



**AGENDA
JUNE 2, 2020
LAVON CITY COUNCIL
REGULAR MEETING
7:00 PM**

TELEPHONIC MEETING

**DIAL IN TO PARTICIPATE: (425) 436-6349
or (844) 854-2222; enter ACCESS CODE: 856485**

In accordance with the orders of the Office of the Governor, the meeting will be conducted by telephone conference in order to advance the public health goal of limiting face-to-face meetings (also called "social distancing") to slow the spread of the Coronavirus (COVID-19). There will be no physical location for the meeting. The meeting agenda and packet are posted online at www.cityoflavon.com.

The public will be permitted to offer public comments telephonically as provided by the agenda and as permitted by the presiding officer during the meeting. A recording of the telephonic meeting will be made and will be available to the public in accordance with the Open Meetings Act upon written request.

1. PRESIDING OFFICER TO CALL THE MEETING TO ORDER AND ANNOUNCE THAT A QUORUM IS PRESENT

2. INVOCATION

3. PROCLAMATION

Community High School Graduation – Class of 2020

4. CITIZENS COMMENTS

Citizens may provide comments (3-minute time limit/person). The City Council response regarding items that are not on the agenda may be to request items be placed on a future agenda or referred to city staff.

5. ITEMS OF INTEREST/COMMUNICATIONS

Members may identify community events, functions and other activities.

6. CONSENT AGENDA

Consent items are considered routine or non-controversial and will be voted on in one motion unless a separate discussion is requested by a Member.

A. Approve the minutes of the May 19, 2020 meeting.

B. Approve Resolution No. **2020-06-01** authorizing the Mayor to execute an interlocal cooperation contract with the Department of Public Safety of the State of Texas for participation in the Failure to Appear (FTA) Program; and providing an effective date.

7. ITEMS FOR CONSIDERATION

A. Discussion and action regarding Ordinance No. **2020-06-01** considering all matters incident and related to the issuance, sale and delivery of "City Of Lavon, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020;" authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

B. Discussion and action regarding Ordinance No. **2020-06-02** considering all matters incident and related to the issuance, sale and delivery of "City of Lavon, Texas General Obligation Refunding Bonds, Series 2020," to refund outstanding obligations issued for various public improvements and to pay costs of issuance; levying an annual ad valorem tax and providing for the security for and

payment of said Bonds; providing an effective date; and enacting other provisions relating to the subject.

- C. Discussion and action regarding the second and final reading of Resolution No. 2020-05-09 authorizing the Lavon Economic Development Corporation to expend funds for projects Shop Lavon and Building Improvement/Loan Grant Program, such projects not to exceed \$30,000.00 respectively; and providing an effective date
- D. Discussion and action regarding Resolution No. 2020-06-02, approving and authorizing execution of a participation agreement and trust instrument for participation in a public funds investment pool, Local Government Investment Cooperative (LOGIC), designating the board of trustees of the pool as an agency and instrumentality to supervise the pool, approving investment policies of the pool, appointing authorized representatives and designating investment officers.
- E. Discussion and action regarding the preliminary plat of the RaceTrac Addition on 5.899 acres of land consisting of three lots at 1000 SH 78 (also referred to as 9930 SH 78), out of the WAS Bohannan Survey, Abstract No. 121, CCAD Property IDs 2675083, 2593398, 2133957, 2664025 and a portion of 2664090, southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.
- F. Discussion and action regarding the Site Plan for a RaceTrac store on Lot 1, Block 1 of the RaceTrac Addition, a 1.853 acre lot in the vicinity of 1000 SH 78 (also referred to as 9930 SH 78), southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.
- G. Discussion and action regarding the Landscape Plan for a RaceTrac store on Lot 1, Block 1 of the RaceTrac Addition, a 1.853 acre lot in the vicinity of 1000 SH 78 (also referred to as 9930 SH 78), southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.
- H. Discussion and action regarding the replat of Lots 22R-30R, Block A of the Lavon Farms Addition, generally located southwest of the intersection of FM 2755 and CR 483.
- I. Discussion and action regarding the preliminary plat of the Abston Hills addition on 113.172 acres of land situated in the Samuel M. Rainer Survey, Abstract No. 740, (portions of CCAD Property IDs 1290347 and 2121783), consisting of 435 residential lots and 18 HOA open space lots located south of FM 6 and east of and adjacent to the LakePointe addition, Lavon extraterritorial jurisdiction, Collin County, Texas
- J. Discussion and action regarding orders and regulations, programming, city facilities and operations related to COVID-19.

8. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS

Council Members and staff may request items be placed on a future agenda or request a special meeting.

June 16 – Regular Meeting


9. PRESIDING OFFICER TO ADJOURN THE CITY COUNCIL MEETING

1. Notice is hereby given that members of the Lavon Economic Development Corporation Board, Lavon Planning and Zoning Commission, Parks and Recreation Board, and Reinvestment Zone #1 (TIF) Board of Directors may be in attendance at the Lavon City Council Meeting.

2. The Council reserves the right to meet in Executive Session closed to the public at any time in the course of this meeting to discuss matters listed on the agenda, as authorized by the Texas Open Meetings Act, Texas Government Code, Chapter 551, including §551.071 (private consultation with the attorney for the City); §551.072 (discussing purchase, exchange, lease or value of real property); §551.074 (discussing personnel or to hear complaints against personnel); and §551.087 (discussing economic development negotiations). Any decision held on such matters will be taken or conducted in Open Session following the conclusion of the Executive Session.

Lavon City Hall will provide reasonable accommodations for persons attending meetings. Please contact the City Secretary at 972-843-4220 no later than 48 hours prior to a meeting if you require special assistance | WiFi password: Guest2014

This is to certify that this Agenda was duly posted on the City's website at www.cityoflavon.com and at City Hall and on or before 6:00 PM on May 29, 2020.



Kim Dobbs, City Administrator/City Secretary



PROCLAMATION

City of Lavon, Texas

WHEREAS, while the spring of 2020 has brought with it challenges and uncertainty, let us pause to reflect on the words of Martin Luther King Jr.: “Intelligence plus character – that is the goal of true education.”; and

WHEREAS, as the students of Community High School have transitioned this year from learning in a physical classroom to learning in a virtual one, celebrating traditional milestones in non-traditional ways, and finding opportunities in obstacles, the Graduating Seniors have led the way with grace and courage; and

WHEREAS, the Graduating Seniors with the support of their families and mentors have worked hard to prepare themselves for their future pathways, as their desire to succeed and their ability to adapt inspires countless others; and

WHEREAS, on May 29, 2020, the Community Graduating Senior Class of 2020 will optimistically look past all challenges as they symbolically don their caps and gowns, receive their diplomas, and move their tassels from right to left as proud CHS Graduates.

NOW THEREFORE, I, Mayor Vicki Sanson, on behalf of the City Council of the City of Lavon do hereby recognize the

COMMUNITY HIGH SCHOOL GRADUATING SENIORS CLASS OF 2020

in Lavon, Texas, and commend and honor each of the graduating Seniors on this special occasion of their graduation.

IN WITNESS WHEREOF, I have hereunto set my hand and have caused the Seal of the City of Lavon, Texas, to be affixed this 29th day of May 2020.




Vicki Sanson, Mayor



**MINUTES
MAY 19, 2020
LAVON CITY COUNCIL
EXECUTIVE SESSION - REGULAR MEETING
TELEPHONIC MEETING
CITY HALL, 120 SCHOOL ROAD, LAVON, TEXAS
7:00 P.M.**

The meeting was conducted telephonically in accordance with the orders of the Office of the Governor in order to advance the public health goal of limiting face-to-face meetings to slow the spread of the Coronavirus (COVID-19). The meeting agenda and packet were posted on the city website prior to the meeting.

ATTENDING: VICKI SANSON, MAYOR
 JOHN KELL, PLACE 1
 KAY WRIGHT, MAYOR PRO TEM, PLACE 3
 TED DILL, PLACE 4
 MINDI SERKLAND, PLACE 5
ABSENT: MIKE COOK, PLACE 2

1. MAYOR SANSON CALLED THE MEETING TO ORDER AT 7:01 P.M., TOOK ROLL AND CONFIRMED A QUORUM PRESENT.

2. EXECUTIVE SESSION

At 7:03 p.m., in accordance with Texas Government Code, Chapter 551, Subchapter D, the City Council recessed into Executive Session (closed meeting) to discuss the following items pursuant to Section 551.071; under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas.

- 1) Section 551.071 Consultation with Attorney regarding the (i) Abston Hills Development and (ii) Grand Heritage Development.

3. RECONVENE FROM EXECUTIVE SESSION

In accordance with Texas Government Code, Section 551.001, et seq., Mayor Sanson reconvened the meeting at 7:22 p.m. and stated that no action was taken in executive session.

4. MAYOR SANSON OBSERVED A MOMENT OF SILENCE

5. CITIZENS COMMENTS

Stuart Bender, 626 Langdon, offered comments regarding the condition of the trees in the Tradition II development that are directly behind the homes on Langdon.

6. ITEMS OF INTEREST/COMMUNICATIONS

- CISD Graduation Friday, May 29 at 8pm at the CISD Athletic Stadium.
- Kay Wright expressed appreciation to Domino's for providing pizza to the CISD Bus Drivers that have been delivering food to the students at home.
- Mayor Sanson noted that sign-ups for online agenda notifications have reached 383.

7. CONSENT AGENDA

- A. Approve the minutes of the May 5, 2020 meeting.**
- B. Accept the Heritage Public Improvement District #1 Assessment Report Summary dated 4/30/2020 and authorize the payment of all invoices for the Public Improvement District #1.**
- C. Ratify and authorize the Mayor's and/or City Administrator's execution of preparation documents relating to General Obligation Refunding Bonds, Series 2020 and Combination Tax and Revenue Certificates of Obligation, Series 2020.**

MOTION: APPROVE THE CONSENT AGENDA.

MOTION MADE: WRIGHT
SECONDED: DILL
APPROVED: UNANIMOUS (Absent: Cook)

8. ITEMS FOR CONSIDERATION

A. Discussion and action regarding orders and regulations, programming, city facilities and operations related to COVID-19.

City Administrator Kim Dobbs provided information regarding the most recent Governor's Orders (GA-21) in relation to the expanded reopening of services as part of the safe, strategic plan to Open Texas. Ms. Dobbs noted that the city attorney advised that we are aligned with the State Orders. Ms. Dobbs sought clarification regarding purchasing PPE items and COVID-19 related items that were not in the budget to ready for reopening City Hall to the public. The Council directed administration to make the purchases and take actions necessary to keep employees and the public safe and healthy.

B. Discussion and action regarding Resolution No. 2020-05-08 authorizing the Mayor to execute an Interlocal Cooperation Agreement with Collin County for Municipal Direct Expense Funding under the County's Emergency Program for Direct Costs Expended By Municipalities Located in Collin County to Address and Respond to COVID-19.

Ms. Dobbs provided information regarding funds from the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. Ms. Dobbs added that funding for cities was allocated per capita and each city will be required to enter into a standard interlocal cooperation agreement with Collin County in order to access the funding.

MOTION: APPROVE RESOLUTION NO. 2020-05-08 AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL COOPERATION AGREEMENT WITH COLLIN COUNTY FOR MUNICIPAL DIRECT EXPENSE FUNDING UNDER THE COUNTY'S EMERGENCY PROGRAM FOR DIRECT COSTS EXPENDED BY MUNICIPALITIES LOCATED IN COLLIN COUNTY TO ADDRESS AND RESPOND TO COVID-19.

MOTION MADE: KELL
SECONDED: DILL
APPROVED: UNANIMOUS (Absent: Cook)

C. Discussion and action regarding the first reading of Resolution No. 2020-05-09 authorizing the Lavon Economic Development Corporation (LEDC) to expend funds for projects Shop Lavon and Building Improvement/Loan Grant Program, such projects not to exceed \$30,000.00 respectively; and providing an effective date.

Ms. Dobbs introduced Pam Mundo, Mundo & Associates and Executive Director of the LEDC who explained that the LEDC proposes to fund both the "Shop Lavon" and the Building Improvement/Loan Grant Program projects as caring responses to the residents of Lavon within the city limits as well as helping the businesses within the city limits that have been affected by COVID-19. Ms. Dobbs noted that state law provides for two readings of the Resolution.

MOTION: APPROVE THE FIRST READING OF RESOLUTION NO. 2020-05-09 AUTHORIZING THE LAVON ECONOMIC DEVELOPMENT CORPORATION TO EXPEND FUNDS FOR PROJECTS SHOP LAVON AND BUILDING IMPROVEMENT/LOAN GRANT PROGRAM, SUCH PROJECTS NOT TO EXCEED \$30,000.00 RESPECTIVELY; AND PROVIDING AN EFFECTIVE DATE.

MOTION MADE: WRIGHT
SECONDED: SERKLAND
APPROVED: UNANIMOUS (Absent: Cook)

D. Discussion and action regarding Resolution No. 2020-05-10 authorizing the Mayor to execute a Letter Agreement Mutually Terminating an Amended and Restated Master Development Agreement between the City of Lavon, Texas and World Land Developers, L.P. and authorizing

payments as set forth therein; approving termination of the City of Lavon, Texas and Collin County, Texas Agreement to Participate in Reinvestment Zone Number One, City of Lavon; and providing for an effective date.

Ms. Dobbs reviewed steps recently undertaken with World Land Developers relating to the Heritage Public Improvement District No. 1 (Residential), Heritage Public Improvement District No. 2 (Commercial), and Lavon Tax Reinvestment Zone No. 1 (TIF). Financial Advisor Jason Hughes, Public Improvement District (PID) Administrator Mary Petty, Bond Counsel Greg Schaecher and City Attorney Jon Lawson were available to answer questions.

MOTION: APPROVE RESOLUTION NO. 2020-05-10 AUTHORIZING THE MAYOR TO EXECUTE A LETTER AGREEMENT MUTUALLY TERMINATING AN AMENDED AND RESTATED MASTER DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LAVON, TEXAS AND WORLD LAND DEVELOPERS, L.P. AND AUTHORIZING PAYMENTS AS SET FORTH THEREIN; APPROVING TERMINATION OF THE CITY OF LAVON, TEXAS AND COLLIN COUNTY, TEXAS AGREEMENT TO PARTICIPATE IN REINVESTMENT ZONE NUMBER ONE, CITY OF LAVON; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION MADE: SERKLAND
SECONDED: WRIGHT
APPROVED: UNANIMOUS (Absent: Cook)

- E. Discussion and action regarding Resolution No. 2020-05-11 approving the Public Improvement District (PID) Reimbursement Agreement – Heritage Public Improvement District No. 1 (Residential) Project with Bloomfield Homes, L.P. and assignment of reimbursement rights relating to Heritage Public Improvement District No. 1 (Residential); authorizing and directing the Mayor of the City to execute the PID Reimbursement Agreement – Heritage Public Improvement District No. 1 (Residential) Project and the Assignment of Reimbursement Rights Relating to Heritage Public Improvement District No. 1 (Residential); and providing an effective date.**

Ms. Dobbs and Ms. Petty outlined that in coordination with and as a condition of the termination of the Amended and Restated Master development Agreement with World Land, certain provisions have been made to provide for PID reimbursement and the assignment of reimbursement rights related to the agreement.

MOTION: APPROVE RESOLUTION NO. 2020-05-11 APPROVING THE PUBLIC IMPROVEMENT DISTRICT (PID) REIMBURSEMENT AGREEMENT – HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL) PROJECT WITH BLOOMFIELD HOMES, L.P. AND ASSIGNMENT OF REIMBURSEMENT RIGHTS RELATING TO HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL); AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY TO EXECUTE THE PID REIMBURSEMENT AGREEMENT – HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL) PROJECT AND THE ASSIGNMENT OF REIMBURSEMENT RIGHTS RELATING TO HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL); AND PROVIDING AN EFFECTIVE DATE.

MOTION MADE: DILL
SECONDED: KELL
APPROVED: UNANIMOUS (Absent: Cook)

- F. Public Hearing, discussion and action regarding assessments for Zone 2, 3 and 4 of Heritage Public Improvement District No. 1 (Residential) within the City of Lavon, Texas and Ordinance No. 2020-05-03 accepting and approving an amended and restated service and assessment plan and assessment rolls for the Heritage Public Improvement District No. 1 (Residential); making a finding of special benefit to the property in the District; levying special assessments against property within the District and establishing a lien on such property; providing for the method of assessment and the payment of the assessments in accordance with Chapter 372, Texas Local**

Government Code, as amended, providing penalties and interest on delinquent assessments, providing for severability, and providing an effective date.

Presentation of request.

Ms. Dobbs and Ms. Petty recapped discussions with the landowner, Bloomfield Homes, L.P., to amend the boundary of the Heritage Public Improvement District No. 1 (Residential) to add 87.56 acres to the PID. Ms. Dobbs noted that notices were mailed to all affected property owners. Additionally, information was provided to the Grand Heritage Homeowners' Association to aid in sharing the information and addressing any questions. Ms. Petty added that state law requires that the Service and Assessment Plan Statutes be reviewed annually and that the the revisions will make collection and review of assessments easier going forward.

PUBLIC HEARING to receive comments regarding the request and accompanying Ordinance.

Mayor Sanson opened the public hearing at 8:07 p.m. and invited comments regarding the request.

- Drew Slone, Winstead, P.C., 2728 Harwood, St. Dallas, legal counsel for Bloomfield Homes, stated for the record that they were in favor of the action.
- Joshua Murray, 1762 Lake Rd. suggested that moving forward the Council consider a limitation on the number of lots in PIDs allowed in the city.

