

RESOLUTION 2011-46

RESOLUTION BY THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS AUTHORIZING AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN THE CITY OF LA FERIA PUBLIC UTILITIES BOARD AND THE CITY OF LA FERIA, TEXAS; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Commission (the *Commission*) of the City of La Feria, Texas (the *City*) is authorized by various bond ordinances and Texas law to contract with an agency of the City known as the City of La Feria Public Utilities Board (the *Board*);

WHEREAS, the City was advised by its financial advisors, First Southwest Company, that certain of the projects contemplated to be financed by the City for the benefit of the Board (the *Initial Project*) could be financed at a lower interest cost by the City through the issuance of certificates of obligation (the *Certificates*);

WHEREAS, the City will receive the proceeds of the Certificates on or about December 6, 2011;

WHEREAS, reducing the costs relating to the Initial Project will benefit the Board and the City;

WHEREAS, the agreement attached hereto as Exhibit A (the *Agreement*) has been approved by the Board to provide for the transfer of funds by the Board to the City to pay a portion of the debt service requirements on the Certificates;

WHEREAS, the Commission hereby finds and determines the adoption of this Resolution and the execution of the Agreement are in the best interests of the residents of the City; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS THAT:

SECTION 1. The Agreement, attached hereto as Exhibit A, is incorporated by reference to this Resolution for all purposes.

SECTION 2. The Mayor and the City Secretary of the City are hereby authorized to execute and seal the Agreement.

SECTION 3. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Commission.

SECTION 4. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Commission hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

* * *


PASSED AND APPROVED, this the 1st day of November, 2011.

CITY OF LA FERIA, TEXAS



Mayor

ATTEST:



City Secretary

(CITY SEAL)

EXHIBIT A

Interlocal Cooperative Agreement

See Tab No. ___

CERTIFICATE OF CITY SECRETARY

THE STATE OF TEXAS §
 §
COUNTY OF CAMERON §
 §
CITY OF LA FERIA §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. On the 1st day of November, 2011, the City Commission (the *Commission*) of the City of La Feria, Texas (the *City*) convened in regular session at its regular meeting place in the La Feria City Hall (the *Meeting*), the duly constituted members of the Commission being as follows:

- | | |
|------------------------|----------------|
| Steve Brewer | Mayor |
| Lori Weaver | Mayor Pro Tem |
| John Edward Betancourt | Position No. 1 |
| John Hernandez | Position No. 2 |
| Victor Gonzalez, Jr. | Position No. 4 |
| Angelica P. Baldivia | Position No. 5 |

John

and all of such persons were present at the Meeting, except the following: Betancourt thus constituting a quorum. Among other business considered at the Meeting, the attached Resolution (the *Resolution*) entitled:

RESOLUTION BY THE CITY COMMISSION OF THE CITY OF LA FERIA,
TEXAS AUTHORIZING AN INTERLOCAL COOPERATIVE AGREEMENT
BETWEEN THE CITY OF LA FERIA PUBLIC UTILITIES BOARD AND THE
CITY OF LA FERIA, TEXAS; AND OTHER MATTERS IN CONNECTION
THEREWITH

was introduced and submitted to the Commission for passage and adoption. After presentation and discussion of the Resolution, a motion was made by Commissioner J. Hernandez that the Resolution be finally passed and adopted in accordance with the City's Home Rule Charter. The motion was seconded by Commissioner Victor Gonzalez, Jr. and carried by the following vote:

4 voted "For" 0 voted "Against" 0 abstained

all as shown in the official Minutes of the Commission for the Meeting.

2. The attached Resolution is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the Commission of the City on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Commission was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Resolution would be considered; and the Meeting and deliberation of the aforesaid public business, including the subject of the Resolution, was

posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the City, this 1st day of November, 2011.



