

ORDINANCE NO. _____

ORDINANCE AMENDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF LONE OAK, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2001; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
COUNTY OF HUNT §
CITY OF LONE OAK §

WHEREAS, the City Council (the "City Council") of the City of Lone Oak, Texas (the "City"), on October 29, 2001, adopted an ordinance entitled "ORDINANCE AUTHORIZING THE ISSUANCE OF CERTIFICATES OF OBLIGATION" (the "2001 CO Ordinance");

WHEREAS, the City of Lone Oak, Texas Combination Tax and Revenue Certificate of Obligation, Series 2001 (the "Obligation"), in the original aggregate principal amount of \$104,000, were issued and delivered to The First National Bank of Emory (the "Bank");

WHEREAS, the 2001 CO Ordinance provided that \$11,634.58 principal amount of the Obligation, together with accrued interest on the outstanding principal amount of the Obligation, was due and payable on November 2, 2009;

WHEREAS, on October 26, 2009, the City Council adopted ordinance number 120-2009 amending the 2001 CO Ordinance to extend the November 2, 2009, payment due date to December 2, 2009 (the 2001 CO Ordinance, as amended by Ordinance 120-2009, shall be hereinafter referred to as the "2001 CO Ordinance");

WHEREAS, pursuant to action taken at a meeting of the City council, the December 2, 2009, payment due date was extended to March 1, 2010;

WHEREAS, the City desires to extend the March 1, 2010, payment due date to April 1, 2010, subject to the consent of the Bank to such changes; 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 time, place and subject matter of the public business to be considered and acted upon at 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 LONE OAK, TEXAS:

Section 1. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth herein.

Section 2. The Ordinance is hereby amended as follows:

(a) The \$11,634.58 principal amount of the Obligation originally scheduled under the 2001 CO Ordinance to be due and payable on November 2, 2009, shall be due and payable on April 1, 2010.

(b) The November 2, 2009, interest payment date is amended and changed to April 1, 2010. On April 1, 2010, accrued interest on the outstanding principal amount of the Obligation shall be due and payable.

Section 3. The Extension Agreement No. 3 Relating to City of Lone Oak, Texas Combination Tax and Revenue Certificate of Obligation, Series 2001, in substantially the form attached hereto as Exhibit A (the "Extension Agreement"), is hereby approved, and the Mayor is hereby authorized and directed to execute the Extension Agreement on behalf of the City.

Section 4. The amendments to the 2001 CO Ordinance set forth in Section 2 hereof shall be effective on and only upon the execution of the Extension Agreement by the City and the Bank.

Section 5. The 2001 CO Ordinance, as amended herein, shall remain in full force and effect.

Section 6. The Mayor and City Secretary are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the transaction set forth herein.

Section 7. This Ordinance shall be effective immediately upon its adoption.

(Execution Page Follows)

PASSED, APPROVED AND EFFECTIVE _____.

ATTEST:

Mayor, City of Lone Oak, Texas

City Secretary, City of Lone Oak, Texas

[SEAL]

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS §
COUNTY OF HUNT §
CITY OF LONE OAK §

We, the undersigned officers of said City, hereby certify as follows:

1. The City Council of said City convened in special meeting on the 22nd day of February, 2010, at the City Hall, and the roll was called of the duly constituted officers and members of said City Council, to-wit:

- Lisa Willis, Mayor
- David Sumrall, Mayor Pro Tem
- Neil Dent, Alderman
- Mona Collins, Alderman
- Shirley Stogner, Alderman
- Gordon Galloway, Alderman

and all of said persons were present, except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written Ordinance entitled

ORDINANCE AMENDING AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF LONE OAK, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2001; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of said City Council and read in full. It was then duly moved and seconded that said Ordinance be adopted; and, after due discussion, said motion carrying with it the adoption of said Ordinance, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTENTIONS: _____

2. That a true, full and correct copy of the aforesaid Ordinance adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Ordinance has been duly recorded in said City Council's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said City Council's minutes of said Meeting pertaining to the adoption of said Ordinance; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said City Council as indicated therein; that each of the officers and members of said City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Ordinance would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting 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.

3. That the Mayor of said City has approved and hereby approves the aforesaid Ordinance; that the Mayor and the City Secretary of said City have duly signed said Ordinance; and that the Mayor and the City Secretary of said City hereby declare that their signing of this Certificate shall constitute the signing of the attached and following copy of said Ordinance for all purposes.

SIGNED AND SEALED this _____.

City Secretary

Mayor

[CITY SEAL]

EXTENSION AGREEMENT RELATING TO CITY OF LONE OAK, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2001

This Extension Agreement, dated as of _____, 2010, relating to City of Lone Oak, Texas Combination Tax and Revenue Certificate of Obligation, Series 2001, executed by and between the City of Lone Oak, Texas (the "City") and The First National Bank of Emory (the "Bank"):

W I T N E S S E T H:

WHEREAS, the City of Lone Oak, Texas Combination Tax and Revenue Certificate of Obligation, Series 2001(the "Obligation"), in the original aggregate principal amount of \$104,000, was issued and delivered to The First National Bank of Emory (the "Bank");

WHEREAS, \$11,634.58 principal amount of the Obligation was due and payable on November 2, 2009;

WHEREAS, accrued interest on the outstanding principal amount of the Obligation was due to be paid annually on each November 2 so long as the Obligation is outstanding;

WHEREAS, pursuant to agreements dated as of October 30, 2009, and December 1, 2009, the City and the Bank agreed to extend the date of such principal and interest payments to March 1, 2010; and

WHEREAS, the City and the Bank have again agreed to extend the date of such principal and interest payments to April 1, 2010;

NOW THEREFORE, in consideration of the covenants and agreements herein made, and subject to the conditions herein set forth, the City and the Bank agree as follows:

Section 1. The \$11,634.58 principal amount of the Obligation originally scheduled to be due and payable on November 2, 2009, shall be due and payable April 1, 2010.

Section 2. The November 2, 2009, payment date for accrued interest on the outstanding principal of the Obligation shall be changed to April 1, 2010. On April 1, 2010, accrued interest on the outstanding principal amount of the Obligation shall be due and payable. Upon execution of this Agreement, the Bank shall calculate and provide to the City the amount of interest to be due and payable on April 1, 2010.

Section 3. In regard to the Bank's agreement herein, the Bank acknowledges that the Bank has made such investigations as it has deemed necessary to assess all risk factors associated with the extension of the payment dates of principal and interest on the Obligation as set forth herein, and that the Bank has been furnished with such financial and other information relating to the City as it has requested for the purposes of making its assessment of the risk factors associated with such extensions. The Bank is not relying on McCall, Parkhurst & Horton L.L.P., the City's Bond Counsel, as to the completeness or accuracy of any financial or other information provided to the Bank by the City in connection with the Bank's determination to agree with the extensions described above.

Section 4. The Banks represents and warrants that it is the owner of all of the outstanding principal amount of the Obligation.

Section 5. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(Execution page follows)

IN WITNESS WHEREOF, the Bank and the City have caused this Agreement to be duly executed and effective as of the date first set forth above.

CITY OF LONE OAK, TEXAS

By: _____
Mayor

THE FIRST NATIONAL BANK OF EMORY
Emory, Texas

By: _____
Name: _____
Title: _____