There being no further comments Mayor Sanson closed the public hearing at 8:10 p.m.

Discussion and action.

MOTION: APPROVE ORDINANCE NO. 2020-05-03 ACCEPTING AND APPROVING AN AMENDED AND RESTATED SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLLS FOR THE HERITAGE PUBLIC IMPROVEMENT DISTRICT NO. 1 (RESIDENTIAL); MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE, SUBJECT TO CITY ATTORNEY AND BOND COUNSEL REVIEW AND APPROVAL.

MOTION MADE: WRIGHT
SECONDED: KELL
APPROVED: UNANIMOUS (Absent: Cook)

G. Discussion and action regarding acceptance of the public infrastructure for the Traditions at Grand Heritage, Phase 2 addition.

Ms. Dobbs added that the developer recently completed construction of the public infrastructure improvements and that action on this item was deferred from the May 5, 2020 City Council Meeting. Ms. Dobbs noted that the city engineer recommended approval.

MOTION: ACCEPT THE PUBLIC INFRASTRUCTURE FOR THE TRADITIONS AT GRAND HERITAGE, PHASE 2 ADDITION.

MOTION MADE: SERKLAND
SECONDED: WRIGHT
APPROVED: UNANIMOUS (Absent: Cook)

9. WORK SESSION:

Capital Improvements Plan (CIP) – Discussion regarding the process, needs, elements, priorities, and estimated costs of capital improvement programming.

City Engineer, Mark Hill, Freeman Millican, LLC., presented and answered questions regarding potential CIP projects and received direction from the City Council for the next steps in the Capital Improvements Plan. Ms. Dobbs noted that the City is scheduled to sell bonds to fund the CIP projects in early June.

10. DEPARTMENT REPORTS

- A. Police Services** – Police Chief Mike Jones presented reports regarding traffic stops, calls for service, call breakout information and community relations officer’s report.
- B. Fire Services** – Fire Chief Danny Anthony presented the LFD service and equipment report.
- C. Public Works** – Director of Public Works Sonny Mancias reviewed a report regarding general public works and street maintenance including mowing and trash collection and the sewer plant expansion and the status of the wastewater treatment plant expansion, Crestridge Meadows, Lavon Farms, Traditions Phase 2, Presidents Rd. Bridge and LakePointe developments construction.
- D. Administration** – Ms. Dobbs referenced and offered to answer questions regarding the reports provided in the meeting packet including the Building Permits Report; CWD Recycling Report, Collin County Tax Collection Reports; Preliminary Tax Value report; Sales Tax Report; TxDOT SH 205 Status Report; Atmos Press Release – Health Care Heroes of Safety; Quarterly Investment Report; TexStar Newsletter and general staff report. Ms. Dobbs announced that Director of Sonny Mancias had provided notice of his retirement and expressed appreciation for his service. The City Council expressed congratulations and gratitude.

11. CITY COUNCIL TO SET FUTURE MEETINGS AND AGENDAS.

- June 2, 2020 7 p.m. Regular Meeting

12. MAYOR SANSON ADJOURNED THE CITY COUNCIL MEETING AT 8:57 P.M.

DULY PASSED and APPROVED by the City Council of Lavon, Texas, on this 2nd day of June 2020.

Vicki Sanson
Mayor

ATTEST:

Kim Dobbs
City Administrator/City Secretary



CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 6 – B

Item:

CONSENT AGENDA

Approve Resolution No. 2020-06-01 authorizing the Mayor to execute an interlocal cooperation contract with the Department of Public Safety of the State of Texas for participation in the Failure to Appear (FTA) Program; and providing an effective date.

Background:

The City of Lavon Municipal Court has long participated in a program with the State of Texas for violators who fail to appear in Municipal Court or fail to pay a fine relating to a traffic offense. The Texas Department of Public Safety (DPS) may deny the renewal of a person's driver license if they have failed to appear or pay their fine.

Excerpt:

**TEXAS TRANSPORTATION CODE
CHAPTER 706
Sec. 706.002. CONTRACT WITH DEPARTMENT.**

(a) A political subdivision may contract with the department to provide information necessary for the department to deny renewal of the driver's license of a person who fails to appear for a complaint or citation or fails to pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the court in a matter involving any offense that a court has jurisdiction of under Chapter 4, Code of Criminal Procedure.

The FTA program provides an efficient enforcement and collection tool by restricting the violator's ability to renew their driver's license due to outstanding violations. The program is more cost-effective than warrants. The Department of Public Safety recently provided a renewal contract for continued participation.

Staff Notes:

The municipal court clerk and city attorney have reviewed the proposed contract and approval is recommended.

- Attachments:**
1. Resolution and proposed contract
 2. Texas DPS FTA information sheet

CITY OF LAVON, TEXAS

RESOLUTION NO. 2020-06-01

Texas DPS Interlocal Cooperation Contract – Failure to Appear FTA

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN INTERLOCAL COOPERATION CONTRACT WITH THE DEPARTMENT OF PUBLIC SAFETY OF THE STATE OF TEXAS FOR PARTICIPATION IN THE FAILURE TO APPEAR (FTA) PROGRAM; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Lavon, Texas (“City”) has determined that it is in the best interest of the citizens of the City for the City to agree to participate in the Texas Department of Public Safety Failure to Appear program as provided for in the Texas Transportation Code.

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

SECTION 1: Recitals Incorporated. The findings recited above are incorporated as if fully set forth in the body of this Resolution.

SECTION 2: Authorization to Execute. The Mayor of the City is hereby authorized to execute an interlocal cooperation contract with the Department of Public Safety of the State of Texas for participation in the Failure to Appear (FTA) Program, a copy of which is attached hereto as Exhibit “A”.

SECTION 3: This Resolution shall take effect immediately upon its passage.

DULY PASSED AND APPROVED by the City Council of the City of Lavon, Texas on the 2nd day of June 2020.

Vicki Sanson
Mayor

ATTEST:

Kim Dobbs
City Administrator/City Secretary

EXHIBIT A

Interlocal Cooperation Contract

**Interlocal Cooperation Contract
Failure to Appear (FTA) Program**

State of Texas

County of _____

I. PARTIES AND AUTHORITY

This Interlocal Cooperation Contract (Contract) is entered into between the Department of Public Safety of the State of Texas (DPS), an agency of the State of Texas and the _____ Court of the [City or County] of _____ (Court), a political subdivision of the State of Texas, referred to collectively in this Contract as the Parties, under the authority granted in Tex. Transp. Code Chapter 706 and Tex. Gov't Code Chapter 791 (the Interlocal Cooperation Act).

II. BACKGROUND

As permitted under Tex. Transp. Code § 706.008, DPS contracts with a private vendor (Vendor) to provide and establish an automated FTA system that accurately stores information regarding violators subject to the provisions of Tex. Transp. Code Chapter 706. DPS uses the FTA system to properly deny renewal of a driver license to a person who is the subject of an FTA system entry.

III. PURPOSE

This Contract applies to each FTA Report submitted by the Court to DPS or its Vendor and accepted by DPS or its Vendor.

Court will supply information to DPS, through its Vendor, that is necessary to deny renewal of the driver license of a person who fails to appear for a complaint or citation or fails to pay or satisfy a judgment ordering payment of a fine and cost in the manner ordered by the Court in a matter involving any offense that Court has jurisdiction of under Tex. Code Crim. Proc. Chapter 4.

IV. PERIOD OF PERFORMANCE

This Contract will be effective on the date of execution and will automatically renew on the anniversary date of execution for up to three additional years unless terminated earlier.

V. COURT RESPONSIBILITIES

A. Written warnings

A peace officer authorized to issue citations within the jurisdiction of the Court must issue a written warning to each person to whom the officer issues a citation for a traffic law violation. This warning must be provided in addition to any other warnings required by law. The warning must state in substance that if the person fails to appear in court for the prosecution of the offense or if the person fails to pay or satisfy a judgment ordering the payment of a fine and cost in the manner ordered by the Court, the person may be denied

renewal of the person's driver license. The written warning may be printed on the citation or on a separate instrument.

B. FTA Report

An FTA Report is a notice sent by Court requesting a person be denied renewal in accordance with this Contract. The Court may submit an FTA Report to Vendor if a person fails to appear or fails to pay or satisfy a judgment as required by law. There is no requirement that a criminal warrant be issued in response to the person's failure to appear. The Court must make reasonable efforts to ensure that all FTA Reports are accurate, complete, and non-duplicative. The FTA Report must include the following information:

1. the jurisdiction in which the alleged offense occurred;
2. the name of the court submitting the report;
3. the name, date of birth, and Texas driver license number of the person who failed to appear or failed to pay or satisfy a judgment;
4. the date of the alleged violation;
5. a brief description of the alleged violation;
6. a statement that the person failed to appear or failed to pay or satisfy a judgment as required by law;
7. the date that the person failed to appear or failed to pay or satisfy a judgment; and
8. any other information required by DPS.

C. Clearance Reports

The Court that files the FTA Report has a continuing obligation to review the FTA Report and promptly submit appropriate additional information or reports to the Vendor. The clearance report must identify the person, state whether or not a fee was required, and advise DPS to lift the denial of renewal and state the grounds for the action. All clearance reports must be submitted immediately, but no later than two business days, from the time and date that the Court receives appropriate payment or other information that satisfies the person's obligation to that Court.

To the extent that a Court uses the FTA system by submitting an FTA Report, the Court must collect the statutorily required \$10.00 reimbursement fee. If the person is acquitted of the underlying offense for which the original FTA Report was filed, the Court will not require payment of the reimbursement fee.

Court must submit a clearance report for the following circumstances:

1. the perfection of an appeal of the case for which the warrant of arrest was issued or judgment arose;
2. the dismissal of the charge for which the warrant of arrest was issued or judgment arose;
3. the posting of a bond or the giving of other security to reinstate the charge for which the warrant was issued;
4. the payment or discharge of the fine and cost owed on an outstanding judgment of the Court; or

5. other suitable arrangement to pay the fine and cost within the Court's discretion.

DPS will not continue to deny renewal of the person's driver license after receiving notice from the Court that the FTA Report was submitted in error or has been destroyed in accordance with the Court's record retention policy.

D. Quarterly Reports and Audits

Court must submit quarterly reports to DPS in a format established by DPS.

Court is subject to audit and inspection at any time during normal business hours and at a mutually agreed upon location by the state auditor, DPS, and any other department or agency, responsible for determining that the Parties have complied with the applicable laws. Court must provide all reasonable facilities and assistance for the safe and convenient performance of any audit or inspection.

Court must correct any non-conforming transactions performed by the Court, at its own cost, until acceptable to DPS.

Court must keep all records and documents regarding this Contract for the term of this Contract and for seven years after the termination of this Contract.

E. Accounting Procedures

Court must keep separate, accurate, and complete records of the funds collected and disbursed and must deposit the funds in the appropriate municipal or county treasury. Court may deposit such fees in an interest-bearing account and retain the interest earned on such accounts for the Court.

Court will allocate \$6.00 of each \$10.00 reimbursement fee received for payment to the Vendor and \$4.00 for credit to the general fund of the municipal or county treasury.

F. Non-Waiver of Fees

Court will not waive the \$10.00 reimbursement fee for any person that has been submitted on an FTA Report, unless the person is deemed to be indigent, or the person is acquitted of the charges for which the person failed to appear.

Failure to comply with this section will result in: (i) termination of this Contract for cause; and (ii) the removal of all outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

G. Litigation Notice

The Court must make a good-faith attempt to immediately notify DPS in the event that the Court becomes aware of litigation in which this Contract or Tex. Transp. Code Chapter 706 is subject to constitutional, statutory, or common-law challenge, or is struck down by judicial decision.

VI. PAYMENTS TO VENDOR

Court must pay the Vendor a fee of \$6.00 per person for each violation which has been reported to the Vendor and for which the Court has subsequently collected the statutorily required \$10.00 reimbursement fee. In the event that the person has been acquitted of the underlying charge or is indigent, no payment will be made to the Vendor or required of the Court.

Court agrees that payment will be made to the Vendor no later than the last day of the month following the close of the calendar quarter in which the payment was received by the Court.

DPS will not pay Vendor for any fees collected by Court.

VII. GENERAL TERMS AND CONDITIONS

- A. Compliance with Law.** The Court understands and agrees that it will comply with all local, state, and federal laws in the performance of this Contract, including administrative rules adopted by DPS.
- B. Contract Amendment.** DPS and Court may amend this Contract through a written amendment signed by an authorized signatory on behalf of the respective party.
- C. Notice.** The respective party will send the other party notice as noted in this section.

Court	Department of Public Safety
Attn.:	Enforcement & Compliance Service
Address:	5805 North Lamar Blvd.
Address:	Austin, Texas 78752-0001
Fax:	(512) 424-5311 [fax]
Email:	Driver.Improvement@dps.texas.gov
Phone:	(512) 424-7172

- D. Termination.** Either party may terminate this Contract with 30 days' written notice. DPS may also terminate this Contract for cause if Court doesn't comply with Section V.F., *Non-Waiver of Fees*. After termination, the Court has a continuing obligation to report dispositions and collect fees for all violators in the FTA system at the time of termination. Failure to comply with the continuing obligation to report will result in the removal of all

outstanding entries of the Court in the FTA Report, resulting in the lifting of any denied driver license renewal status from DPS.

VIII. CERTIFICATIONS

The Parties certify that (1) the Contract is authorized by the governing body of each party; (2) the purpose, terms, rights, and duties of the Parties are stated within the Contract; and (3) each party will make payments for the performance of governmental functions or services from current revenues available to the paying party.

The undersigned signatories have full authority to enter into this Contract on behalf of the respective Parties.

Court*

Department of Public Safety

Authorized Signature

Driver License Division Chief or Designee

Title

Date

Date

*An additional page may be attached if more than one signature is required to execute this Contract on behalf of the Court. Each signature block must contain the person's title and date.

Search DPS 

Driver License & ID Card

- Driver License Home
- Renew
- Change Address
- Office Locations
- Customer Service Center

Driver License Services and Appointments

Driver License Office Locations

Failure to Appear/Failure to Pay Program

Under the Failure to Appear / Failure to Pay Program, the Department may deny the renewal of a driver license if you have failed to appear for a citation or failed to satisfy a judgment ordering the payment of a fine. Your driver license may be denied renewal until the reported citations or violations are cleared and reported by the court(s) to the Department.

Contact the Court

You must contact the court directly to:

1. Confirm the amount of the fines, costs, and fees owed;
2. Verify a court appearance is not required; or
3. Request a trial to contest the charges or establish payment.

If a violation has been reported to DPS by more than one court then you must contact each reporting court.

To obtain court information, check the status of all reported offenses or for a list of frequently asked questions, visit [Failure to Appear](#) or contact Omnibase Services 1-800-686-0570.

Driver Records

It takes three to five business days to update a driver record from the date the information is reported to the Department by the court. All court-reported offenses must be cleared before a driver record will reflect that you are in compliance. You are eligible to drive again or renew your driver license once you are in compliance.

Driver Eligibility Status

To check the status of your driver license or to determine if you are eligible for reinstatement, visit the [License Eligibility](#) webpage. This page will provide you with information on what you will need to reinstate your driver license or driving privilege, including any fees you may owe. Once all compliance items have been processed and your mandatory suspension period has ended, your driver eligibility status will be updated to reflect "eligible".



Note: links to [PDF] files require [Adobe Reader](#) or another PDF viewer.



CITY OF LAVON Agenda Brief

MEETING: June 2, 2020

ITEM: 7 - A

Item:

Discussion and action regarding Ordinance No. 2020-06-01 considering all matters incident and related to the issuance, sale and delivery of "City Of Lavon, Texas Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020;" authorizing the issuance of the Certificates; approving and authorizing instruments and procedures relating to said Certificates; and enacting other provisions relating to the subject.

Background:

The City staff and City Council have been working on the development of a Capital Improvements Plan for almost a year, identifying current and future needs, prioritizing and planning for infrastructure improvements. The City's financial advisor reviewed funding options available to the City and the City's ability to generate funding with a balanced approach and manageable tax rate projections.

A program has been prepared to sell an estimated \$14,700,000 in bonds the proceeds of which will be dedicated to capital projects specifically identified in the bond documents.

In conjunction with the process, Standard & Poor's assigned a rating of "AA-", very strong credit worthiness. The City has engaged the underwriting firms of Stifel, Nicolaus & Company, Incorporated and SAMCO Capital.

The issuance is not projected to require an increase in the property tax rate to pay the debt service.

Staff Notes:

The City's bond counsel has reviewed the issuance details, related documents and prepared the ordinance. Approval is recommended.

