

ORDINANCE NO. _____

ORDINANCE AUTHORIZING DISCHARGE AND REDEMPTION OF A PORTION OF THE CITY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2005; APPROVING AN ESCROW AGREEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City of Coppell, Texas (the "City") has issued, and there are currently outstanding, the City's General Obligation Refunding Bonds, Series 2005 (the "2005 Bonds"), maturing on February 1 in each of the years 2014 through 2020, inclusive, in the aggregate principal amount of \$9,605,000;

WHEREAS, this City Council finds and determines that it is necessary and in the best interests of the City to provide for the payment, discharge and redemption of a portion of the 2005 Bonds, with funds available for such purpose, as described in Schedule I attached hereto and incorporated herein (collectively, the "Discharged Bonds");

WHEREAS, in the ordinance that authorized the issuance of the 2005 Bonds (the "Bond Ordinance"), the City reserved the option to redeem the 2005 Bonds before their scheduled maturity in whole or in part on February 1, 2014, or on any thereafter, at a price equal to the principal amount of the 2005 Bonds so called for redemption plus accrued interest to the redemption date;

WHEREAS, the Bond Ordinance and Chapter 1207, Texas Government Code, authorize the City to deposit available funds with the Paying Agent/Registrar for the Discharged Bonds, and such deposit, if made in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Discharged Bonds; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. ch. 551. Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF COPPELL:

Section 1. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Approval of Escrow Agreement. The Mayor or City Manager is authorized to enter into and execute on behalf of the City with the Paying Agent/Registrar for the 2005 Bonds, as escrow agent, an escrow agreement, in the form and substance presented at this meeting, which escrow agreement will provide for the payment in full of the Discharged Bonds.

Section 3. Deposit of Funds. On or before July 17, 2013, the City shall deposit with the Paying Agent/Registrar for the Discharged Bonds funds in an amount sufficient to pay the principal of the Discharged Bonds and accrued interest thereon on the respective maturity or redemption date. Funds on deposit in the general fund and in the interest and sinking fund for the Bonds, together with other available funds as necessary, are hereby authorized and appropriated in the amounts necessary for such purpose.

Section 4. Redemption of Bonds. Discharged Bonds maturing on February 1 in each of the years 2015 through 2020, inclusive, as described and in the principal amounts set forth in Schedule I, are hereby called for redemption on February 1, 2014 (the "Redemption Date") at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption. Interest on the Discharged Bonds

called for redemption shall cease to accrue on the Redemption Date. The Paying Agent/Registrar is hereby authorized and directed to call such principal amount for redemption.

Section 5. Notices. Notice of redemption of the Discharged Bonds called for redemption shall be given in the manner and within the times required by the Bond Ordinance, and the Paying Agent/Registrar for the Discharged Bonds called for redemption is hereby authorized and directed to cause notice of redemption to be provided at the time and in the form and manner prescribed in the Bond Ordinance.

Section 6. Covenants Regarding Tax Exemption of Interest on the Discharged Bonds. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Discharged Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation.

Section 7. Authorization of Actions. The officers and employees of the City are hereby authorized and directed to take such actions and to execute and deliver such documents, certificates and receipts, including without limitation notice of redemption and material events notices with respect to the Discharged Bonds, as necessary or appropriate to consummate the transactions authorized by this Ordinance and to redeem the Discharged Bonds in accordance with the provisions and requirements of the Bond Ordinance.

Section 8. Effective Date. This Ordinance shall be effective immediately upon its adoption by the City Council.

(Execution Page Follows)

DULY PASSED by the City Council of the City of Coppell, Texas this the 9TH day of July, 2013.

APPROVED:

KAREN SELBO HUNT, MAYOR

ATTEST:

CHRISTEL PETTINOS, CITY SECRETARY

[CITY SEAL]

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

<u>Description</u>	<u>Maturity Date</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>
General Obligation Refunding Bonds, Series 2005	2/1/2014	\$ 1,480,000	\$ 260,000
	2/1/2015	1,545,000	270,000
	2/1/2016	1,620,000	285,000
	2/1/2017	1,710,000	300,000
	2/1/2018	1,235,000	215,000
	2/1/2019	1,295,000	225,000
	2/1/2020	720,000	125,000
	Total	<u>\$ 9,605,000</u>	<u>\$1,680,000</u>

Maturities 2015 through 2020 called for redemption on February 1, 2014, at par plus accrued interest.