

ORDINANCE NO. 97-1104-A

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BELLS, TEXAS, LEVYING A TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF CITY OF BELLS, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1997-A; CONFIRMING THE ISSUANCE AND SALE OF SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council (the "City Council") of the City of Bells, Texas (the "City"), by ordinance adopted on October 7, 1997 (the "Series 1997-A Ordinance"), authorized the issuance and sale of the City's Combination Tax and Revenue Certificates of Obligation, Series 1997-A (the "Certificates");

WHEREAS, the Series 1997-A Ordinance provided for the security and payment of said Certificates, including the levy of an ad valorem tax in payment thereof;

WHEREAS, at the October 7, 1997, meeting there was not a sufficient quorum, as required by Section 22.039, Texas Local Government Code, as amended, of alderman for the levy of the ad valorem tax for the payment of the Certificates;

WHEREAS, it is affirmatively found and determined that it is appropriate and in the best interests of the City to provide for the security and payment of the Certificates, including the levy of an ad valorem tax in payment thereof, and to ratify, confirm and approve the adoption of the Series 1997-A Ordinance; 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 BELLS:

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. Tax Levy for Payment of the Certificates.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Certificates, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent per annum (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter, while the Certificates or interest remain outstanding and unpaid, a tax within legal limitations on each \$100 valuation of taxable property in the City that is sufficient to pay such debt service requirements, full

allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Certificates, and the tax shall not be diverted to any other purpose.

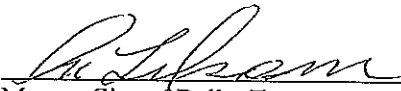
Section 3. Revenue Pledge.

As set forth in the Series 1997-A Ordinance, the Certificates are additionally secured by and shall be payable from a pledge of the Surplus Revenues (as defined in the Series 1997-A Ordinance).

Section 4. Ratification, Confirmation and Approval of Series 1997-A Ordinance.


The adoption of the Series 1997-A Ordinance is hereby ratified, confirmed and approved, and said Ordinance shall remain in full force and effect.

PASSED, APPROVED AND EFFECTIVE this _____.



Mayor, City of Bells, Texas

ATTEST:



City Secretary, City of Bells, Texas

[CITY SEAL]