Attachments:

1. Proposed Ordinance
2. Standard & Poor's Preliminary Report
2. Preliminary Official Statement

CITY OF LAVON, TEXAS
ORDINANCE NO. 2020-06-01

AN ORDINANCE CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF [\$14,700,000] IN PRINCIPAL AMOUNT OF "CITY OF LAVON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2020;" AUTHORIZING THE ISSUANCE OF THE CERTIFICATES; APPROVING AND AUTHORIZING INSTRUMENTS AND PROCEDURES RELATING TO SAID CERTIFICATES; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

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

WHEREAS, the City Council of the City of Lavon, Texas (the "Issuer"), deems it advisable to issue Certificates of Obligation in the amount of [\$14,700,000] for the purposes hereinafter set forth; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code and Subchapter B, Chapter 1502, Texas Government Code; and

WHEREAS, the City Council has heretofore passed a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation, and said notice has been duly published in a newspaper of general circulation in said Issuer, said newspaper being a "newspaper" as defined in Section 2051.044, Texas Government Code, and duly posted on the Issuer's Internet website; and

WHEREAS, the Issuer received no petition from the qualified electors of the Issuer protesting the issuance of such Certificates of Obligation; and

WHEREAS, no bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates of Obligation was submitted to the voters of the Issuer during the preceding three years and failed to be approved; and

WHEREAS, it is considered to be to the best interest of the Issuer that said interest-bearing Certificates of Obligation be issued; 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 Texas Government Code Chapter 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Certificates of Obligation of the City of Lavon, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of [\$14,700,000], for the purpose

of paying all or a portion of the Issuer's contractual obligations incurred for the purpose of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's wastewater system including treatment plant expansion; (ii) constructing and improving streets, including sidewalks, landscaping, bridges, lighting, drainage and utility line relocations; (iii) constructing, installing and equipping municipal drainage facilities; (iv) constructing and equipping major repairs and renovations to existing municipal buildings, including City Hall and police and fire department buildings; (v) improving City Hall parking lot and constructing and equipping additional parking for City Hall; (vi) constructing and equipping a fire station and acquisition of a fire truck; (vii) acquiring and installing of communications and technology equipment for various municipal departments, including an internet fiber network; (viii) acquiring, constructing, installing and equipping municipal park and trail improvements; (ix) acquiring land and interests in land necessary for such projects; and (x) paying legal, fiscal, design and engineering fees in connection with these projects (collectively, the "Projects") and the Certificates of Obligation.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES. Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF LAVON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION, SERIES 2020," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated June 1, 2020, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the "Initial Certificate"), with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the Initial Certificate being made payable to the Underwriters as described in Section 10 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said Certificates shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2021	95,000		2031	815,000	
2022	110,000		2032	845,000	
2023	115,000		2033	880,000	
2024	120,000		2034	915,000	
2025	125,000		2035	950,000	
2026	665,000		2036	990,000	
2027	690,000		2037	1,035,000	
2028	720,000		2038	1,310,000	
2029	755,000		2039	1,365,000	
2030	780,000		2040	1,420,000	

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates of obligation initially issued and delivered pursuant to this Ordinance and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

Section 3. CHARACTERISTICS OF THE CERTIFICATES.

(a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 3(c) of this Ordinance, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, as amended, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates that initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas (the "Attorney General") and registered by the Comptroller of Public Accounts of the State of Texas (the "Comptroller").

(b) Payment of Certificates and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 45 days prior to any such redemption date), (iii) may be converted and exchanged for other Certificates, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Initial Certificate is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF CERTIFICATE.

(d) Paying Agent/Registrar for the Certificates. The Issuer covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution, or other entity to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(e) Authentication. Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in this Ordinance, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Paying Agent/Registrar's Authentication Certificate on all of the Certificates. In lieu of the executed Paying Agent/Registrar's Authentication Certificate described above, the Initial Certificate delivered on the closing date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General and that it is a valid and binding obligation of the Issuer, and has been registered by the Comptroller.

(f) Book-Entry-Only System. The Certificates issued in exchange for the Initial Certificate shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of

Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

The previous execution and delivery of the Blanket Issuer Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

(g) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate certificated Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations to DTC.

(i) Cancellation of Initial Certificate. On the closing date, the Initial Certificate, representing the entire principal amount of the Certificates, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary of the Issuer, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless the prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

Section 4. FORM OF CERTIFICATES. The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Certificates initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) [Form of Certificate]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF LAVON, TEXAS COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATE OF OBLIGATION SERIES 2020	PRINCIPAL AMOUNT \$ _____
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Interest Rate	Delivery Date	Maturity Date	CUSIP No.
		February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, the City of Lavon, Texas in Collin County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2021 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the "Certificate Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the

Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS CERTIFICATE is one of a series of Certificates dated June 1, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of [\$14,700,000] for the purpose of paying all or a portion of the Issuer's contractual obligations incurred for the purpose of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the Issuer's wastewater system including treatment plant expansion; (ii) constructing and improving streets, including sidewalks, landscaping, bridges, lighting, drainage and utility line relocations; (iii) constructing, installing and equipping municipal drainage facilities; (iv) constructing and equipping major repairs and renovations to existing municipal buildings, including City Hall and police and fire department buildings; (v) improving City Hall parking lot and constructing and equipping additional parking for City Hall; (vi) constructing and equipping a fire station and acquisition of a fire truck; (vii) acquiring and installing of communications and technology equipment for various municipal departments, including an internet fiber network; (viii) acquiring, constructing, installing and equipping municipal park and trail improvements; (ix) acquiring land and interests in land necessary for such projects; and (x) paying legal, fiscal, design and engineering fees in connection with these projects and the Certificates.

ON [February 15, ___], or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

[THE CERTIFICATES scheduled to mature on _____ in the years ___ and ___ (the "Term Certificates") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Certificates, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Certificate Maturity: February 15, 20_____		Term Certificate Maturity: February 15,20_____	
Mandatory Redemption Date	Principal Amount	Mandatory Redemption Date	Principal Amount
February 15,20_____	\$ _____	February 15,20_____	\$ _____
February 15,20_____	_____	February 15,20_____	_____
February 15,20_____	_____	February 15,20_____	_____
February 15,20_____ (maturity)	_____	February 15,20_____ (maturity)	_____

The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of the same maturity which, at least 50 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]

AT LEAST 30 days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Certificates called for redemption, such notice may state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date or any prerequisite set forth in such notice of redemption. If such redemption is not effectuated, the Paying Agent/Registrar shall, within five days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received or such prerequisites were not met and shall rescind the redemption.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and

with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law; and that this Certificate is additionally secured by and payable from a limited pledge, not to exceed \$1,000, of the Surplus Revenues of the Issuer's wastewater system (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are payable from all or any part of the revenues of the System, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to issue, in accordance with law, and in accordance with the Certificate Ordinance, other and additional obligations, and to enter into contracts, payable from ad valorem taxes and/or revenues of the Issuer's System, on a parity with, or with respect to said revenues, superior in lien to, this Certificate.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Certificate to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Certificate.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

[INSERT BOND INSURANCE LEGEND, IF ANY]

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Comptroller's Registration Certificate)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

U.S. BANK NATIONAL ASSOCIATION
Dallas, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this certificate in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Certificate of Obligation has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Certificate of Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Certificate Insertions]

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF LAVON, TEXAS, in Collin County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments (\$)	Interest Rates (%)
_____	_____	_____

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2021, and semiannually on each August 15 and

February 15 thereafter to the date of payment of the principal installment specified above; or the date of redemption prior to maturity; except, that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full."

C. The Initial Certificate shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Certificates, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates, together with any accrued interest received upon sale of the Certificates, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest becomes due, and to provide and maintain a sinking fund adequate to pay the principal of its Certificates as such principal matures or is scheduled for redemption (but never less than 2% of the original principal amount of the Certificates as a sinking fund each year). Said tax shall be based on the latest approval tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Certificates or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by a limited pledge, not to exceed \$1,000, of surplus revenues of the Issuer's wastewater system that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) which are secured by a lien on all or any part of the net revenues of the Issuer's wastewater system, constituting "Surplus Revenues". The Issuer shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this Section, to the extent necessary to pay the principal and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this Section, if Surplus Revenues or other lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to subsection (a) of this Section may be reduced to the extent and by the amount of the Surplus Revenues or other lawfully available funds then on deposit in the Interest and Sinking Fund.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section and Section 9,

respectively, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Certificates a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the limited pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the Registered Owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in Subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of

the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term " Defeasance Securities" means any securities and obligations now or hereafter authorized by state law that are eligible to discharge obligations such as the Certificates, including (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America., (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the Issuer adopts or approves the proceedings authorizing the financial arrangements, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement Certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Ordinance, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement Certificate issued pursuant to the provisions of this Section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Certificate without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining to the Initial Certificate pending its delivery and its investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of the Initial Certificate said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificate, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Underwriters to accept delivery of the Certificates is subject to the Underwriters being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the Underwriters. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Certificates is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE CERTIFICATES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Certificates, other than investment property acquired with B

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Certificates or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Certificates in contravention of the requirements of section 149(d) of the Code (relating to advance refundings);

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(10) to assure that the proceeds of the Certificates will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the holders of the Certificates. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Certificates, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Certificates, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor or Mayor Pro Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Projects on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The Issuer agrees to obtain the advice of nationally recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the Issuer may rely on an opinion of nationally recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Reimbursement. This Ordinance is intended to satisfy the official intent requirements set forth in section 1.150-2 of the Treasury Regulations.

Section 10. SALE OF CERTIFICATES AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Initial Certificate is hereby sold and shall be delivered to Stifel, Nicolaus & Company, Inc., and SAMCO Capital Markets, Inc., (the "Underwriters") for the purchase price of [\$______, representing an aggregate par amount of the Certificates of \$_____, plus a net reoffering premium of \$_____, and less an Underwriters' discount on the Certificates of \$_____], and no accrued interest, pursuant to the terms and provisions of a Purchase Agreement, which the Mayor is hereby authorized to execute and deliver. It is officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Certificate shall be registered in the name of Stifel, Nicolaus & Company, Inc. or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Certificates and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the offer and sale of the Certificates in final form, with such changes therein or additions thereto as the officer approving the same may deem advisable. The distribution and use of the Preliminary Official Statement dated May 27, 2020 prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor and Mayor Pro Tem, the City Administrator and City Secretary and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Certificates, the sale of the Certificates, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. INTEREST EARNINGS ON CERTIFICATE PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Certificates issued for the Projects shall be used along with other Certificate proceeds for the Projects; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to Section 9 hereof in order to prevent the

Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 12. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "Series 2020 Certificates of Obligation Construction Fund" (the "Construction Fund") for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said fund shall be transferred to the Interest and Sinking fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 5 of this Ordinance.

(b) The Issuer may invest proceeds of the Certificates (including investment earnings thereon) issued for the Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be secured to the fullest extent required by law for the security of public funds.

Section 13. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in a designated electronic format as prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide financial statements of the Issuer ("Financial Statements"), that will be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be in substantially the form included in the final Official Statement, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. The Issuer will update and

provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2020. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not completed within 12 months after any such fiscal year end, then the Issuer shall provide unaudited Financial Statements within such 12-month period, and audited Financial Statements for the applicable fiscal year to the MSRB, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of holders of the Certificates;
3. Certificate calls;
4. Release, substitution, or sale of property securing repayment of the Certificates;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional trustee or the change of name of a trustee; and
7. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS

Form 5701BTEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other material events affecting the tax-exempt status of the Certificates;

6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Issuer, which shall occur as described below; and
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in clause (9) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND

REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Certificates. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 14. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount a majority of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of Certificates necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The City of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Certificates.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Certificates, the Issuer shall rely solely upon the registration of the ownership of such Certificates on the Registration Books kept by the Paying Agent/Registrar.

Section 15. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or agents of the Issuer or the members of its governing body.

Section 16. APPROPRIATION. To pay the debt service coming due on the Certificates prior to receipt of the taxes levied to pay such debt service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount, which together with capitalized interest received from the sale of the Certificates, if any, will be sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 17. DISPOSITION OF FUNDS. Premium received from the sale of the Certificates in the amount of [\$_____] shall be applied to the costs of issuance and the underwriters' discount; and the remainder shall be deposited into the Construction Fund.

Section 18. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

Section 19. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

(Execution Page Follows)

PASSED, APPROVED AND EFFECTIVE this June 2, 2020.

Vicki Sanson, Mayor

ATTEST:

Kim Dobbs, City Administrator

[CITY SEAL]

EXHIBIT A

Annual Financial Statements and Operating Data

The following information is referred to in Section 13(b) of this Ordinance:

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. Tables 1 through 6, and 8 through 13 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements in Appendix B to the Official Statement.

Kim Dobbs

From: kristin.button@spglobal.com
Sent: Wednesday, May 27, 2020 2:57 PM
To: Kim Dobbs; jason.hughes@hilltopsecurities.com
Cc: kristin.button@spglobal.com; Keely.ODonley@hilltopsecurities.com
Subject: Pre-Publication Notice SPGConfidential: Lavon - S&P Global Ratings pre-publication document attached for your review
Attachments: Lavon Draft Rationale for Review May 2020.pdf; SPGlobal.png
Follow Up Flag: Follow up
Flag Status: Completed

This message was sent securely using ZixCorp.

Dear Kim and Jason:

S&P Global Ratings is sending you this draft so that you can call our attention to any factual errors and the inadvertent inclusion of confidential information in the draft. If you have any questions or comments on the analysis that are not factual in nature, we ask that you discuss these matters with us. **We will use our sole discretion in making editorial changes to the document, which represents our independent opinion. We will finalize and release our report after a period of two cumulative business hours from the time we have sent this email. However, if you revert to us before this period has expired and explicitly confirm by e-mail that all comments concerning factual errors and the inadvertent inclusion of confidential information, if any, have been brought to S&P Global Ratings attention, then we may publish the report as soon as practicable.** The report will supersede the information in the draft; the information in the draft is confidential and remains confidential after the issuance of a report and the draft should not be disclosed or released at any time before or after the report is published.

Sincerely,

Kristin Button

S&P Global Ratings
T: (1) 214.765.5862
kristin.button@spglobal.com
www.spglobal.com

S&P Global

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S&P Global Ratings assigned its 'AA-' rating to Lavon, Texas' \$2,425,000 general obligation (GO) refunding bonds and \$14.7 million combination tax and surplus revenue certificates of obligation, series 2020. Post-issuance, this will be the city's only debt. The outlook is stable.

The certificates and GO bonds are direct obligations of the city, payable from an ad valorem tax and levied within the limits prescribed by law, on all taxable property within the city. The certificates carry an additional pledge of surplus net revenue, limited to \$1,000, from the city's waterworks and sanitary sewer system. We base our ratings on these obligations on the city's limited-tax ad valorem pledge because legal provisions are insufficient to allow us to rate the revenue pledge.

The maximum allowable rate in Texas is \$2.50 per \$100 of assessed value (AV) for all purposes, with the portion dedicated to debt service limited to \$1.50. The city's levy is well below the maximum at 47.90 cents, 19.96 cents of which was levied for debt service for fiscal 2020. We rate the bonds and certificates on par with our view of the city's general creditworthiness, as the tax base supporting the obligations is coterminous with the city, and we see no unusual risks regarding the fungibility of resources or the city's willingness to support the debt.

The 2020 bonds will refund existing tax notes for savings and the 2020 certificate will fund various capital projects throughout the city, including roads, bridges, parks, and facility expansions.

Credit overview

Located in the Dallas-Fort Worth-Arlington metropolitan statistical area (MSA), Lavon has experienced rapid tax base growth and there are several developments planned or already underway that will add a significant number of single-family homes to the city over the next few years. Officials stated that construction remains steady and there has not been a slowdown, although S&P Global Economics recognizes consumer spending and business investment in the U.S. have been particularly affected by restrictions on movement and stay-at-home orders (see "An Already Historic U.S. Downturn Now Looks Even Worse," published April 16, 2020, on RatingsDirect). Management has adopted several financial policies in recent years and built a very strong general fund reserve, which it intends to maintain. Should the recession deepen or begin to have broader impacts, particularly on property tax collections, we believe the city's very strong reserves and liquidity will provide the city time to adjust its budget. Although our outlook is generally two years, our view of the credit's stability focuses on the next six to 12 months, given the significant downside risks as a result of the COVID-19 pandemic and developing recession.

The ratings also reflect our view of the city's:

- Strong economy, with access to a broad and diverse MSA;

- Strong management, with good financial policies and practices under our Financial Management Assessment (FMA) methodology;
- Adequate budgetary performance, with balanced operating results in the general fund and an operating surplus at the total governmental fund level in fiscal 2019;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2019 of 49% of operating expenditures;
- Very strong liquidity, with total government available cash at 55.0% of total governmental fund expenditures and 8.7x governmental debt service;
- Very weak debt and contingent liability profile, with debt service carrying charges at 6.3% of expenditures and net direct debt that is 677.6% of total governmental fund revenue, as well as high overall net debt at greater than 10% of market value; and
- Strong institutional framework score.

We analyzed the district's environmental, social, and governance risks relative to its economy, management, budgetary outcomes, and debt and liability profile and determined that all are in line with our view of the sector standard.

Stable Outlook

Downside scenario

We could lower the ratings if Lavon's budgetary performance weakens, resulting in sustained operating deficits leading to a reduction in reserves to a level below the city's policy-mandated level. Additionally, if the COVID-19 pandemic and the ensuing recession result in a material deterioration of key economic indices which translates to financial stress that we believe will persist, we could also consider a lower rating.

Upside scenario

Conversely, we could consider a higher rating if the pandemic does not materially strain the city's financial position and its economy grows and diversifies, leading to an improvement in wealth and income to levels that are more in line with those of higher-rated peers.

Credit Opinion

Strong economy

We consider Lavon's economy strong. The city, with an estimated population of 4,200, is located in Collin County in the Dallas-Fort Worth-Arlington, TX MSA, which we consider to be broad and diverse. The city has a projected per capita effective buying income of 113% of the national level and per capita market value of \$91,590. Overall, the city's market value grew by 17.0% over the past year, to \$384.7 million in 2020. The county unemployment rate was 3.1% in 2019.

The city of Lavon is located in southeastern Collin County, approximately 6 miles north of Rockwall and 35 miles northeast of Dallas. Over the last 10 years, the population has increased approximately 32%, reaching an estimated 4,210 in 2020. The city is primarily residential, which

accounts for 84% of the tax base. Residents have access to a wide variety of employment centers in nearby cities, including Plano, McKinney, and Rockwall.