City Secretary,
City of La Feria, Texas

(CITY SEAL)

EXHIBIT A

AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN THE CITY OF LA FERIA, TEXAS AND THE CITY OF LA FERIA PUBLIC UTILITIES BOARD RELATING TO THE ANTICIPATED TRANSFER OF CERTAIN NET REVENUES OF THE CITY'S UTILITY SYSTEM BY THE BOARD OF TRUSTEES TO THE CITY TO PROVIDE FOR THE PAYMENT OR REIMBURSEMENT OF CERTAIN COSTS RELATING TO THE CONSTRUCTION OF VARIOUS PUBLIC IMPROVEMENTS IN THE CITY AND THE PAYMENT OF A PORTION OF THE DEBT SERVICE REQUIREMENTS ON THE CITY'S COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2011; ESTABLISHING THE RIGHTS, DUTIES, OBLIGATIONS, AND RESPONSIBILITIES CONCERNING THE OWNERSHIP AND OPERATION OF THESE PUBLIC IMPROVEMENTS; AND OTHER MATTERS IN CONNECTION THEREWITH

This agreement (the *Agreement*) is made to be effective as of the 1st day of November, 2011 by and between the City Commission of the City of La Feria, Texas, a home rule municipality and a political subdivision of the State of Texas (the *City*) and the Board of Trustees of the City of La Feria Public Utilities Board, an agency of the City (the *LPUB*).

RECITALS

WHEREAS, the City Commission of the City previously published notice of intention to sell a series of certificates of obligation designated as "City of La Feria, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011" (the *Certificates*); and

WHEREAS, the Certificates are scheduled to be sold on November 15, 2011; and

WHEREAS, some of the proceeds of the Certificates will be utilized to make necessary improvements to the City's utility system that is managed and operated by the LPUB; and

WHEREAS, the interest rates that the City will receive on the Certificates will be lower than what the City would receive if the City issued revenue bonds to make these contemplated utility system improvements; and

WHEREAS, lowering the costs of capital to LPUB benefits the City and its ratepayers; and

WHEREAS, LPUB and the City have each determined that it is in the best interests of the residents of the City and the LPUB to construct and equip the necessary utility system improvements that will be located within the City (the *Initial Project*), all in accordance with the provisions of Texas law; and

WHEREAS, the City will own the Initial Project and the LPUB, in consultation with the City, will have full responsibility for the design, construction, operation, and maintenance of the Initial Project; and

WHEREAS, financial advisors to the City have stated that the City can obtain financing for the construction of the Initial Project on more favorable financial terms than could the LPUB; and

WHEREAS, a portion of the proceeds of the Certificates will be utilized to pay for a portion of the construction of the Initial Project and to pay certain other professional services and costs of issuance; and

WHEREAS, this Agreement shall constitute an interlocal cooperative agreement as authorized pursuant to the provisions of Chapter 791, as amended, Texas Government Code; and

WHEREAS, the adoption of this Agreement is hereby found and determined to be in the best interest of the residents of the City and the LPUB;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1: Duties of the City. The City hereby agrees to perform the following duties:

1.1 The City will own the Initial Project.

1.2 The City will issue the Certificates to provide a portion of the initial funds required to construct the Initial Project. The City shall be solely responsible for making the annual payments of principal of and interest on this indebtedness pursuant to terms and conditions for the issuance of the Certificates. LPUB will transfer a portion of the net revenues of the utility system to pay a portion of the debt service requirements on the Certificates as set forth in Exhibit A.

SECTION 2: Duties of LPUB. The LPUB hereby agrees to perform the following duties:

2.1 LPUB will construct the Initial Project, in consultation with the City, and is responsible for all aspects of the construction, acquisition, design, upkeep, maintenance, and operation of the Initial Project and in connection therewith, the LPUB shall comply with all applicable law relating to the construction of public works, including, without limitation, the provisions of Chapter 2253, as amended, Texas Government Code (pertaining to public works performance and payment bonds).

2.2 In consideration of the City's agreement to undertake the actions set forth in Section 1 hereof, the LPUB shall transfer, on an annual basis, lawfully available net revenues of the utility system to the City to pay a portion of the debt service requirements on the Certificates (as set forth in Exhibit A) that are scheduled to be sold on November 15, 2011 and delivered on December 6, 2011, upon a determination by the Board of Trustees of the LPUB that any and all financial obligations of the LPUB for the then current fiscal year of the LPUB have been provided for or otherwise satisfied.

