CITY OF LAVON, TEXAS

ORDINANCE NO. 2020-08-02

Redemption of a Portion of Series 2013 SAR Bonds

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AUTHORIZING REDEMPTION OF A PORTION OF CITY OF LAVON, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2013 (HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL))

THE STATE OF TEXAS	§
COUNTY OF COLLIN	§
CITY OF LAVON	§

WHEREAS, the City of Lavon, Texas (the "City") has issued its City of Lavon, Texas Special Assessment Revenue Bonds, Series 2013 (Heritage Public Improvement District No. 1 (Residential)), currently outstanding in the aggregate principal amount of \$6,770,000 (the "Outstanding Bonds");

WHEREAS, the Outstanding Bonds were issued pursuant to Ordinance No. 2013-09-01, adopted by the City Council on September 3, 2013, and a Trust Indenture dated as of October 1, 2013, between the City and The Bank of New York Mellon Trust Company, as Trustee (the "Trust Indenture");

WHEREAS, pursuant to Section 6.3 of the Trust Indenture, the Outstanding Bonds are subject to extraordinary mandatory redemption, by lot drawn from the furthest maturity then outstanding, at the redemption price of 100% of the unpaid principal amount thereof plus accrued interest to the date of redemption, without premium, from amounts on deposit in the Bond Redemption Fund under the Trust Indenture as a result of prepayments of special assessments and related fund transfers;

WHEREAS, the Outstanding Bonds may be redeemed in principal amounts of \$5,000 or any integral multiple thereof, and there will be, after required fund transfers, more than \$58,000 available in the Bond Redemption Fund to redeem and discharge a portion of the Outstanding Bonds;

WHEREAS, this City Council of the City finds and determines that it is necessary and in the best interests of the City to redeem and discharge \$55,000 of the October 1, 2039 maturity of the Outstanding Bonds;

WHEREAS, this City Council of the City finds and determines that the principal amount of the Outstanding Bonds to be redeemed shall be applied against the mandatory sinking fund redemption requirements for the Outstanding Bonds maturing October 1, 2039 as set forth in this Ordinance; and

WHEREAS, it is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and public notice of the time, place, and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

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

<u>Section 1</u>. The City hereby authorizes redemption of \$55,000 aggregate principal amount of the Outstanding Bonds with a stated maturity of October 1, 2039, to be applied as follows:

Mandatory Sinking Fund	Mandatory Sinking Fund	Mandatory Sinking Fund Redemption	Mandatory Sinking Fund Redemption
Redemption	Redemption	Amounts to be	Amounts
Date	Amounts	Redeemed	Remaining
October 1, 2034	\$450,000	\$10,000	\$440,000
October 1, 2035	475,000	10,000	465,000
October 1, 2036	500,000	10,000	490,000
October 1, 2037	525,000	15,000	510,000
October 1, 2038	160,000	5,000	155,000
October 1, 2039	165,000	5,000	160,000

Section 2. (a) The City hereby directs that the Outstanding Bonds be called for redemption on October 1, 2020 (the "Redemption Date") in the amount and as set forth in Section 1. Each of such Outstanding Bonds shall be redeemed at the redemption price of par plus accrued interest.

(b) In addition, the appropriate notices of redemption for the Outstanding Bonds are hereby directed to be given as specified by the Trust Indenture and appropriate arrangements shall be made as specified by the Trust Indenture and in accordance with State law so that the Outstanding Bonds may be redeemed on their redemption date. The Outstanding Bonds shall be presented for redemption at the Trustee, and shall not bear interest after the Redemption Date.

Section 3. The source of funds for payment of the principal of and interest on the Outstanding Bonds to be redeemed on their redemption date shall be from the funds on deposit and held in the Bond Redemption Fund, the Prepayment Reserve Fund and the Interest and Sinking Fund under and pursuant to the Trust Indenture. The Mayor and City Administrator are authorized and directed to provide for the necessary or required fund transfers under the Trust Indenture for redemption of the Outstanding Bonds. Further, the Trustee is directed to make all necessary or required fund transfers under the Trust Indenture for redemption of the Outstanding Bonds.

Section 4. The Mayor and City Administrator and all other officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions and to execute and deliver such documents, certificates and receipts, including without limitation notices of redemption with respect to the Outstanding Bonds to be redeemed, as necessary or appropriate to consummate the transactions authorized by this Ordinance and to redeem said Outstanding Bonds in accordance with the provisions and requirements of said Outstanding Bonds and the Trust Indenture.

APPROVED:

ATTEST:

Vicki Sanson, Mayor

Kim Dobbs, City Administrator

[CITY SEAL]