One of the city's largest single-family developers, Bloomfield Homes, has 658 lots under development with dirt moving, and they have indicated that there are no plans to stop or slow down plans. A second phase of the development has another 758 lots planned. Along with the activity in residential construction, recent commercial activity includes a number of gas stations, a 7-Eleven, an office building, a doctor's office, and a retail shopping center. Additional commercial development is expected once rooftops are established to support local businesses. However, with the scope of the COVID-19 economic challenges still unknown, a prolonged economic disruption, particularly protracted unemployment, would likely interrupt the robust demand for new construction the city had been experiencing.

Strong management

We view the city's management as strong, with good financial policies and practices under our FMA methodology, indicating financial practices exist in most areas, but that governance officials might not formalize or monitor all of them on a regular basis.

Key factors include:

- When preparing annual budgets, management uses conservative assumptions, looks back at historical trends, and recently worked with a demographer on a new comprehensive plan;
- Monthly budget-to-actual reports are presented to the council;
- The formally adopted investment policy follows state guidelines and requires quarterly investment reports be provided to the council;
- The adopted debt policy does not include specific parameters that limits debt, it does include several objectives and goals that are above and beyond a basic plan that would just incorporate state mandates. The capital plan does not detail future capital needs and funding sources, but acts as a guide for evaluating capital needs and funding;
- Although there is not a long-term financial plan currently in place, the city recently passed a resolution to create a five-year financial forecast; and
- The city has a formal reserve policy of maintaining 25% of the annual general fund operating budget.

Adequate budgetary performance

Lavon's budgetary performance is adequate, in our opinion. Our assessment considers our view that the pandemic and recession pose an event risk that could increase performance volatility for municipalities over the medium term. The city had balanced operating results in the general fund

of negative 0.2% of expenditures and surplus results across all governmental funds of 33.1% in fiscal 2019.

In assessing Lavon's budgetary performance, we adjusted for capital lease proceeds expended toward one-time capital projects across governmental funds.

Conservative budgeting of both revenues and expenditures has supported year-end surpluses. Property taxes are generally a stable revenue source for the city, and represented 39% of general fund revenues in fiscal 2019. Because the city also receives revenues from sales tax (18%) and franchise and permit fees (17%), management expects these revenues streams will likely decrease as a result of the current COVID 19 stay-at-home orders and ensuing recession. The city is delaying certain capital expenses and cutting other items, which will reduce budgeted expenditures by approximately \$60,000. Additionally, Collin County is sharing funds received under the CARES Act, with \$224,178 going to Lavon. These measures are expected to help the city maintain structural balance for the fiscal year.

Property tax collections for the current fiscal year are already at 98% and recessionary effects on property values can take over a year, depending on the timing of valuation dates. Although the city does not seem to be affected in the short term by the sudden stop in the economy as a result of COVID-19 containment measures, prolonged unemployment could soften demand, and thus revenues, over the longer term.

Very strong budgetary flexibility

Lavon's budgetary flexibility is very strong, in our view, with an available fund balance in fiscal 2019 of 49% of operating expenditures, or \$1.3 million.

Management recently strengthened its general fund reserve policy from 10% to 25% in order to provide adequate financial flexibility. Management reports no plans to spend down reserves in the next two years. In light of this, and our view that management will adjust the budget as necessary if there is a downturn in revenue, we expect budgetary flexibility to remain very strong in the near future.

Very strong liquidity

In our opinion, Lavon's liquidity is very strong, with total government available cash at 55.0% of total governmental fund expenditures and 8.7x governmental debt service in 2019. In our view, the city has satisfactory access to external liquidity, if necessary.

Lavon has historically maintained what we consider very strong cash balances, and given our expectation of balanced operations, we do not believe its cash position will materially weaken in the near term. All of the city's investments comply with both Texas statutes and its own formal policy, and were held in Texas local government investment pools at the end of fiscal

2019, none of which we view as aggressive. In addition, the city has no exposure to contingent liabilities that could pose a material risk to liquidity. Post current issuances, the city will have a minimal \$26,000 outstanding in a 2014 tax note that will pay off in fiscal 2021. Therefore, we do not expect the city's liquidity position to deteriorate from its very strong position in the near term.

Very weak debt and contingent liability profile

In our view, Lavon's debt and contingent liability profile is very weak. Total governmental fund debt service is 6.3% of total governmental fund expenditures and net direct debt is 677.6% of total governmental fund revenue. Negatively affecting our view of the city's debt profile is its high overall net debt of 12.7% of market value.

The city does not have plans to issue debt for another five to ten years but timing will depend on the pace of development. The GO bonds will refund outstanding series 2018 tax notes that were privately placed. The certificates will fund various streets, parks and other improvements. A portion of the debt is expected to be paid from wastewater utility fees although we have not considered it self-supporting since this is new debt and there is not yet a historical trend of support.

We do not view pension and other postemployment benefits (OPEB) liabilities as an immediate source of credit pressure, as required contributions currently represent an affordable share of total governmental expenditures. The combined pension and OPEB contributions totaled 2.2% of total governmental fund expenditures in 2018, with an adequate funded level on the pension plan. However, some aggressive actuarial assumptions could lead to future contribution volatility.

The city participates in the following plans as of Dec. 31, 2018:

- Texas Municipal Retirement System (TMRS): 88.6% funded with a net pension liability of \$107,253, as of Dec. 31, 2018.

TMRS actuarially determined contributions fell slightly short of our minimum funding progress (MFP) metric. The MFP metric assesses whether the most recent employer and employee contributions cover total service cost, plus unfunded interest cost, plus one-30th of the principal. When MFP is achieved, it indicates that an issuer has a strong funding discipline that aims to ensure timely progress on reducing its plans' liabilities. Actuarial assumptions include a discount rate of 6.75% and a 27-year closed amortization period. The plan's assumed discount rate is not considered aggressive, in our opinion, although we consider the closed amortization period of 27 years as extended, leaving greater potential for costs to grow based on actual performance. Lastly, contributions are likely to increase, given the level percent of payroll funding method, as opposed to level-dollar contributions, which would result in consistent payments.

Strong institutional framework

The institutional framework score for Texas municipalities is strong.

PRELIMINARY OFFICIAL STATEMENT

Dated May 26, 2020

Rating:
S&P: "Applied for"
(See "OTHER INFORMATION -
Rating" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Bonds (defined below) is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, subject to the matters described herein. See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel.

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$2,425,000*
CITY OF LAVON, TEXAS
(Collin County)
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020

Dated Date: June 1, 2020

Due: February 15, as shown on Page 2

Interest to Accrue from Date of Delivery

PAYMENT TERMS. . . Interest on the \$2,425,000* City of Lavon, Texas, General Obligation Refunding Bonds, Series 2020 (the "Bonds"), will accrue from the Date of Delivery (defined below) and will be payable February 15 and August 15 of each year, commencing February 15, 2021, until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "The Bonds - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is U.S. Bank, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE. . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1207 Texas Government Code, as amended, and an ordinance (the "Bond Ordinance") to be adopted by the City Council of the City of Lavon, Texas (the "City"). The Bonds constitute direct obligations of the City, payable from a levy and collection of a direct and continuing annual ad valorem tax on all taxable property in the City, within the limits prescribed by law (see "THE OBLIGATIONS - Authority for Issuance of the Obligations").

PURPOSE. . . Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt (the "Refunded Obligations") in order to lower the overall debt service requirements of the City (see "PLAN OF FINANCING"; also see Schedule I attached hereto for a detailed description of the Refunded Obligations); and (ii) pay the costs of issuance of the Bonds.

CUSIP PREFIX: _____
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page 2

SEPARATE ISSUES. . . The Bonds are being offered by the City concurrently with the issuance of the \$14,700,000* City of Lavon, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020 (the "Certificates") under a common Official Statement. The Bonds and the Certificates are separate and distinct securities offerings being issued and sold independently except for this Official Statement, and such Bonds and Certificates are hereinafter sometimes referred to collectively as the "Obligations." While the Bonds and Certificates share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms of payment, the rights of the City to redeem the Obligations of either series, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY. . . The Bonds are offered for delivery when, as and if issued and received by the initial purchasers named below (the "Underwriters") and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton LLP, Dallas, Texas, as Bond Counsel (see Appendix C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Winstead PC, San Antonio, Texas.

DELIVERY. . . It is expected that the Bonds will be available for delivery through DTC on July 2, 2020 (the "Date of Delivery").

STIFEL
SAMCO CAPITAL MARKETS

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\$2,425,000*
CITY OF LAVON, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020

MATURITY SCHEDULE*

February 15 Maturity	Principal Amount	Interest Rate	Initial Yield	CUSIP Suffix ⁽¹⁾
2021	\$ 210,000			
2022	220,000			
2023	230,000			
2024	235,000			
2025	240,000			
2026	245,000			
2027	250,000			
2028	260,000			
2029	265,000			
2030	270,000			

(Interest to accrue from the date of delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by Standard & Poor's Financial Services LLC. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the City nor the Financial Advisor, nor the Underwriter take any responsibility for the accuracy of such numbers.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Bonds having stated maturities on or after February 15, 20____, in whole or in part, in principal amounts of \$5,000, or any integral multiple thereof, on February 15, 20____, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption" in the Preliminary Official Statement). Additionally, the Obligations may be subject to mandatory sinking fund redemption in the event the Underwriters elect to designate one or more consecutive maturities as a "Term Obligation".

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated May 26, 2020

Rating:
S&P: Applied for
See "Other Information –
Rating" herein

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Certificates (defined below) is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date hereof, subject to the matters described herein. See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel.

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$14,700,000*
CITY OF LAVON, TEXAS
(Collin County)
COMBINATION TAX AND LIMITED SURPLUS REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2020

Dated Date: June 1, 2020

Due: February 15, as shown on page 4

Interest to accrue from Date of Delivery

PAYMENT TERMS . . . Interest on the \$14,700,000* City of Lavon, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020 (the "Certificates"), will accrue from the Date of Delivery (defined below), will be payable February 15 and August 15 of each year, commencing February 15, 2021, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Certificates will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Certificates may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. **No physical delivery of the Certificates will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Certificates. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is U.S. Bank, N.A., Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Certificates are issued pursuant to the Texas Constitution and the general laws of the State of Texas (the "State"), particularly, Chapter 271, Subchapter C, Texas Local Government Code, as amended, and are direct obligations of the City, payable from a combination of (i) the levy and collection of an annual ad valorem tax, within the limits prescribed by law, and (ii) a limited pledge (not to exceed \$1,000) of the surplus revenues of the City's wastewater system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the City's wastewater system (see "THE OBLIGATIONS – Security and Source of Payment").

PURPOSE . . . Proceeds from the sale of the Certificates will be used for (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the City's wastewater system including treatment plant expansion; (ii) constructing and improving streets, including sidewalks, landscaping, bridges, lighting, drainage and utility line relocations; (iii) constructing, installing and equipping municipal drainage facilities; (iv) constructing and equipping major repairs and renovations to existing municipal buildings, including City Hall and police and fire department buildings; (v) improving City Hall parking lot and constructing and equipping additional parking for City Hall; (vi) constructing and equipping a fire station and acquisition of a fire truck; (vii) acquiring and installing of communications and technology equipment for various municipal departments, including an internet fiber network; (viii) acquiring, constructing, installing and equipping municipal park and trail improvements; (ix) acquiring land and interests in land necessary for such projects; (x) paying legal, fiscal, design and engineering fees in connection with these projects and the Certificates; and (xi) payment for the costs of issuing the Certificates.

CUSIP PREFIX:
MATURITY SCHEDULE & 9 DIGIT CUSIP

See Schedule on Page 4

SEPARATE ISSUES . . . The Certificates are being offered by the City concurrently with the issuance of the \$2,425,000* City of Lavon, Texas, General Obligation Refunding Bonds, Series 2020 (the "Bonds") under a common Official Statement. The Bonds and the Certificates are separate and distinct securities offerings being issued and sold independently except for this Official Statement, and such Certificates and Bonds are hereinafter sometimes referred to collectively as the "Obligations"). While the Certificates and Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including without limitation the type of obligation being offered, its terms of payment, the rights of the City to redeem the Obligations of either series, the federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations and other features.

LEGALITY . . . The Certificates are offered for delivery when, as and if issued and received by the initial purchasers named below (the "Underwriters") and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton LLP, Bond Counsel, Dallas, Texas (see APPENDIX C, "Forms of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by their counsel, Winstead PC, San Antonio, Texas.

DELIVERY . . . It is expected that the Certificates will be available for delivery through DTC on July 2, 2020 (the "Date of Delivery").

STIFEL
SAMCO CAPITAL MARKETS

* Preliminary, subject to change.

CUSIP Prefix: _____⁽¹⁾

\$14,700,000*
CITY OF LAVON, TEXAS
COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2020

MATURITY SCHEDULE*

<u>February 15</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP</u> <u>Suffix⁽¹⁾</u>	<u>February 15</u> <u>Maturity</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP</u> <u>Suffix⁽¹⁾</u>
2021	\$ 95,000				2031	\$ 815,000			
2022	110,000				2032	845,000			
2023	115,000				2033	880,000			
2024	120,000				2034	915,000			
2025	125,000				2035	950,000			
2026	665,000				2036	990,000			
2027	690,000				2037	1,035,000			
2028	720,000				2038	1,310,000			
2029	755,000				2039	1,365,000			
2030	780,000				2040	1,420,000			

(Interest to accrue from Date of Delivery)

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. Neither the City, the Underwriter nor the Financial Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 20___, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20___, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS – Optional Redemption"). Additionally, the Obligations may be subject to mandatory sinking fund redemption in the event the Underwriters elect to designate one or more consecutive maturities as a "Term Obligation".

* Preliminary, subject to change.

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For purpose of compliance with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission, this document, as the same may be supplemented or corrected from time to time, may be treated as an Official Statement with respect to the Obligations described herein "deemed final" by the City as of the date hereof (or of any supplement or correction) except for the omission of no more than the information provided by Subsection (b)(1) of the Rule.

This Official Statement, which includes the cover pages and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor or the City. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. CUSIP Numbers have been assigned to this issue by CUSIP Global Services for the convenience of the owners of the Obligations.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE THE MARKET PRICE OF THE ISSUE AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE CITY, ITS FINANCIAL ADVISOR, AND THE UNDERWRITERS MAKE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described. See "Continuing Disclosure of Information" for a description of the City's undertaking to provide certain information on an ongoing basis. No representation is made by the City regarding the use, presentation and interpretation of the financial information of the City made by third parties, including, without limitation, the Municipal Securities Rulemaking Board.

THE OBLIGATIONS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

This Official Statement contains "Forward-Looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

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The cover pages hereof, this page, the Schedule, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

PRELIMINARY OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Obligations to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE CITY The City of Lavon, Texas is a political subdivision and Type A General Law City of the State, located in Collin County, Texas. The City covers approximately 3.03 square miles (see “INTRODUCTION - Description of the City”).

THE OBLIGATIONS..... The \$2,425,000* City of Lavon, Texas, General Obligation Refunding Bonds, Series 2020 (the “Bonds”) are issued as serial bonds maturing on February 15 in each of the years 2021 through 2030 (see “THE OBLIGATIONS - Description of the Obligations”).

The \$14,700,000* City of Lavon, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020 (the “Certificates”) are issued as serial certificates maturing on February 15 in each of the years 2021 through 2040 (see “THE OBLIGATIONS - Description of the Obligations”).

The Bonds and the Certificates are sometimes referred to collectively herein as the “Obligations”.

PAYMENT OF INTEREST Interest on the Bonds will accrue from the Date of Delivery, and is payable February 15, 2021, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATION - Description of the Obligations”).

Interest on the Certificates accrues from the Date of Delivery, and is payable February 15, 2021, and each August 15 and February 15 thereafter until maturity or prior redemption (see “THE OBLIGATIONS - Description of the Obligations”).

AUTHORITY FOR ISSUANCE..... The Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Chapter 1207 Texas Government Code, as amended, and an ordinance (the “Bond Ordinance”) to be adopted by the City Council of the City (see “THE OBLIGATIONS - Authority for Issuance of the Obligations”).

The Certificates are issued pursuant to the Constitution and general laws of the State, particularly Chapter 271, Subchapter C, Texas Local Government Code, as amended, and the ordinance authorizing the issuance of the Certificates to be adopted by the City Council of the City (the “Certificate Ordinance”) (see “The OBLIGATIONS - Authority for Issuance of the Obligations”).

SECURITY FOR THE BONDS The Bonds constitute direct obligations of the City, payable from the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the City (see “THE OBLIGATIONS - Security and Source of Payment”).

SECURITY FOR THE CERTIFICATES The Certificates constitute direct obligations of the City, payable from the levy and collection of an annual continuing ad valorem tax, levied within the limits prescribed by law, on all taxable property located within the City, and a limited pledge (not to exceed \$1,000) of the surplus revenues of the City’s wastewater system (the “System”), as provided in the Certificate Ordinance (see “THE OBLIGATIONS - Security and Source of Payment”).

NON-QUALIFIED TAX-EXEMPT OBLIGATIONS The City will not designate the Obligations as “Qualified Tax-Exempt Obligations” for financial institutions.

* Preliminary, subject to change.

REDEMPTION The City reserves the right, at its option, to redeem Obligations having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE OBLIGATIONS - Optional Redemption"). Additionally, the Obligations may be subject to mandatory sinking fund redemption in the event the Underwriters elect to designate one or more consecutive maturities as a "Term Obligation".

