015 AT A PRICE OF PAR, PLUS ACCRUED INTEREST ON THE FOLLOWING DESCRIBED OUTSTANDING BONDS (AND SUCCESSORS OF THE ABOVE COMMERCE BANK NATIONAL ASSOCIATION, HOUSTON, TEXAS, THE PAYING AGENT FOR THE BONDS, WITH FUNDS SUFFICIENT TO PAY THE REDEMPTION PRICE OF THE BONDS EQUAL TO THE PRINCIPAL AMOUNT OF THE BONDS AND WITH INTEREST ECONOMIC GROWTH AND THAT THE REDEMPTION PRICE OF THE BONDS, OR AN AMOUNT, BROKER REPORTING REQUIREMENTS, THE REDEMPTION PRICE IS REQUIRED TO WITHHOLD 30.50% OF THE PRINCIPAL AMOUNT OF YOUR HOLDINGS REDEEMED UNLESS IT IS PROVIDED WITH A W-9 FROM THE BONDING YOUR SOCIAL SECURITY NUMBERED FEDERAL EMPLOYER IDENTIFICATION NUMBER DATED MATURITY, AND THEY SHALL NOT BEAR INTEREST AFTER THE REDEMPTION DATE, AND THEY SHALL NOT BE REGARDED AS BEING OUTSTANDING EXCEPT FOR THE BENEFIT OF THE OWNER AND SEAL OF OFFICE THIS NOVEMBER 16, 2015.

/s/ Joe Rinehart

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

First Class/Registered/Certified Express Delivery Only By Hand Only

Mayor, City of Lake Jackson, Texas

Any questions regarding this notice may be addressed to 800-254-2826.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Paying Agent

The Bank of New York
Global Corporate Trust
Post Office Box 2320
Dallas, Texas 75221-2320

The Bank of New York
Global Corporate Trust 2001
Bryan Street, 9th Floor
Dallas, Texas 75201

The Bank of New York
Global Corporate Trust
101 Barclay Street, 1st Floor East
New York, NY 10286

IMPORTANT NOTICE In accordance with the Economic Growth and Tax Relief Reconciliation Act of 2001, the issuing institution is required to withhold 30.50% of the principal amount of new holdings unless it is provided with a W-9 Form certifying your social security number or federal employer tax identification number.

NOTICE IS HEREBY GIVEN that the **CITY OF LAKE JACKSON, TEXAS** has called for redemption **ON MARCH 15, 2018 AT A PRICE OF PAR, PLUS ACCRUED INTEREST** the following described outstanding bonds (the "Bonds") of the above described series as follows:

<u>MATURITY DATES</u> <u>(MARCH 15)</u>	<u>PRESENT CUSIP</u> <u>NUMBERS</u>	<u>PRINCIPAL</u> <u>AMOUNT REDEEMED (\$)</u>
2021	510048UU3	250,000
2022	510048UV1	250,000
2023	510048UW9	250,000
2024	510048UX7	250,000
2025	510048UY5	250,000
2026	510048UZ2	250,000
2027	510048VA6	250,000
2028	510048VB4	250,000
2029	510048VC2	250,000
2030	510048VD0	<u>250,000</u>
		<u>\$2,500,000</u>

NOTICE IS FURTHER GIVEN that due and proper arrangements have been made for providing THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, as successor to JPMorgan Chase Bank, Dallas, Texas, and as successor to Texas Commerce Bank National Association, Houston, Texas, the Paying Agent for the Bonds, with funds sufficient to pay the redemption price of the Bonds equal to the principal amount of the Bonds and the interest thereon to the redemption date. In the event the Bonds, or any of them, are not presented for redemption by the date fixed for their redemption, they shall not thereafter bear interest. If due provision for the payment of the redemption price is made, then the Bonds automatically shall be deemed to have been redeemed prior to their scheduled maturity, and they shall not bear interest after the redemption date, and they shall not be regarded as being outstanding except for the right of the owner thereof to receive the redemption price from the Paying Agent.

THIS NOTICE is issued and given pursuant to the redemption provisions in the proceedings authorizing the issuance of the Bonds and in accordance with the recitals and provisions of each of the Bonds.

NOTICE IS FURTHER GIVEN THAT the Bonds will be payable at and should be submitted either in person or by certified or registered mail to the following address:

First Class/Registered/Certified Express Delivery Only By Hand Only

EXECUTED UNDER MY HAND and seal of office this November 16, 2015.

/s/ Joe Rinehart _____ Mayor, City of Lake Jackson, T

Any questions regarding this notice may be addressed to 800-254-2826.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Paying Agent

EXHIBIT E

Description of Annual Financial Information

The following information is referred to in Section 25 of this Ordinance.

Annual Financial Statements and Operating Data. The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified below:

(a) the audited financial statements of the City for the most recently concluded fiscal year, and, to the extent that such statements are not completed and available, unaudited financial statements for such fiscal year;

(b) the tables or schedules in the official statements relating to outstanding obligations of the City under the headings “TAX INFORMATION”, “DEBT INFORMATION”, “FINANCIAL INFORMATION”, and in Appendix “B”.

Accounting Principles. The accounting principles, with respect to the City, referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, as such principles may be changed from time to time to comply with state law or regulation.