2.3 Prior to the beginning of each fiscal year, the LPUB shall provide annually to the City for so long as the Certificates remain outstanding, a true and correct copy of the LPUB's annual fiscal year budget for each fiscal year within thirty (30) days of approval of this budget by the Board of Trustees of the LPUB.

SECTION 3: Amendments and Modifications. This Agreement shall be binding upon the City and the LPUB and their respective successors and legal representatives and shall inure solely to the benefit of the City and LPUB and their respective successors and legal representatives. Furthermore, no alteration, amendment, or modification of any provision of this Agreement shall be effective unless (1) prior written consent of such alteration, amendment, or modification shall have been obtained from the parties hereto, and (2) such alteration, amendment, or modification is in writing and signed by the parties hereto. The City and the LPUB may amend this Agreement to address the construction or financing of other projects (other than the Initial Project) upon compliance with the provisions of applicable law.

SECTION 4: Recognition of Tax Exempt Financing. The LPUB hereby acknowledges and recognizes that the Certificates are being issued as "state or local bonds" under and pursuant to section 103(a) of the Internal Revenue Code of 1986, as amended, and the LPUB hereby covenants and agrees with respect to the use of proceeds of sale of the Certificates and the use of the Initial Project as follows:

(a) Definitions. When used in this Section, the following terms have the following meanings:

"*Closing Date*" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

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

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

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

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

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

"*Regulations*" means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any

specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“Yield” of (i) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (ii) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

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

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City and the LPUB shall at all times while the Certificates are outstanding:

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

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

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

benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

(g) Payment of Rebatable Arbitrage. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(i) The LPUB shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the LPUB may commingle Gross Proceeds of the Certificates with other money of the LPUB, provided that the LPUB separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(ii) Not less frequently than each Computation Date, the LPUB shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The LPUB shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(iii) As additional consideration for the purchase of the Certificates by the Purchasers and the use of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the LPUB shall remit to the City for payment to the United States the amount described in paragraph (g)(ii) above and the amount described in paragraph (g)(iv) below, at the times, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(iv) The LPUB shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraph (g)(ii), and if an error is made, to discover and promptly correct such error within a

reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including the amount remitted to the LPUB for payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

SECTION 5: Default. In the event that either the LPUB or the City should violate any of the terms of this Agreement, the other party shall promptly notify the other respective party of the violation. In the event this violation is not cured within thirty (30) days after the sending of such notice, the party sending the notice may at its discretion notify the other party of its intention to seek any remedies available under applicable law. Upon such notice, the delinquent party shall have thirty (30) days to cure this violation prior to final action by the other party seeking any available judicial remedy.

SECTION 6: Miscellaneous; Assignment. All the situations, promises, undertaking and agreements herein contained by or on behalf of either the LPUB or the City shall bind the successors and assigns of either party, whether so expressed or not but neither the LPUB nor the City shall have the right to assign this Agreement, or any part thereof except as hereinafter provided without the written consent of the other party. Either party may waive any default on the part of the opposite affecting any other provision of this Agreement; and a waiver of any one default shall not be deemed a waiver of any other or subsequent default or defaults. No delay by either party in enforcing any of its rights under this Agreement shall be deemed a waiver of such rights.

SECTION 7: Approval and Consent. Unless otherwise provided herein, any approval or consent required by the provisions of this Agreement by the City or the LPUB shall be evidenced by a written resolution adopted by the governing body of the party giving such approval or consent. Upon receipt of such written resolution duly certified by the appropriate party, the City or the LPUB can conclusively act on the matter requiring such approval.

SECTION 8: Addresses and Notice. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties hereto shall, until changed as hereinafter provided, be as follows:

A. If to the City, to:

City of La Feria, Texas
115 East Commercial Avenue
La Feria, Texas 78559
Attention: City Manager

B. If to the LPUB, to:

City of La Feria Public Utilities Board
115 East Commercial Avenue
La Feria, Texas 78559
Attention: President, Board of Trustees

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least ten (10) days' written notice to the other parties hereto.