TAX EXEMPTION..... In the opinion of Bond Counsel, the interest on the Obligations will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under the caption "Tax Matters" herein.

USE OF PROCEEDS Proceeds from the sale of the Bonds will be used to (i) refund a portion of the City's outstanding debt (the "Refunded Obligations") in order to lower the overall debt service requirements of the City (see "PLAN OF FINANCING"; also see Schedule I attached hereto for a detailed description of the Refunded Obligations) and (ii) pay the costs of issuance of the Bonds.

Proceeds from the sale of the Certificates will be used for (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the City's wastewater system including treatment plant expansion; (ii) constructing and improving streets, including sidewalks, landscaping, bridges, lighting, drainage and utility line relocations; (iii) constructing, installing and equipping municipal drainage facilities; (iv) constructing and equipping major repairs and renovations to existing municipal buildings, including City Hall and police and fire department buildings; (v) improving City Hall parking lot and constructing and equipping additional parking for City Hall; (vi) constructing and equipping a fire station and acquisition of a fire truck; (vi) acquiring and installing of communications and technology equipment for various municipal departments, including an internet fiber network; (vii) acquiring, constructing, installing and equipping municipal park and trail improvements; (viii) acquiring land and interests in land necessary for such projects; (ix) paying legal, fiscal, design and engineering fees in connection with these projects and the Certificates; and (x) payment for the costs of issuing the Certificates.

RATING The City's debt obligations are not currently rated. Application has been made to S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P"). The results of their determination will be provided as soon as possible (see "OTHER INFORMATION - Rating").

BOOK-ENTRY-ONLY

SYSTEM The definitive Obligations will be initially registered and delivered only to Cede & Co., the nominee of DTC pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Obligations may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of the Obligations will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations (see "THE OBLIGATIONS- Book-Entry-Only System").

PAYMENT RECORD The City has never defaulted in payment of its general obligation tax debt.

SELECTED FINANCIAL INFORMATION

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Net Taxable			Funded Tax Debt Per Capita	Ratio Funded	
		Assessed Valuation Before Freeze ⁽²⁾	Assessed Valuation Per Capita	Taxable Tax Debt at End of Year		Tax Debt to Assessed Valuation	% of Total Tax Collections
2016	3,220	\$ 223,740,403	\$ 69,485	\$ 3,122,000	\$ 970	1.40%	100.94%
2017	3,510	257,684,331	73,414	3,110,000	886	1.21%	101.70%
2018	3,860	290,702,053	75,311	3,098,000	803	1.07%	102.40%
2019	4,210	328,682,011	78,072	2,731,000	649	0.83%	101.97%
2020	4,550	384,679,596	84,545	17,138,000 ⁽³⁾	3,767 ⁽³⁾	4.46% ⁽³⁾	101.11% ⁽³⁾

(1) Estimated by imputing the average annual increase.

(2) As reported by the Collin Appraisal District on the City’s annual State Property Tax Reports; subject to change during the ensuing year.

(3) Projected. Excludes the Refunded Obligations, includes the Obligations. Preliminary; subject to change.

(4) Collections as of March 31, 2020.

GENERAL FUND CONSOLIDATED STATEMENT SUMMARY

	Fiscal Years Ending September 30,				
	2019	2018	2017	2016	2015
Beginning Balance	\$ 1,001,286 ⁽¹⁾	\$ 617,732	\$ 628,672	\$ 507,257 ⁽¹⁾	\$ 696,062
Total Revenue	1,828,586	2,465,612	1,918,392	1,683,864	1,759,690
Total Expenditures	2,637,968	2,551,523	2,309,098	1,830,106	1,846,138
Net Transfers/Adjustments	907,760	469,395	379,766	267,657	306,200
Prior Period Adjustments	187,248	-	-	-	-
Ending Balance	<u>\$ 1,286,912</u>	<u>\$ 1,001,216</u>	<u>\$ 617,732</u>	<u>\$ 628,672</u>	<u>\$ 915,814</u>

(1) Restated.

For additional information regarding the City, please contact:

Kim Dobbs
 City Administrator / City Secretary
 P.O. Box 340
 120 School Rd.
 Lavon, Texas 75166
 (972) 843-4220
kim.dobbs@cityoflavon.org

Mr. Jason Hughes
 Managing Director
 or Hilltop Securities Inc.
 1201 Elm Street, Suite 3500
 Dallas, Texas 75270
 (214) 953-8707
jason.hughes@hilltopsecurities.com

CITY OFFICIALS, STAFF AND CONSULTANTS

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Ms. Vicki Sanson Mayor	4 years	Nov-21	Substitute Teacher
Mr. John Kell Place 1, Councilmember	2 years	Nov-20	Secondary Education - Teaching JROTC
Mr. Mike Cook Place 2, Councilmember	2.5 years	Nov-21	Specialty Foods Manager - Central Market/HEB
Ms. Kay Wright Place 3, Councilmember	3.5 years	Nov-20	Sales - Building Materials
Mr. Ted Dill Place 4, Councilmember	1.5 years	Nov-21	Industrial Security Specialist - Boeing
Ms. Mindi Serkland Place 5, Councilmember	5.5 years	Nov-20	CoreLogic

SELECTED ADMINISTRATIVE STAFF

<u>Name</u>	<u>Position</u>	<u>Length of Service to City</u>	<u>Total Length of Governmental Service</u>
Ms. Kim Dobbs	City Administrator/City Secretary	4 years	32 years

CONSULTANTS AND ADVISORS

Auditors Mike Ward Accounting & Financial Consulting, PLLC
Point, Texas

Bond Counsel McCall, Parkhurst & Horton LLP
Dallas, Texas

Financial Advisor..... Hilltop Securities Inc.
Dallas, Texas

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PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$2,425,000*
CITY OF LAVON, TEXAS
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020

\$14,700,000*
CITY OF LAVON, TEXAS
COMBINATION TAX AND LIMITED SURPLUS REVENUE CERTIFICATES OF OBLIGATION, SERIES 2020

INTRODUCTION

This Preliminary Official Statement, which includes the cover page, Schedule and Appendices hereto, provides certain information regarding the issuance of the \$2,425,000* City of Lavon, Texas General Obligation Refunding Bonds, Series 2020 (the "Bonds") and the \$14,700,000* City of Lavon, Texas, Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2020 (the "Certificates", and together with the Bonds, herein collectively referred to as the "Obligations"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the ordinances (the "Bond Ordinance" with respect to the Bonds and the "Certificate Ordinance" with respect to the Certificates), each to be adopted by the City Council of the City on the date of the sale of the Obligations and which will authorize the issuance of the Bonds and the Certificates, respectively. The Bond Ordinance and the Certificate Ordinance are herein collectively referred to as the "Ordinances".

There follows in this Preliminary Official Statement descriptions of the Obligations and certain information regarding the City and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the City's Financial Advisor, Hilltop Securities Inc., Dallas, Texas.

DESCRIPTION OF THE CITY. . . The City is a political subdivision located in Collin County operating as a Type A General Law City, with an Aldermanic-Mayor form of government. The City Council (Mayor and Aldermen) is responsible for setting priorities that affect the quality of living and character of the City by passing laws and resolutions. The 2000 Census population for the City was 418. The 2010 Census population is 2,219. The estimated 2020 population is 4,550. The City covers approximately 3.03 square miles.

PLAN OF FINANCING

PURPOSE. . . The Bonds are being issued for the purpose of (i) refunding a portion of the City's outstanding debt (the "Refunded Obligations") for debt service savings, and (ii) paying the costs of issuance of the Bonds. See Schedule I for a detailed listing of the Refunded Obligations and their redemption dates.

The Certificates are being issued for the purpose of (i) constructing, installing, acquiring and equipping additions, extensions and improvements to the City's wastewater system including treatment plant expansion; (ii) constructing and improving streets, including sidewalks, landscaping, bridges, lighting, drainage and utility line relocations; (iii) constructing, installing and equipping municipal drainage facilities; (iv) constructing and equipping major repairs and renovations to existing municipal buildings, including City Hall and police and fire department buildings; (v) improving City Hall parking lot and constructing and equipping additional parking for City Hall; (vi) constructing and equipping a fire station and acquisition of a fire truck; (vii) acquiring and installing of communications and technology equipment for various municipal departments, including an internet fiber network; (viii) acquiring, constructing, installing and equipping municipal park and trail improvements; (ix) acquiring land and interests in land necessary for such projects; and (x) paying legal, fiscal, design and engineering fees in connection with these projects and the Certificates.

REFUNDED OBLIGATIONS. . . The principal and interest due on the Refunded Obligations are to be paid on the redemption date of such Refunded Obligations as set forth in Schedule I, from funds to be deposited pursuant to a certain Deposit Agreement (the "Deposit Agreement") between the City and the paying agent/registrars for the Refunded Obligations. The Bond Ordinance provides that from the proceeds of the sale of the Bonds received from the Underwriters, the City will deposit with the paying agent/registrars for the Refunded Obligations the amount necessary to accomplish the discharge and final payment of the Refunded Obligations on the redemption date. Such funds will be held by the paying agent/registrars for the Refunded Obligations in a special account used to defease and redeem the Refunded Obligations on the redemption date.

The City's financial advisor or the paying agent/registrars for the Refunded Obligations will execute a certificate verifying that the funds on deposit pursuant to the Deposit Agreement will be sufficient to pay, when due, the amount necessary to accomplish the discharge and final payment of the Refunded Obligations on the redemption date (the "Sufficiency Certificate").

* Preliminary, subject to change.

SOURCES AND USES OF PROCEEDS . . . Proceeds from the sale of the Obligations, together with certain available funds of the City, if necessary, are expected to be expended as follows:

<u>Sources of Funds</u>	<u>The Bonds</u>	<u>The Certificates</u>
Par Amount of the Bonds		
Net Cash Premium		
Total Sources	<u>\$ -</u>	<u></u>
<u>Uses of Funds</u>		
Deposit with Paying Agent		
Deposit to Construction Fund		
Costs of Issuance		
Total Uses	<u>\$ -</u>	<u></u>

THE OBLIGATIONS

DESCRIPTION OF THE OBLIGATIONS. . . The Obligations are dated June 1, 2020 (the "Dated Date") and mature on February 15 in each of the years and in the amounts shown on Pages 2 and 4 hereof. Interest on the Obligations will accrue from the Date of Delivery, will be computed on the basis of a 360-day year of twelve 30-day months, and will be payable on February 15, 2021 and on each August 15 and February 15 thereafter until maturity or prior redemption with respect to the Obligations. The definitive Obligations will be issued only in fully registered form in any integral multiple of \$5,000 of principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Obligations will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Obligations will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Obligations. See "The OBLIGATIONS - Book-Entry-Only System" herein.

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1207, Texas Government Code, as amended, and the Bond Ordinance.

The Certificates are issued pursuant to the Constitution and general laws of the State, including particularly Chapter 271, Subchapter C, Texas Local Government Code, as amended, and the Certificate Ordinance.

SECURITY AND SOURCE OF PAYMENT

Tax Pledge . . . The Obligations constitute direct obligations of the City payable from an annual direct and continuing ad valorem tax levied against all taxable property within the City, within the limits prescribed by law (see "THE OBLIGATIONS - Tax Rate Limitation" and "TAX INFORMATION - Effective Tax Rate and Rollback Tax Rate" below).

Pledge of Surplus Waterworks and Sewer System Net Revenues for Certificates . . . The Certificates are additionally payable from and secured by a limited pledge (not to exceed \$1,000) of surplus revenues of the City's wastewater system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the City's revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the City's wastewater system.

TAX RATE LIMITATION . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax debt within the limits prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$1.50 per each \$100 of taxable assessed valuation for all City purposes. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all general obligation debt, based on 90% tax collection rate as calculated at the time of issuance.

OPTIONAL REDEMPTION. . . The City reserves the right, at its option, to redeem Obligations having stated maturities on and after February 15, 20__, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 20__, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Obligations may be subject to mandatory sinking fund redemption in the event the Underwriters elect to designate one or more consecutive maturities as a "Term Obligation".

If less than all the Obligations of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Obligations are in Book-Entry-Only form) shall determine by lot the Obligations, or portions thereof, within such maturity to be redeemed.

NOTICE OF REDEMPTION . . . Not less than 30 days prior to a redemption date for the Obligation, the City shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Obligations to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE OBLIGATIONS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY OBLIGATION OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH OBLIGATION OR PORTION THEREOF SHALL CEASE TO ACCRUE, PROVIDED THAT MONIES FOR THE PAYMENT OF THE REDEMPTION PRICE AND THE INTEREST ACCRUED ON THE PRINCIPAL AMOUNT TO BE REDEEMED TO THE DATE OF REDEMPTION ARE HELD FOR THE PURPOSE OF SUCH PAYMENT BY THE PAYING AGENT/REGISTRAR.

With respect to any optional redemption of the Obligations, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Obligations to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received or such prerequisites have not been satisfied, such notice shall be of no force and effect, the City shall not redeem such Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Obligations have not been redeemed.

The Paying Agent/Registrar and the City, so long as a Book-Entry-Only System is used for the Obligations, will send any notice of redemption relating to the Obligations, notice of proposed amendment to the Ordinances or other notices with respect to the Obligations only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Obligations called for redemption or any other action premised on any such notice. Redemption of portions of the Obligations by the City will reduce the outstanding principal amount of such Obligations held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Obligations held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Obligations from the Beneficial Owners. Any such selection of Obligations within a maturity to be redeemed will not be governed by the Ordinances and will not be conducted by the City or the Paying Agent/Registrar. Neither the City nor the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on the Obligations or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Obligations for redemption. (See "Book-Entry-Only System" herein.)

AMENDMENTS . . . The City, may, without the consent of or notice to any holders of the Obligations, from time to time and at any time, amend the Ordinances in any manner not detrimental to the interests of the holders of the respective Obligations, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the City may, with the written consent of holders of the Obligations holding a majority in aggregate principal amount of the respective Obligations then Outstanding, amend, add to, or rescind any of the provisions of the respective Ordinance; provided that, without the consent of all holders of the outstanding Obligations, affected by any such amendment, additional or rescission no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Obligations, reduce the principal amount thereof, the redemption price, if applicable, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Obligations, (2) give any preference to any Obligation over any other Obligation, or (3) reduce the aggregate principal amount of the Obligations required to be held by holders for consent to any such amendment, addition, or rescission.

DEFEASANCE . . . The Ordinances provide for the defeasance of the Obligations when the payment of the principal of and premium, if any, on such Obligations, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, redemption, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar, or other authorized escrow agent, in trust (1) money sufficient to make such payment or (2) Government Securities to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Obligations. The Ordinances provide that "Government Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (d) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Obligations. The City has the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities for the Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the City moneys in excess of the amount required for such defeasance.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Obligations. Because the Ordinances do not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Government Securities or that for any other Government Security will be maintained at any particular rating category.

Upon such deposit as described above, such Obligations shall no longer be regarded to be outstanding or unpaid and will cease to be outstanding obligations secured by the Ordinances or treated as debt of the City for purposes of taxation or applying any limitation on the City's ability to issue debt or for any other purpose. After firm banking and financial arrangements for the discharge and final payment or redemption of the Obligations have been made as described above, all rights of the City to initiate proceedings to call the Obligations for redemption or take any other action amending the terms of the Obligations are extinguished; provided, however, that the right to call the Obligations for redemption is not extinguished if the City: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Obligations immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM. . . *This section describes how ownership of the Obligations is to be transferred and how the principal of and interest on the Obligations are to be paid to and credited by DTC while the Obligations are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The City and the Underwriter believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The City and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Obligations, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Obligations), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Obligations, in the aggregate principal amount of each such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owners entered into the transaction. Transfers of ownership interest in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participant to whose account such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligation documents. For example, Beneficial Owners may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent/Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Obligations will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar on payable dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the City and the Paying Agent/Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Obligations are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository) with respect to the Obligations. In that event, the Obligations will be printed and delivered.

Use of Certain Terms in Other Sections of this Official Statement . . . In reading this Official Statement it should be understood that while the Obligations are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Obligations, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Ordinances will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the City, the Financial Advisor or the Underwriter.

Effect of Termination of Book-Entry-Only System . . . In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the City with respect to the Obligations, printed Obligations will be issued to the registered owners and the Obligations will be subject to transfer, exchange and registration provisions as set forth in the Ordinances and summarized under "THE OBLIGATIONS - Transfer, Exchange and Registration" below.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar is U.S. Bank, N.A., Dallas, Texas. In the Ordinances, the City retains the right to replace the Paying Agent/Registrar. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are duly paid and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Obligations. Upon any change in the Paying Agent/Registrar for the Obligations, the City agrees to promptly cause a written notice thereof to be sent to each registered owner of the Obligations by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION . . . In the event the Book-Entry-Only System should be discontinued with respect to the Obligations, printed Obligations will be issued to the registered owners of the Obligations and thereafter such printed Obligations may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Obligations may be assigned by the execution of an assignment form on the respective Obligations or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Obligations will be delivered by the Paying Agent/Registrar, in lieu of the Obligations being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Obligations issued in an exchange or transfer of Obligations will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Obligations to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Obligations registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Obligations surrendered for exchange or transfer. See "Book-Entry-Only System" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Obligations. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Obligation or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation on transfer or exchange shall not be applicable to a transfer or exchange by the registered owner of the uncalled balance of a Obligation called for redemption in part.

