

ORDINANCE 2014-02

AN ORDINANCE AMENDING, RESTATING, AND READOPTING AN ORDINANCE PREVIOUSLY ADOPTED BY THE CITY COMMISSION OF THE CITY OF LA FERIA, TEXAS AUTHORIZING THE ISSUANCE OF OBLIGATIONS DESIGNATED AS "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012B"; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the City Commission (the *City Commission*) of the City of La Feria, Texas (the *City*) previously adopted an Ordinance on November 15, 2011 (the *Original Ordinance*) authorizing the issuance of obligations designated as "CITY OF LA FERIA, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2012B" (the *Certificates*), dated November 1, 2011, in the aggregate principal amount of \$1,015,000; and

WHEREAS, Section 2 of the Original Ordinance provides the Years of Stated Maturity, Principal Amounts, and Interest Rates on the Certificates (the *Schedule*); and

WHEREAS, the City Commission also previously adopted an Ordinance Amending, Restating, and Readopting the Original Ordinance on May 28, 2013 (the *Amending Ordinance*) deleting and replacing the Schedule; and

WHEREAS, the United States of America (the *USDA*) is the sole holder of all of the Certificates and due to certain regulatory and administrative delays on behalf of the USDA no installment deliveries of the Certificates have been made to date by the City to the USDA and the Schedule as amended on May 28, 2013 provided that the first principal payment should have occurred on February 15, 2014 and the interest rate has increased from 3.75% to 4.25% by the USDA and the first interest payment date will be August 15, 2014; and

WHEREAS, the City Commission hereby finds and determines that amending the Schedule to increase the interest rate to 4.25% and to readjust the principal amounts to spread them out evenly over the course of the loan to have level debt service on the Certificates, and to make the first interest payment on August 15, 2014 is in the best interests of the USDA and the City; and

WHEREAS, Section 33 of the Original Ordinance provides that the City, may, without the consent of or notice to any Holders, from time to time and at any time, amend the Original Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission within the Original Ordinance; and

WHEREAS, the City Commission hereby finds and determines that the adoption of this Ordinance is in the best interests of the City; now, therefore,

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

SECTION 1: The Schedule of Section 2 of the Original Ordinance is hereby deleted in its entirety and replaced with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2015	12,000	4.25
2016	12,000	4.25
2017	13,000	4.25
2018	13,000	4.25
2019	14,000	4.25
2020	14,000	4.25
2021	15,000	4.25
2022	16,000	4.25
2023	16,000	4.25
2024	17,000	4.25
2025	18,000	4.25
2026	18,000	4.25
2027	19,000	4.25
2028	20,000	4.25
2029	21,000	4.25
2030	22,000	4.25
2031	23,000	4.25
2032	24,000	4.25
2033	25,000	4.25
2034	26,000	4.25
2035	27,000	4.25
2036	28,000	4.25
2037	29,000	4.25
2038	31,000	4.25
2039	32,000	4.25
2040	33,000	4.25
2041	35,000	4.25
2042	36,000	4.25
2043	38,000	4.25
2044	39,000	4.25
2045	41,000	4.25
2046	43,000	4.25
2047	45,000	4.25
2048	47,000	4.25
2049	49,000	4.25
2050	51,000	4.25
2051	53,000	4.25

SECTION 2: The Original Ordinance is hereby amended as provided in Section 1 hereof and all remaining provisions of the Original Ordinance (and the Amending Ordinance is hereby repealed so as to have no effect) shall remain in full force and effect as of the date of the original approval by the City Commission on November 15, 2011. To the extent necessary, the City Administrator, or his designee, in coordination with the City's Bond Counsel and Financial

Advisors, is authorized to coordinate all matters relating to this amendment of the Original Ordinance, including any necessary amendments to the definitive Certificates.

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 Ordinance for all purposes and are adopted as a part of the judgment and findings of the City Commission.

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

SECTION 5: This Ordinance 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 Ordinance or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Ordinance and the application of such provision to other persons and circumstances shall nevertheless be valid, and the City Commission hereby declares that this Ordinance would have been enacted without such invalid provision.

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

SECTION 8: This Ordinance shall be in force and effect from and after its final passage, and it is so resolved.

[The remainder of this page intentionally left blank.]

PASSED, ADOPTED AND APPROVED on this the 14th day of January, 2014.

CITY OF LA FERIA, TEXAS

A handwritten signature in blue ink, appearing to read "Steve Brown", written over a horizontal line.

Mayor

ATTEST:

A handwritten signature in blue ink, appearing to read "Olga Chervetta", written over a horizontal line.
City Secretary

(CITY SEAL)