SECTION 9: Covenants. The City and the LPUB covenant that they will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Agreement. The City and the LPUB covenant that they are duly authorized under the laws of the State of Texas to execute and deliver this Agreement, that all actions on their part as provided herein and the execution and delivery of this Agreement have been duly and effectively taken according to the import thereof as provided in this Agreement.

SECTION 10: Venue. Any damages for the breach of this Agreement shall be paid and be due in Cameron County, Texas, which is the county in which the principal administrative offices of the City and the LPUB are located. It is specifically agreed among the parties to this Agreement that Cameron County, Texas, is the place of performance of this Agreement; and in the event that any legal proceeding is brought to enforce this Agreement or any provision hereof, the same shall be brought in Cameron County, Texas.

SECTION 11: Legal Fees. In the event it is necessary for either party to commence legal action of any kind to enforce its rights hereunder, the prevailing party in such litigation shall be entitled to collect all court costs and reasonable attorney's fees and expenses incurred in connection therewith.

SECTION 12: Force Majeure. In the event that either party shall be entirely prevented from completing performance of its obligations hereunder by an act of God or any other occurrence whatsoever which is beyond the control of such party, then such party shall be excused from any further performance of its obligations and undertakings hereunder. In the event that the performance of either party of any obligations or undertakings hereunder shall be interrupted or delayed by any occurrence and not occasioned by the conduct of either party hereto, whether such occurrence be an act of God or the common enemy or the result of war, riot, civil commotion, sovereign conduct, or the act or conduct of any person or persons not party or privy hereto, then he shall be excused from such performance for such period of time as is reasonably necessary after such occurrence to remedy the effects thereof.

SECTION 13: Holiday. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, is not a business day, such payment may be made or act performed or right exercised on the next succeeding business day with the same force and effect as if done on the date provided therefor herein.

SECTION 14: Counterparts. This Agreement may be executed in any number of counterparts, each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute one and the same instrument.

SECTION 15: Entire Agreement. This Agreement contains the entire agreement between the parties pertaining to the subject matter hereof and fully supersedes all prior agreements and understandings between the parties pertaining to such subject matter.

SECTION 16: Captions. The section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any section or any subsection hereof.

SECTION 17: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Agreement for all purposes and are adopted as a part of the judgment and findings of the City Commission of the City and the Board of Trustees of the LPUB.

SECTION 18: Inconsistent Provisions. All ordinances and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Agreement are hereby repealed to the extent of such conflict, and the provisions of this Agreement shall be and remain controlling as to the matters provided herein.

SECTION 19: Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 20: Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Agreement and the application of such provision to other persons and circumstances shall nevertheless be valid, and the LPUB and the City hereby declare that this Agreement would have been enacted without such invalid provision.

SECTION 21: Construction. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa. This Agreement and all the terms and provisions hereof shall be constructed to effectuate the purposes set forth herein and to sustain the validity of this Agreement.

SECTION 22: Compliance with Texas Open Meetings Act. It is officially found, determined, and declared that the meeting of each of the City and the LPUB at which this Agreement is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Agreement, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 23: Term of Agreement. This Agreement will terminate upon the Certificates being paid in full or upon the defeasance of the Certificates and, if applicable, the refunding bonds being paid in full or upon the defeasance of any refunding bonds issued to refund the Certificates.

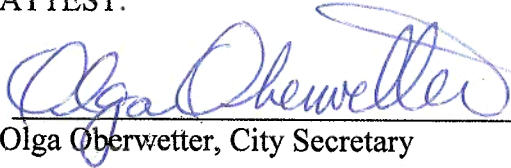
IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be effective as of the date and year first above written.

CITY OF LA FERIA, TEXAS



Steve Brewer, Mayor

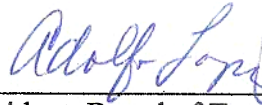
ATTEST:



Olga Oberwetter, City Secretary

(City Seal)

CITY OF LA FERIA PUBLIC UTILITIES
BOARD



President, Board of Trustees

EXHIBIT A

LPUB ANNUAL PAYMENT OBLIGATIONS ON THE
CITY'S CERTIFICATES OF OBLIGATION