PAYMENT PROVISIONS . . . Interest on the Obligations shall be paid to the registered owners appearing on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (hereinafter defined), and such interest shall be paid (i) by check sent by United States mail, first class postage prepaid to the address of the registered owner recorded in the registration books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of, the registered owner. Principal of the Obligations will be paid to the registered owner at the stated maturity or earlier redemption of an Obligation upon presentation to the designated payment/transfer office of the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Obligations, all payments will be made as described under "Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Obligations shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

RECORD DATE FOR INTEREST PAYMENT . . . The record date ("Record Date") for the interest payable on the Obligations on any interest payment date means the close of business on the last business day of the preceding month.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each holder of an Obligation appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

REPLACEMENT OBLIGATIONS . . . If any Obligation is mutilated, destroyed, stolen or lost, a new Obligation in the same principal amount as the Obligation so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Obligation, such new Obligation will be delivered only upon surrender and cancellation of such mutilated Obligation. In the case of any Obligation issued in lieu of and substitution for a Obligation which has been destroyed, stolen or lost, such new Obligation will be delivered only (a) upon filing with the Paying Agent/Registrar a certificate to the effect that such Obligation has been destroyed, stolen or lost and proof of ownership thereof, and (b) upon furnishing the Paying Agent/Registrar with indemnity satisfactory to hold the City and the Paying Agent/Registrar harmless. The person requesting the authentication and delivery of a new Obligation must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

REMEDIES . . . The Ordinances establish specific events of default with respect to the respective Obligations. If the City defaults in the payment of the principal of or interest on the Obligations when due or the City defaults in the observance or performance of any of the covenants, conditions, or obligations of the City, the failure to perform which materially, adversely affects the rights of the owners of the respective Obligations, including but not limited to, their prospect or ability to be repaid in accordance with the respective Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the City, the Ordinances provide that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the City to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Obligations or the Ordinances and the City's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Obligations in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Ordinance does not provide for the appointment of a trustee to represent the interest of the holders of the Obligations upon any failure of the City to perform in accordance with the terms of the Ordinances, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006 Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in “clear and unambiguous language.” Because it is unclear whether the Texas legislature has effectively waived the City’s sovereign immunity from a suit for money damages, holders of the Obligations may not be able to bring such a suit against the City for breach of the covenants in the Obligations or in the Ordinances. Even if a judgment against the City could be obtained, it could not be enforced by direct levy and execution against the City's property. Further, the registered owners cannot themselves foreclose on property within the City or sell property within the City to enforce the tax lien on taxable property to pay the principal of and interest on the Obligations. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151 through .160, Texas Local Government Code (the “Local Government Immunity Waiver Act”), which, according to the Court, waives “immunity from suit for contract claims against most local governmental entities under certain circumstances.” The Local Government Immunity Waiver Act covers cities and relates to contracts entered into by cities for providing goods and services to cities.

On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. V City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) (“*Wasson I*”), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interests LTD. V. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) (“*Wasson II*”, and together with *Wasson I* “*Wasson*”), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the State’s immunity since they are not performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated based on the facts and circumstances surrounding the contract in question.

As noted above, the Ordinances provide that holders of the Obligations may exercise the remedy of mandamus to enforce the obligations of the City under the respective Ordinances. Neither the remedy of mandamus nor any other type of injunctive relief was at issue in *Tooke*, and it is unclear whether *Tooke* will be construed to have any effect with respect to the exercise of mandamus, as such remedy has been interpreted by Texas courts. In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

Furthermore, the City is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code (“Chapter 9”). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or holders of the Obligations of an entity which has sought protection under Chapter 9. Therefore, should the City avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court

in administering any proceeding brought before it. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Obligations are qualified with respect to the customary rights of debtors relative to their creditors and by general principles of equity which permit the exercise of judicial discretion.

TAX INFORMATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

VALUATION OF TAXABLE PROPERTY . . . The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the City is the responsibility of the Navarro Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the City, in establishing their tax rolls and tax rates (see "Tax Information – City and Taxpayer Remedies").

STATE MANDATED HOMESTEAD EXEMPTIONS . . . State law grants, with respect to each city in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action, and surviving spouses of first responders killed or fatally wounded in the line of duty.

LOCAL OPTION HOMESTEAD EXEMPTIONS . . . The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

LOCAL OPTION FREEZE FOR THE ELDERLY AND DISABLED . . . The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

PERSONAL PROPERTY . . . Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . . Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication (“Freeport Property”) are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days (“Goods-in-Transit”), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer’s motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

OTHER EXEMPT PROPERTY . . . Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

TAX INCREMENT REINVESTMENT ZONES . . . A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones (“TIRZ”) within its boundaries. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment”. During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

TAX ABATEMENT AGREEMENTS . . . Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years. See “Tax Information – Tax Abatement Policy” for descriptions of the City’s tax abatement program.

For a discussion of how the various exemptions described above are applied by the City, see “Tax Information – City Application of Tax Code” herein.

CITY AND TAXPAYER REMEDIES . . . Under certain circumstances, taxpayers and taxing units, including the City, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the City may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Beginning in the 2020 tax year, owners of certain property with a taxable value in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$50 million for the 2020 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the City and provides for taxpayer referenda that could result in the repeal of certain tax increases (see “Tax Information – Public Hearing and Maintenance and Operations Tax Rate Limitations”). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

LEVY AND COLLECTION OF TAXES . . . The City is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the City. The delinquent tax also accrues

interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the City may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

PUBLIC HEARING AND MAINTENANCE AND OPERATIONS TAX RATE LIMITATIONS . . . The following terms as used in this section have the meanings provided below:

“adjusted” means lost values are not included in the calculation of the prior year’s taxes and new values are not included in the current year’s taxable values.

“de minimis rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year’s taxable value, plus the debt service tax rate.

“no-new-revenue tax rate” means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year’s total tax levy (adjusted) from the current year’s total taxable values (adjusted).

“special taxing unit” means a city for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

“unused increment rate” means the cumulative difference between a city’s voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a city’s tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

“voter-approval tax rate” means the maintenance and operations tax rate that will produce the prior year’s total maintenance and operations tax levy (adjusted) from the current year’s values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the “unused increment rate.”

The City’s tax rate consists of two components: (1) a rate for funding of maintenance and operations expenditures in the current year (the “maintenance and operations tax rate”), and (2) a rate for funding debt service in the current year (the “debt service tax rate”). Under State law, the assessor for the City must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the City to the City Council by August 1 or as soon as practicable thereafter.

A city must annually calculate its “voter-approval tax rate” and “no-new-revenue tax rate” (as such terms are defined above) in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the city and the county tax assessor-collector for each county in which all or part of the city is located. A city must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before the next occurring November uniform election date. If a city fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the city for the preceding tax year.

As described below, the Property Tax Code provides that if a city adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its “de minimis rate”, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A city may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until each appraisal district in which such city participates has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the city has held a public hearing on the proposed tax increase.

For cities with a population of 30,000 or more as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the voter-approval tax rate, that city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

For cities with a population less than 30,000 as of the most recent federal decennial census, if the adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the city must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a city has a population of less than 30,000 as of the most recent federal decennial census and does not qualify as a special taxing unit, if a city’s adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the city’s voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the city would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any city located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its "voter-approval tax rate" using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such city's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the City's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the City's tax-supported debt obligations, including the Obligations.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

DEBT TAX RATE LIMITATIONS . . . All taxable property within the City is subject to the assessment, levy and collection by the City of a continuing, direct annual ad valorem tax sufficient to provide for the payment of principal of and interest on all ad valorem tax supported debt, within the limits prescribed by law. Article XI, Section 4, of the Texas Constitution is applicable to the City, and limits its maximum ad valorem tax rate to \$1.50 per \$100 of Taxable Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.00 of the \$1.50 maximum tax rate for all debt service on ad valorem tax-supported debt, as calculated at the time of issuance.

THE CITY'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the City are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the City, having power to tax the property. The City's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the City is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the City may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the City must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

CITY APPLICATION OF TAX CODE . . . The City grants an exemption to the market value of the residence homestead of persons 65 years of age or older of \$20,000. Additionally, the City has adopted the tax freeze for citizens who are disabled or are 65 years of age or older. The City grants an additional exemption of 1%; minimum exemption of \$5,000.

The City does tax freeport property. The City does not tax nonbusiness personal property and the Collin County Tax Assessor-Collector collects taxes for the City.

TAX INCREMENT REINVESTMENT ZONE . . . The City has established a Reinvestment Zone Number One (the "Zone") in December, 2006 by Ordinance 2006-12-01 along with Collin County for project improvements within the City. The Zone is comprised of a contiguous geographic area located wholly within the corporate limits of the City. The Zone took effect on January 1, 2007 and is scheduled to terminate early by agreement in June 2020, prior to the original termination date of December 31, 2037. Collin County District signed the agreement to participate. Currently, the City collects all property tax revenues for the Zone. The Zone is controlled by a five member Board of Directors of which the Mayor will nominate and appoint the directors of positions one through three. Positions four and five are reserved for other taxing units levying taxes within the Zone. The estimated taxable value of the Zone for the fiscal year 2019-20 was \$116,001,759.

In September 2004, the City created a Public Improvement District (“PID”) as authorized under Chapter 372 of the Texas Local Government Code. This PID was created for the benefit of Heritage Residential Development to be known as Heritage Public Improvement District No. 1 (Residential) (the “Heritage PID”). This PID was created for the acquisition, construction, and development of public improvements to include roads, drainage and storm water control system, sanitary sewage collection system, water supply and distribution system, other improvements and costs associated with the development and financing of these improvements.

Utility Tax Services, Inc. collects the special assessment for the debt issued by the City secured by the special assessments levied on property within the Heritage PID and transfers money to Bank of New York Mellon who acts as the paying agent for the debt. The Heritage PID debt is a special obligation of the City payable solely from the special assessments pledged to the payment of the debt, and the City does not have any direct or contingent liability or moral obligation for the payment of this debt.

In March 2019, the City created a Public Improvement District (“PID”) as authorized under Chapter 372 of the Texas Local Government Code. This PID was created for the benefit of LakePointe Residential Development to be known as LakePointe Public Improvement District (the “LakePointe PID”). This PID was created for the acquisition, construction, and development of public improvements to include roads, drainage and storm water control system, sanitary sewage collection system, and other improvements and costs associated with the development and financing of these improvements.

Collin County collects the special assessment for the debt issued by the City secured by the special assessments levied on property within the LakePointe PID and transfers money Wilmington Trust who acts as the paying agent for the debt.

The LakePointe PID debt is a special obligation of the City payable solely from the special assessments pledged to the payment of the debt, and the City does not have any direct or contingent liability or moral obligation for the payment of this PID debt.

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TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT

2019/2020 Market Valuation Established by Collin County Appraisal District (excluding totally exempt property)		\$ 415,484,663
Less Exemptions/Reductions at 100% Market Value:		
Disabled Persons/Over 65 Years of Age and/or Surviving Spouse	3,974,000	
Disabled Veterans Exemptions	3,972,787	
Homestead Cap Adjustment	2,157,504	
Productivity Loss	15,581,019	
Homestead Exemptions	<u>5,119,757</u>	<u>30,805,067</u>
 2019/2020 Taxable Assessed Valuation		 \$ 384,679,596
Total Funded Debt Payable from Ad Valorem Taxes as of 3/1/2020		
General Obligation Debt ⁽¹⁾	\$ 13,000	
The Certificates ⁽²⁾	14,700,000	
The Bonds ⁽²⁾	<u>2,425,000</u>	
 General Obligation Debt Payable from Ad Valorem Taxes ⁽²⁾		 <u>\$ 17,138,000</u>
 Debt Service Fund as of 3/15/2020		 \$ 820,763
 Ratio Net General Obligation Debt to Taxable Assessed Valuation		 4.46%

2020 Estimated Population - 4,550
Per Capita Taxable Assessed Valuation - \$84,545
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$3,767

- (1) Excludes the Refunded Obligations. Preliminary, subject to change.
(2) Preliminary, subject to change.

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TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY

Category	Taxable Appraised Value for Fiscal Year Ended September 30:					
	2020		2019		2018	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 348,475,440	83.87%	\$ 300,254,249	82.64%	\$ 273,450,777	84.33%
Real, Residential Multi-Family	11,598,809	2.79%	9,288,356	2.56%	9,171,184	2.83%
Real, Vacant Lots/Tracts	4,580,132	1.10%	3,829,283	1.05%	4,149,590	1.28%
Real, Acreage (Land Only)	15,686,162	3.78%	15,181,439	4.18%	13,388,097	4.13%
Real, Farm and Ranch Improvements	14,180,515	3.41%	11,670,704	3.21%	9,086,901	2.80%
Real, Commercial and Industrial	13,788,811	3.32%	11,740,723	3.23%	9,622,457	2.97%
Real and Tangible Personal, Utilities	533,282	0.13%	447,288	0.12%	568,439	0.18%
Tangible Personal, Commercial	2,443,745	0.59%	2,040,180	0.56%	1,815,403	0.56%
Real Property, Inventory	4,164,758	1.00%	8,859,485	2.44%	2,978,367	0.92%
Special Inventory	33,009	0.01%	34,705	0.01%	25,163	0.01%
Total Appraised Value Before Exemptions	\$ 415,484,663	100.00%	\$ 363,346,412	100.00%	\$ 324,256,378	100.00%
Less: Total Exemptions/Reductions	<u>30,805,067</u>		<u>34,664,401</u>		<u>33,554,325</u>	
Taxable Assessed Value	<u>\$ 384,679,596</u>		<u>\$ 328,682,011</u>		<u>\$ 290,702,053</u>	

Category	Taxable Appraised Value for Fiscal Year Ended September 30:			
	2017		2016	
	Amount	% of Total	Amount	% of Total
Real, Residential Single Family	\$ 239,988,211	82.69%	\$ 200,105,811	79.69%
Real, Residential Multi-Family	8,806,221	3.03%	8,555,368	3.41%
Real, Vacant Lots/Tracts	4,125,314	1.42%	5,911,159	2.35%
Real, Acreage (Land Only)	13,869,720	4.78%	12,669,095	5.05%
Real, Farm and Ranch Improvements	8,225,081	2.83%	8,297,138	3.30%
Real, Commercial and Industrial	8,401,475	2.89%	8,299,916	3.31%
Real and Tangible Personal, Utilities	596,244	0.21%	619,256	0.25%
Tangible Personal, Commercial	1,640,012	0.57%	1,428,882	0.57%
Real Property, Inventory	4,537,758	1.56%	5,170,398	2.06%
Special Inventory	21,470	0.01%	32,690	0.01%
Total Appraised Value Before Exemptions	\$ 290,211,506	100.00%	\$ 251,089,713	100.00%
Less: Total Exemptions/Reductions	<u>32,527,175</u>		<u>27,349,310</u>	
Taxable Assessed Value	<u>\$ 257,684,331</u>		<u>\$ 223,740,403</u>	

NOTE: Valuations shown are certified taxable assessed values reported by the Collin Appraisal District (the "Appraisal District") to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

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TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY

Fiscal Year Ended 9/30	Estimated City Population ⁽¹⁾	Net		Tax Debt Outstanding at End of Year	Ratio Funded	
		Taxable Assessed Valuation Before Freeze ⁽²⁾	Taxable Assessed Valuation Per Capita		Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
2016	3,220	\$ 223,740,403	\$ 69,485	\$ 3,122,000	1.40%	\$ 970
2017	3,510	257,684,331	73,414	3,110,000	1.21%	886
2018	3,860	290,702,053	75,311	3,098,000	1.07%	803
2019	4,210	328,682,011	78,072	2,731,000	0.83%	649
2020	4,550	384,679,596	84,545	17,138,000 ⁽³⁾	4.46% ⁽³⁾	3,767 ⁽³⁾

(1) Source: City officials.

(2) As reported by the Appraisal District on the City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes the Obligations, excludes the Refunded Obligations. Preliminary, subject to change.

TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY

Fiscal Year Ended 9/30	Tax Rate	Distribution		Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Interest and Sinking Fund			
2016	\$0.4557	\$0.4557	\$ -	\$ 994,552	100.73%	100.94%
2017	0.4557	0.4253	0.0304	1,140,171	101.24%	101.70%
2018	0.4557	0.4327	0.0230	1,271,141	101.48%	102.40%
2019	0.4557	0.2217	0.2340	1,432,698	101.09%	101.97%
2020	0.4790	0.2794	0.1996	1,738,224	100.90% ⁽¹⁾	101.11% ⁽¹⁾

(1) Collections as of March 31, 2020.

TABLE 5 - TEN LARGEST TAXPAYERS

Name of Taxpayer	Nature of Property	2019/20 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
World Land Developers LP	Construction	\$ 2,559,342	0.67%
78 Commercial East LP	Commercial	2,445,197	0.64%
Boomfield Homes LP	Homebuilder	3,307,029	0.86%
78 Commercial West LP	Commercial	2,337,987	0.61%
Exint Inc	Financial Services	1,747,230	0.45%
Arpi Reit LLC	Real Estate	1,651,420	0.43%
American Homes 4 Rent Properties Eight LLC	Real Estate	1,418,716	0.37%
Pacesetter Homes LLC	Homebuilder	1,274,460	0.33%
Trotter Trust	Trust	1,191,707	0.31%
205-78 Ltd	Real Estate	1,829,615	0.48%
		<u>\$ 19,762,703</u>	<u>5.14%</u>

GENERAL OBLIGATION DEBT LIMITATION . . . No general obligation debt limitation is imposed on the City under current State law (however, see "THE OBLIGATIONS - Tax Rate Limitation").

