

RESOLUTION 2011-01

A RESOLUTION BY THE CITY OF LA FERIA PUBLIC UTILITIES BOARD RELATING TO THE ISSUANCE AND SALE OF OBLIGATIONS DESIGNATED AS "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2011"; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, pursuant to the authority contained in Chapter 1502, as amended, Texas Government Code, the ordinances (the "Previously Issued Ordinances") previously adopted by the City Commission (the "City Commission") of the City of La FERIA, Texas (the "City"), authorizing the previously issued first lien revenue bonds (the "Previously Issued Obligations"), the complete management and control of the utility system (the "System") of the City is vested in a Board of Trustees known as the City of La FERIA Public Utilities Board (the "Board"), during the period of time any of the Previously Issued Obligations or other obligations payable, in whole or in part, by a lien on and pledge of the net revenues of the System are outstanding and unpaid; and

WHEREAS, the obligations designated as City of La FERIA, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011 in the principal amount of up to \$5,900,000 (the "Obligations") will be sold at a public or private sale; and

WHEREAS, the Obligations are payable, in part, by a lien on and pledge of the net revenues of the System; and

WHEREAS, the Board has determined that the Obligations should now be issued by the City to provide funds, in part, to acquire, purchase, construct, improve, enlarge, and equip the System and to pay certain costs of issuance; and

WHEREAS, by virtue of the authority and power vested in the Board with reference to the expenditure and application of the gross revenues of the System and to comply with the terms and conditions prescribed in the Previously Issued Ordinances for the issuance of additional bonds on a parity with the heretofore issued Previously Issued Obligations, it is necessary and proper for the Board to formally request the City Commission of the City to authorize and sell the Obligations, consent to the issuance of the same, approve the ordinance authorizing the Obligations (the "Ordinance"), including the approval of the disclosure documents relating thereto, if any, and agree to comply with all the terms and provisions of such Ordinance, including, but not limited to, those relating to the operation of the System and the handling of the proceeds of the Obligations; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE CITY OF LA FERIA PUBLIC UTILITIES BOARD THAT:

1. The City Commission of the City of La FERIA, Texas is hereby formally requested to authorize and sell the Obligations pursuant to a public or private sale in the total principal amount of not to exceed \$5,900,000; and the Board by the adoption of this Resolution hereby evidences its consent to the issuance and sale of the Obligations and the payment thereof from the net revenues of the System in an amount not to exceed \$1,000 and its approval of the

Ordinance authorizing the issuance of obligations designated as the "City of La Feria, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2011", to be prepared by Bond Counsel for the November 8, 2011 meeting of the City Commission; and the Board hereby agrees to comply with all of the terms and provisions of the Ordinance with relation to the administration and operation of the System and the disposition of the revenues therefrom.

2. The Board recognizes that the Section of the Ordinance relating to "Covenants to Maintain Tax Exempt Status" contains covenants of the City relating to certain of the Obligations. Since the proceeds of these Obligations will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Commission in that Section of the ordinance.

3. The Board recognizes that the Section of the Ordinance relating to "Continuing Disclosure of Information" contains covenants of the City relating to the Obligations. Since certain financial information, financial status, operating data, and annual audits of the System will be entirely within the control and disposition of the Board, the Board specifically adopts the covenants to be made by the City Commission in that Section of the ordinance.

4. In order to comply with various provisions of Texas law and for the interest on certain of the Obligations to be tax-exempt, various certificates must be provided to bond counsel and to the Attorney General for the State of Texas; therefore, upon obtaining the advice and consent of legal counsel, the Chairman, Vice Chairperson, or Secretary of the Board and the City Manager are authorized to execute any certificate (including but not limited to a Certificate of Tax Exemption), or other documents, relating to the issuance, sale, and delivery of the Obligations.

5. The Board delegates to the City Manager the authority to take any and all other actions consistent with the provisions of this Resolution and the Ordinance to effectuate the sale, issuance and delivery of the Obligations.

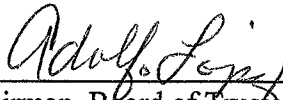
6. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter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

7. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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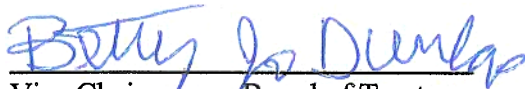
PASSED AND ADOPTED on the 27th day of September, 2011.

CITY OF LA FERIA PUBLIC UTILITIES
BOARD



Chairman, Board of Trustees

ATTEST



Vice Chairperson, Board of Trustees