TABLE 6 - TAX ADEQUACY⁽¹⁾

Total G.O. Principal and Interest Requirements, 2020	\$ 48,891
\$0.0128 Tax Rate at 100% Collection Produces	\$ 49,239
Average Annual Principal and Interest Requirements, 2020-2040	\$ 1,202,927
\$0.3128 Tax Rate at 100% Collection Produces	\$ 1,203,278
Maximum Principal and Interest Requirements, 2029	\$ 1,497,363
\$0.3893 Tax Rate at 100% Collection Produces	\$ 1,497,558

(1) Includes the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

TABLE 7 - ESTIMATED OVERLAPPING DEBT

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax debt ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2019/2020 Net Taxable Assessed Value	2019/2020 Tax Rate	Total Tax Debt 3/31/2020	Estimated % Applicable	City's Overlapping Funded Debt 3/31/2020	Authorized But Unissued Debt As of 3/31/2020
City of Lavon	\$ 384,679,596	\$0.4790	\$ 17,138,000 ⁽¹⁾	100.00%	\$ 17,138,000	\$ -
Collin County	149,632,276,578	0.1750	333,150,000	0.22%	732,930	639,345,000
Collin County CCD	152,697,476,042	0.0812	239,445,000	0.22%	526,779	350,000,000
Community ISD	968,606,416	1.5684	89,130,000	33.98%	<u>30,286,374</u>	35,775,000
Total Direct and Overlapping Total Tax Debt.....					\$ 48,684,083	
Ratio of Direct and Overlapping Total Tax Debt to Taxable Assessed Valuation.....					12.66%	
Per Capita Overlapping Total Tax Debt.....					\$ 10,700	

(1) Includes the Obligations. Excludes the Refunded Obligations. Preliminary, subject to change.

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DEBT INFORMATION

TABLE 8 - PRO-FORMA GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

Fiscal Year Ended 9/30	Outstanding Debt Service ⁽¹⁾		The Certificates ⁽²⁾		The Bonds ⁽³⁾		Total	Total G.O.		% of Principal Retired
	Principal	Interest	Principal	Interest	Principal	Interest		Debt Service		
2020	\$ 13,000	\$ 35,891	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,891		
2021	13,000	217	95,000	635,100	210,000	65,241	730,100	1,018,558		
2022	-	-	110,000	582,000	220,000	52,625	692,000	964,625		
2023	-	-	115,000	577,500	230,000	47,000	692,500	969,500		
2024	-	-	120,000	572,800	235,000	41,188	692,800	968,988		7.94%
2025	-	-	125,000	567,900	240,000	35,250	692,900	968,150		
2026	-	-	665,000	552,100	245,000	29,188	1,217,100	1,491,288		
2027	-	-	690,000	525,000	250,000	23,000	1,215,000	1,488,000		
2028	-	-	720,000	496,800	260,000	16,625	1,216,800	1,493,425		
2029	-	-	755,000	467,300	265,000	10,063	1,222,300	1,497,363		32.51%
2030	-	-	780,000	436,600	270,000	3,375	1,216,600	1,489,975		
2031	-	-	815,000	404,700	-	-	1,219,700	1,219,700		
2032	-	-	845,000	371,500	-	-	1,216,500	1,216,500		
2033	-	-	880,000	337,000	-	-	1,217,000	1,217,000		
2034	-	-	915,000	301,100	-	-	1,216,100	1,216,100		58.78%
2035	-	-	950,000	263,800	-	-	1,213,800	1,213,800		
2036	-	-	990,000	225,000	-	-	1,215,000	1,215,000		
2037	-	-	1,035,000	184,500	-	-	1,219,500	1,219,500		
2039	-	-	1,310,000	137,600	-	-	1,447,600	1,447,600		
2039	-	-	1,365,000	84,100	-	-	1,449,100	1,449,100		91.72%
2040	-	-	1,420,000	28,400	-	-	1,448,400	1,448,400		100.00%
	\$ 26,000	\$ 36,107	\$ 14,700,000	\$ 7,750,800	\$ 2,425,000	\$ 323,554	\$ 22,450,800	\$ 25,261,461		

(1) Outstanding G.O. Debt Service does not include lease/purchase obligations, notes payable or the Refunded Obligations. Preliminary, subject to change.

(2) Average life of the Certificates – 13.182 years. Interest on the Certificates has been calculated at an estimated rate for purposes of illustration. Preliminary, subject to change.

(3) Average life of the Bonds – 5.337 years. Interest on the Bonds has been calculated at an average rate for purposes of illustration. Preliminary, subject to change.

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TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION⁽¹⁾

Estimated Net General Obligation Debt Service Requirements, FYE 9/30/2020		\$ 48,891
Debt Service Fund Balance, FYE 9/30/2019	\$ 92,906	
Budgeted 2019/2020 Debt Service Fund Tax Levy	685,054	
Budgeted Transfers From Other Funds	<u>464,132</u>	<u>\$ 1,242,092</u>
Estimated Balance, 9/30/2020		\$ 1,193,201

(1) Excludes the Refunded Obligations. Preliminary, subject to change.

TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS

The City has no authorized, unissued general obligation bonds.

ANTICIPATED ISSUANCE OF ADDITIONAL GENERAL OBLIGATION DEBT. . . The City does not anticipate the issuance of additional general obligation debt within the next 12 months.

TABLE 11 - OTHER OBLIGATIONS

The City has capital leases outstanding. Debt service requirements are as follows:

<u>Year Ending Sept. 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 153,039	\$ 12,695	\$ 165,734
2021	158,706	10,985	169,691
2022	73,665	4,676	78,341
2023	44,498	1,673	46,171
	<u>\$ 429,908</u>	<u>\$ 30,029</u>	<u>\$ 459,937</u>

PENSION FUND . . . The City provides pension benefits for all of its eligible employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (“TMRS”). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (“TMRS Act”) as an agent multiple-employer retirement system for the municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’ defined benefit pension plan is a tax-qualified plan under Section 201(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (“CAFT”) that can be obtained at www.tmr.com.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by City Council, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee’s contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s deposits and interest.

Employees Covered by Benefit Terms:

At the December 31, 2018, the valuation and measurement date, the following employees were covered by the benefit terms:

Number of:	Plan Year	
	2018	2019
Inactive employees or beneficiaries currently receiving benefits	3	3
Inactive employees entitled to but not yet receiving benefits	18	18
Active employees	18	18
TOTAL	39	39

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City's matching percentages are either 100%, 150%, or 200%, both as adopted by the City Council. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 5.81% and 5.52% in calendar years 2018 and 2017. The City's contributions to TMRS for the year ended September 30, 2019 were \$54,558, and were equal to the required contribution.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.00% to 10.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with Blue Collar Adjustment male rates multiplied by 109% and female rates multiplied by 103%. Based on the size of the City, rates are multiplied by a factor of 96%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the TMRS Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The expected rate of return on pension plan investments is 6.75%; the municipal bond rate is 3.71% (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve). A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2018.

	Increase (Decrease)		
	Total	Plan	Net Pension
	Pension Liability (a)	Fiduciary Net Position (b)	Liability (a) - (b)
Balance at 12/31/2017	\$ 1,033,892	\$ 1,057,754	\$ (23,862)
Changes for the Year:			
Service Cost	107,824	-	107,824
Interest	73,837	-	73,837
Change of benefit terms	10,765	-	10,765
Difference between expected and actual experience	841	-	841
Changes of assumptions	-	-	-
Contributions - Employer	-	49,957	(49,957)
Contributions - Employee	-	44,445	(44,445)
Net investment income	-	(31,605)	31,605
Benefit payments, including refunds of employee	(9,362)	(9,362)	-
Administrative expense	-	(612)	612
Other changes	-	(33)	33
Net Changes	183,905	52,790	131,115
Balance at 12/31/2018	\$ 1,217,797	\$ 1,110,544	\$ 107,253

Discount Rate

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

1% Decrease	Current Single Rate Assumption	1% Increase
5.75%	6.75%	7.75%
\$ 291,908	\$ 107,253	\$ (43,108)

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Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the city recognized pension expense of \$50,457.

At September 30, 2019, the City reported deferred outflow of resources and deferred inflow of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 5,208	\$ 9,712
Changes in actuarial assumptions	1,124	-
Difference between projected and actual investment earnings	92,072	36,431
Contributions subsequent to the measurement date of 12/31/18	42,205	-
TOTAL	<u>\$ 140,609</u>	<u>\$ 46,143</u>

\$42,205 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year fiscal year. Other amounts reported as deferred outflow and inflow of resources related to pensions will be recognized in pension expense as follows:

Net deferred outflows (inflows) of resources:

December 31,	Amount
2019	\$ 18,292
2020	4,698
2021	8,666
2022	20,605
2023	-
Total	<u>\$ 52,261</u>

OTHER POST-EMPLOYMENT BENEFITS

Group-term Life Insurance

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by the TMRS known as the Supplemental Death Benefits Fund (“SDBF”). The City elected, by ordinance, to provide the group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1, of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; the coverage is an “other postemployment benefit”, or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Total OPEB Liability

The City of Lavon’s total OPEB liability of \$30,429 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

The Total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	3.50% to 10.50% including inflation
Discount Rate*	3.71%

* The discount rate was based on the Fidelity Index’s “20-Year Municipal GO AA index” rate as of December 31, 2018

Mortality rates – service retirees:

RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates – disabled retirees:

RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with a scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Membership	
Number of:	
-Inactive employees currently receiving benefits	2
-Inactive employees entitled to but not yet receiving benefits	4
-Active employees	<u>18</u>
Total	<u><u>24</u></u>

Changes in the Total OPEB Liability

Total OPEB Liability - beginning of year	\$ 29,681
Changes for the Year:	
Service Cost	2,933
Interest on total OPEB liability	1,030
Change of benefit terms	-
Difference between expected and actual experience	(498)
Changes in assumptions or other inputs	(2,628)
Benefit payments	<u>(89)</u>
Total OPEB Liability - end of year	<u><u>\$ 30,429</u></u>

The following presents the Total OPEB Liability of the City of Lavon, Texas, as well as what the City's Total OPEB Liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) and 1-percentage-point higher (4.31%) than the current discount rate.

	1% Decrease	Current	1% Increase
	2.71%	Discount	4.71%
		3.71%	
Total OPEB Liability	<u>\$ 37,709</u>	<u>\$ 30,429</u>	<u>\$ 24,897</u>

Deferred (Inflows)/Outflows of Resources:

	Deferred	Deferred
	Outflows of	Inflows of
	Resources	Resources
Differences between expected and actual economic experience	\$ -	\$ 422
Changes in assumptions and other inputs	1,929	2,227
Contributions subsequent to the measurement date	<u>1,040</u>	<u>-</u>
TOTAL	<u><u>\$ 2,969</u></u>	<u><u>\$ 2,649</u></u>

Amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

	Net Deferred Outflows (Inflows) of Resources
2019	\$ (53)
2020	(53)
2021	(53)
2022	(53)
2023	(244)
Thereafter	(264)
Total	\$ (720)

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FINANCIAL INFORMATION

TABLE 12 - CHANGES IN NET ASSETS – GOVERNMENTAL FUNDS

	Fiscal Year Ending September 30,				
	2019	2018	2017	2016	2015
Revenues					
Program Revenues					
Charges for Services	\$ 459,053	\$ 639,639	\$ 386,782	\$ 354,445	\$ 435,114
Operating Grants and Contributions	67,696	655	75	22,839	1,121
Capital Grants and Contributions	83,976	52,389	59,554	23,239	181,791
General Revenues					
Property Taxes	1,464,173	1,299,867	1,162,346	1,003,856	884,551
Other Taxes	496,091	476,580	320,181	296,358	257,900
Other	15,342	6,031	690	3,927	6,782
Total Revenues	\$ 2,586,331	\$ 2,475,161	\$ 1,929,628	\$ 1,704,664	\$ 1,767,259
Expenses					
General Government	\$ 998,474	\$ 770,019	\$ 770,486	\$ 527,557	\$ 445,676
Public Services	122,166	134,270	138,709	121,182	94,904
Public Safety	1,023,801	933,747	989,240	930,265	664,938
Public Works	402,497	411,528	252,750	292,181	373,855
Park and Recreation	3,975	1,729	-	1,307	199
Interest on long-term debt	-	11,255	12,111	11,632	14,412
Sewer and Garbage	-	-	-	-	-
Total Expenses	\$ 2,550,913	\$ 2,262,548	\$ 2,163,296	\$ 1,884,124	\$ 1,593,984
Increase in Net Assets Before Transfers and Capital Contributions	\$ 35,418	\$ 212,613	\$ (233,668)	\$ (179,460)	\$ 173,275
Transfers	337,814	232,729	297,295	250,042	257,015
Increase in Net Assets	\$ 373,232	\$ 445,342	\$ 63,627	\$ 70,582	\$ 430,290
Net Assets, Beginning	6,527,124	6,105,370	6,041,743	5,971,161 ⁽¹⁾	5,885,964
Prior Period Adjustment	-	(23,588)	-	-	63,645
Net Assets, Ending	\$ 6,900,356	\$ 6,527,124	\$ 6,105,370	\$ 6,041,743	\$ 6,379,899

1) Restated.

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TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURE HISTORY

Revenues	Fiscal Year Ended September 30,				
	2019	2018	2017	2016	2015
Ad Valorem Taxes	\$ 716,867	\$ 1,301,592	\$ 1,159,562	\$ 1,003,856	\$ 884,551
Sales Taxes	337,064	344,566	198,798	187,872	156,629
Other Taxes	159,027	132,014	121,383	108,486	101,271
Licenses and Permits	310,849	460,297	188,273	141,688	263,429
Fines and Fees	108,909	127,293	160,788	162,624	137,837
Charges for Service	29,994	41,920	30,933	30,348	27,317
Investment Income	15,339	5,894	522	1,089	1,660
Intergovernmental	135,410	37,779	57,891	22,225	180,753
Donations	15,127	14,120	75	22,839	1,121
Miscellaneous	-	137	167	2,837	5,122
Total Revenues	\$ 1,828,586	\$ 2,465,612	\$ 1,918,392	\$ 1,683,864	\$ 1,759,690
Expenditures					
Current Operating:					
General Government	\$ 897,591	\$ 754,299	\$ 767,676	\$ 492,098	\$ 442,201
Public Services	119,163	131,415	136,797	114,406	-
Public Safety	903,324	784,749	745,735	716,311	591,424
Public Works	264,751	310,490	250,121	292,181	259,174
Municipal Court	-	-	-	-	90,697
Parks and recreation	2,246	-	-	1,307	55
Debt Service:					
Principal retirement	145,527	125,078	107,893	118,401	94,176
Interest	13,772	11,748	12,111	11,632	14,412
Capital Outlays:					
General Government	15,500	-	-	5,000	-
Public Services	-	-	-	5,000	-
Public Safety	138,479	194,980	112,662	68,770	13,706
Public Works	130,215	238,764	119,103	5,000	21,773
Parks	7,400	-	57,000	-	318,520
Total Expenditures	\$ 2,637,968	\$ 2,551,523	\$ 2,309,098	\$ 1,830,106	\$ 1,846,138
Excess (Deficiency)	\$ (809,382)	\$ (85,911)	\$ (390,706)	\$ (146,242)	\$ (86,448)
Other Sources (Uses):					
Transfers	\$ 798,284 ⁽¹⁾	\$ 244,370	\$ 280,120	\$ 255,619	\$ 259,427
Sale of assets	4,824	1,275	21	12,038	25,000
Note proceeds	104,652	223,750	-	-	21,773
Total Other Sources (Uses)	\$ 907,760	\$ 469,395	\$ 379,766	\$ 267,657	\$ 306,200
Net Gain (Loss)	\$ 98,378	\$ 383,484	\$ (10,940)	\$ 121,415	\$ 219,752
Beginning Fund Balance	1,001,286 ⁽²⁾	617,732	628,672	507,257 ⁽²⁾	696,062
Adjustment	187,248 ⁽³⁾	-	-	-	-
Ending Fund Balance	\$ 1,286,912	\$ 1,001,216	\$ 617,732	\$ 628,672	\$ 915,814

1) Of the \$798,284 total, \$463,846 represents a reimbursement from the wastewater utility fund to the general fund for wastewater system debt obligations, and \$334,438 represents other reimbursements from the wastewater utility fund to the general fund for operational transactions occurring within the general fund on behalf of the wastewater utility fund.

2) Restated.

3) Represents prior period adjustment to establish a debt service fund outside of the general fund.

FINANCIAL POLICIES

Basis of Accounting . . . The City's accounting records of the governmental fund revenues and expenditures are recognized on the modified accrual basis. Revenues are recognized in the accounting period in which they are available and measurable. Expenditures are recognized in the accounting period in which the fund liability occurred, if measurable, except for unmatured interest on general long-term debt.

Proprietary Fund revenues and expenses are recognized on the full accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized in the accounting period in which they are incurred.

Fund Balances . . . It is the City's policy regarding the General Fund that working capital resources should be maintained at a minimum of 25% of the Fund's operating expenditure budget. The City maintains its various debt service funds in accordance with the covenants of the bond ordinances.

Use of Certificate Proceeds . . . The City's policy is to use Certificate proceeds for capital expenditures related to the purposes specified in the Ordinance and for no other purpose. Such revenues are never to be used to fund normal City operations.

Budgetary Procedures . . . The state law establishes the fiscal year as the twelve-month period beginning each October 1. Each year between May and July, the City Administrator, analyzes and then after review, submits a budget of estimated revenues and expenditures to the City Council. Subsequently, the City Council will hold work sessions to discuss and amend the budget to coincide with their direction of the City. Various public hearings may be held to comply with state and local statutes. The City Council will adopt a budget prior to September 30. If the Council fails to adopt a budget then the budget presented to the Council by the City Administrator becomes the adopted budget.

During the fiscal year, budgetary control is maintained by the monthly review of departmental appropriation balances. Actual operations are compared to the amounts set forth in the budget. Departmental appropriations that have not been expended lapse at the end of the fiscal year. Therefore, funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the ensuing fiscal year's budget.

INFECTIOUS DISEASE OUTLOOK (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the "President") declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for the State of Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with this disaster and issuing executive orders (which supersede any conflicting local orders) that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation, which, among other things, require Texans to minimize in-person contact with people who are not in the same household unless such people are involved in essential services or essential daily activities and closes schools to in-person classroom attendance by students through the 2019-2020 school year. Furthermore, the Governor has suspended various statutes of the Texas Open Meetings Act that require government officials and members of the public to be physically present at a specified meeting location. This temporary suspension will allow for telephonic or videoconference meetings of governmental bodies that are accessible to the public in an effort to reduce in-person meetings that assemble large groups of people. In addition, Collin County, within which the City is located, has issued "stay home" orders for most citizens except when engaged in specified essential businesses and government functions. Many of the federal, state and local actions and policies under the aforementioned disaster declarations are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas. Since April 27, 2020, the Governor has issued subsequent orders calling for the reopening of certain services as provided in such orders. Most recently, on May 18, 2020, the Governor issued Executive Order GA-23, which, among other things, supersedes the prior orders and calls for a wider reopening of covered services (as defined therein) throughout the State. Executive Order GA-23 remains in place until 11:59 p.m. on June 3, 2020 unless such order is otherwise extended, modified, rescinded, or superseded by the Governor. For the full text of the Governor's executive orders, please visit: <https://lrl.texas.gov/legLeaders/governors/displayDocs.cfm?govdoctypelD=5&governorID=45>.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries, including manufacturing.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the East Texas area and could reduce or negatively affect property values or homebuilding activity within the City. The Obligations are secured by an ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Obligations as well as the City's share of operations and maintenance expenses payable from ad valorem taxes.

The City continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of COVID-19 upon the City. While the potential impact of COVID-19 on the City cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the City's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the City's financial condition and the City can make no representation or give any assurance regarding the short or long-term impact that the outbreak of COVID-19 may have on the City or its finances. See "TAX INFORMATION" for the City's current fund balances.

INVESTMENTS

The City invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change.

LEGAL INVESTMENTS. . . Available City funds are invested as authorized by Texas law and in accordance with investment policies approved by the City Council. Both State law and the City's investment policies are subject to change. Under State law, the City is authorized to invest in (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Share Insurance Fund or its successor; (8) interest-bearing banking deposits other than those described by clause (7) if (A) the funds invested in the banking deposits are invested through: (i) a broker with a main office or branch office in this State that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Section 2256.025; or (ii) a depository institution with a main office or branch office in this State that the investing entity selects; (B) the broker or depository institution selected as described by (A) above arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account; (C) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and (D) the investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account: (i) the depository institution selected as described by (A) above; (ii) an entity described by Section 2257.041(d), Texas Government Code; or (iii) a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3); (9) certificates of deposit and share certificates (i) issued by a depository institution that has its main office or a branch office in the State of Texas, and are guaranteed or insured by the Federal Deposit Insurance Corporation or its successor or the National Credit Union Insurance Fund or its successor, or are secured as to principal by obligations described in the clauses (1) through (8) or in any other manner and amount provided by law for City deposits, or (ii) where (a) the funds are invested by the City through (I) a broker that has its main office or a branch office in the State and is selected from a list adopted by the City as required by law or (II) a depository institution that has its main office or a branch office in the State that is selected by the City; (b) the broker or the depository institution selected by the City arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the City; (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States, and (d) the City appoints the depository institution selected under (a) above, an entity as described by Section 2257.041(d) of the Texas Government Code, or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. Section 240.15c3-3) as custodian for the City with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are fully secured by a combination of cash and obligations described in clause (1) which are pledged to the City, held in the

City's name, and deposited at the time the investment is made with the City or with a third party selected and approved by the City and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (13) through (15) below, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the City, held in the City's name and deposited at the time the investment is made with the City or a third party designated by the City; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less, (12) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (13) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (14) a no-load money market mutual fund registered with and regulated by the Securities and Exchange Commission that provides the City with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940 and complies with federal Securities and Exchange Commission Rule 2a-7, and (15) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and have a duration of one year or more and are invested exclusively in obligations described in this paragraph or have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

The City may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAA-m or an equivalent by at least one nationally recognized rating service. The City may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the City retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the City must do so by order, ordinance, or resolution. The City is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES. . . Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended). All City funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each funds' investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, City investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." At least quarterly the investment officers of the City shall submit an investment report detailing: (1) the investment position of the City, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and fully accrued interest during the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) state law. No person may invest City funds without express written authority from the City Council.

ADDITIONAL PROVISIONS. . . Under State law, the City is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the City to disclose the relationship and file a statement with the Texas Ethics Commission and the City Council; (4) require the

qualified representative of firms offering to engage in an investment transaction with the City to: (a) receive and review the City’s investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the City and the business organization that are not authorized by the City’s investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the City’s entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the City and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the City’s investment policy; (6) provide specific investment training for the City’s designated Investment Officer; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the City’s monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the City.

TABLE 13 - CURRENT INVESTMENTS

As of March 31, 2020, the City’s funds were invested in the following categories:

Description	Market Value	% of Total
TexSTAR	\$ 2,380,428.05	62.63%
Bank Accounts	1,420,653.48	37.37%
	<u>\$ 3,801,081.53</u>	<u>100.00%</u>

TAX MATTERS

OPINION . . . On the date of initial delivery of the Obligations, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the City, will render its opinion for each issue of Obligations that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Obligations for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Obligations will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the City will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Obligations. See Appendix C -- Forms of Bond Counsel’s Opinions.

In rendering its opinions, Bond Counsel to the City will rely upon (a) the City’s federal tax certificate, and (b) covenants of the City with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Obligations and certain other matters. Failure of the City to comply with these representations or covenants could cause the interest on the Obligations to become includable in gross income retroactively to the date of issuance of the Obligations.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Obligations in order for interest on the Obligations to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Obligations to be included in gross income retroactively to the date of issuance of the Obligations. The opinion of Bond Counsel to the City is conditioned on compliance by the City with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the City has not been retained to monitor compliance with these requirements subsequent to the issuance of the Obligations.

Bond Counsel’s opinions represent its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Obligations.

A ruling was not sought from the Internal Revenue Service by the City with respect to the Obligations or the facilities financed or refinanced with the proceeds of the Obligations. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the City that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Obligations, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the City as the taxpayer and the holders of Obligations may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT . . . The initial public offering price to be paid for one or more maturities of the Obligations may be less than the principal amount thereof or one or more periods for the payment of interest on the Obligations may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Obligations”) . In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Obligation, and (ii) the initial offering price to the public of such Original Issue Discount Obligation would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Obligations less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Obligation in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Obligation equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Obligation prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Obligation in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Obligation was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Obligation is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Obligations and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Obligation for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Obligation.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Obligations which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Obligations should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Obligations and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Obligations.

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES . . . The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Obligations. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS. Under section 6012 of the Code, holders of tax-exempt obligations, such as the Obligations, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Obligations, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such Obligations; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES . . . Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Obligations under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

INFORMATION REPORTING AND BACKUP WITHHOLDING . . . Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Obligations will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

FUTURE AND PROPOSED LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Obligations under Federal or state law and could affect the market price or marketability of the Obligations. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Obligations should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

In the Ordinance, the City has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The City is required to observe the agreement for so long as it remains an "obligated person" with respect to the Obligations, within the meaning of the Securities and Exchange Commission's Rule 15c2-12 (the "Rule"). Under the agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be publicly available on the MSRB's Electronic Municipal Market Access System ("*EMMA*") at <http://emma.msrb.org/>.

ANNUAL REPORTS . . . The City will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes financial information and operating data with respect to the City of the general type included in this Official Statement in Tables 1 through 6, and 8 through 14 (the "Annual Financial Information"). The City will additionally provide financial statements of the City (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the City may be required to employ from time to time pursuant to State Law or regulation and shall be in substantially the form included in Appendix B and (ii) audited, if the City commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The City will update and provide the Annual Financial Information within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2020. The City may provide the Financial Statements earlier, including at the time it provides its Annual Financial Information, but if the audit of such financial Statements is not complete within 12 months after any such fiscal year end, then the City shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information (other than the audited Financial Statements as described in the preceding paragraph) by June 30 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify the MSRB of the change.

NOTICE OF CERTAIN EVENTS . . . The City will provide notice to the MSRB of any of the following events with respect to the Obligations, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of Bondholders; (3) Bond calls; (4) release, substitution, or sale of property securing repayment of the Obligations; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; (6) appointment of a successor or additional trustee or the change of name of a trustee; and (7) incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material.

The City will also provide notice to the MSRB of any of the following events with respect to the Obligations without regard to whether such event is considered material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the

Obligations, or other events affecting the tax status of the Obligations; (6) tender offers; (7) defeasances; (8) rating changes; (9) bankruptcy, insolvency, receivership or similar event of the City (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City); and (10) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b); provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. Additionally, the City intends the words used in (a) and (b) in the preceding sentence to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The City will provide notice of the aforementioned events to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event). The City will also provide timely notice of any failure by the City to provide annual financial information in accordance with their agreement described above under “Annual Reports.”

AVAILABILITY OF INFORMATION FROM MSRB . . . The City has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS . . . The City has agreed to update information and to provide notices of certain specified events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Obligations at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders and beneficial owners of the Obligations may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, if (1) the agreement, as amended would have permitted an underwriter to purchase or sell the Obligations in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances, and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of the order that authorizes such amendment) of the outstanding Obligations consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Obligations. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the primary offering of the Obligations. If the City amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under “Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in type of information and data provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . In the last five years, the City has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

OTHER INFORMATION

RATING . . . The City's debt obligations are not currently rated. An application has been made to S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("S&P") for contract ratings on the Obligations. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the respective views of such organization and the City makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating company, if in the judgment of the company, circumstances so warrant. Any such downward revision or withdrawal of such rating, may have an adverse effect on the market price of the Obligations.

LITIGATION . . . It is the opinion of the City Attorney and City Staff that there is no pending litigation against the City that would have a material adverse financial impact upon the City or its operations.

REGISTRATION AND QUALIFICATION OF OBLIGATIONS FOR SALE . . . The sale of the Obligations has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Obligations have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Obligations been qualified under the securities acts of any other jurisdiction. The City assumes no responsibility for qualification of the Obligations under the securities laws of any jurisdiction in which the Obligations may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Obligations shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION – Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the City has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states. No representation is made that the Obligations will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes.

The City has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Obligations for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Obligations for such purposes.

LEGAL MATTERS . . . The City will furnish complete transcripts of proceedings had incident to the authorization and issuance of the Obligations, including the unqualified approving legal opinions of the Attorney General of Texas approving the Initial Bond and Initial Certificate, respectively and to the effect that the Obligations are valid and legally binding obligations of the City, and based upon examination of such transcripts of proceedings, the approving legal opinions of Bond Counsel, to like effect and to the effect that the interest on the Obligations will be excludable from gross income for federal income tax purposes under Section 103(a) of the Code, subject to the matters described under "Tax Matters" herein. Though it may represent the Financial Advisor and the Underwriters from time to time in matters unrelated to the issuance of the Obligations, Bond Counsel has been engaged by and only represents the City in connection with the issuance of the Obligations. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information under the captions "PLAN OF FINANCING" (exclusive of the subcaption "Sources and Uses of Proceeds"), "THE OBLIGATIONS" (exclusive of the subcaptions "TAX RATE LIMITATION" "Book-Entry-Only System," and "Remedies"), "TAX MATTERS" and "CONTINUING DISCLOSURE" (exclusive of the subcaption "Compliance with Prior Undertakings") and the subcaptions "Registration and Qualification of Obligations for Sale," "Legal Matters" (exclusive of the last two sentences of the first paragraph thereunder thereof) and "Legal Investments and Eligibility to Secure Public Funds in Texas" under the caption "OTHER INFORMATION" in the Official Statement and such firm is of the opinion that the information relating to the Obligations and the legal issues contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the respective Ordinances. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Obligations is contingent on the sale and delivery of the Obligations. The legal opinions will accompany the Obligations deposited with DTC or will be printed on the Obligations in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, Winstead PC, San Antonio, Texas. The legal fee of such firm is contingent upon the sale and delivery of the Obligations.

The legal opinions to be delivered concurrently with the delivery of the Obligations express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

FINANCIAL ADVISOR . . . Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Obligations. The Financial Advisor's fee for services rendered with respect to the sale of the Obligations is contingent upon the issuance and delivery of the Obligations. The Financial Advisor has agreed, in its Financial Advisory contract, not to bid for the Obligations, either independently or as a member of a syndicate organized to submit a bid for the Obligations. Hilltop Securities Inc., in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Obligations, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the City has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION . . . The financial data and other information contained herein have been obtained from City records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and ordinances contained in this Official Statement are made subject to all of the provisions of such statutes, documents and ordinances. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

UNDERWRITING . . . The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City, at a price equal to the initial offering prices to the public shown on page 2 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased.

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the City, at a price equal to the initial offering prices to the public shown on page 4 of this Official Statement, less an underwriting discount of \$ _____. The Underwriters will be obligated to purchase all of the Certificates if any Certificates are purchased.

The Obligations to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Obligations into investment trusts) at prices lower than the public offering prices of such Obligations, and such public offering prices may be changed, from time to time, by the Underwriter.

FORWARD-LOOKING STATEMENTS DISCLAIMER . . . The statements contained in this Official Statement, and in any other information provided by the City, that are not purely historical, are forward-looking statements, including statements regarding the City's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the City on the date hereof, and the City assumes no obligation to update any such forward-looking statements. The City's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the City. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

MISCELLANEOUS . . . The financial data and other information contained herein have been obtained from the City's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

The Ordinances will approve the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorize its further use in the reoffering of the Obligations by the Underwriters.

Mayor
City of Lavon, Texas

ATTEST:

City Secretary
City of Lavon, Texas

SCHEDULE OF REFUNDED OBLIGATIONS*

TAX NOTES, SERIES 2018

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rate</u>	<u>Principal Amount Outstanding</u>	<u>Principal Amount Refunded</u>	<u>Redemption Date</u>
5/1/2018	8/15/2020	2.360%	\$ 380,000	\$ 380,000	7/7/2020
	8/15/2021	2.448%	440,000	440,000	7/7/2020
	8/15/2022	2.565%	450,000	450,000	7/7/2020
	8/15/2023	2.646%	465,000	465,000	7/7/2020
	8/15/2024	2.730%	475,000	475,000	7/7/2020
	8/15/2025	2.814%	495,000	495,000	7/7/2020
			<u>\$ 2,705,000</u>	<u>\$ 2,705,000</u>	

* Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY

THE CITY

LOCATION AND POPULATION . . . The City of Lavon is located in southeastern Collin County approximately 6 miles north of Rockwall and 35 miles northeast of Dallas off of Highway 205 and Highway 78. The City was established in 1972. The 2020 population is presently estimated to be 4,210. The City covers approximately 3.03 square miles square miles.

EDUCATION

Primary and Secondary education is provided by Community Independent School District. The following list illustrates the major colleges and universities located within a 60-mile radius of the City.

Austin College	Sherman, Texas
Collin College System	McKinney, Texas
Texas A&M University – Commerce	Commerce, Texas
Grayson County Community College	Sherman, Texas
Southern Methodist University	Dallas, Texas
Texas Christian University	Fort Worth, Texas
Texas Woman's University	Denton, Texas
University of Dallas	Dallas, Texas
University of North Texas	Denton, Texas
University of Texas at Arlington	Arlington, Texas
University of Texas at Dallas	Dallas, Texas

COLLIN COUNTY

Industry and Business

Some of the County's largest employers are listed below. Most of these employers are within 25 miles of the City, and many residents of Lavon commute to jobs in Plano, Richardson and other northern suburbs in the DFW Metroplex.

<u>Company</u>	<u>Number of Employees</u>
JC Penney	203
Whole Foods	168
Macy's	135
Dillard's	112
iPic	112
Heritage Ranch	81
Glorias	75
Town of Fairview	67
Old Navy	43
Wild Salsa	27

HISTORICAL EMPLOYMENT DATA

Collin County					
Average Annual					
	2019	2018	2017	2016	2015
Civilian Labor Force	563,678	551,491	532,152	512,827	488,708
Total Employed	546,320	533,254	513,771	494,723	470,996
Total Unemployed	17,358	18,237	18,381	18,104	17,712
Unemployment Rate	3.1%	3.3%	3.5%	3.5%	3.6%

State of Texas					
Average Annual					
	2019	2018	2017	2016	2015
Civilian Labor Force	14,045,312	13,816,690	13,574,795	13,335,578	13,087,237
Total Employed	13,551,791	13,285,118	12,989,682	12,720,226	12,505,617
Total Unemployed	493,521	531,572	585,113	615,352	581,620
Unemployment Rate	3.5%	3.8%	4.3%	4.6%	4.4%

Source: Texas Workforce Commission, Austin, Texas.

MAJOR BUSINESSES

<u>Major Businesses</u>	<u>Type of Business</u>	<u>Number of Employees</u>
CoServ	Utility	500
North Central Texas College	Education	340
Lake Dallas ISD	Education	210
Denton ISD	Education	173
City of Corinth	Municipality	160
Bill Utter Ford	Auto Dealership	150
DATCU	Banking	116
Oakmonth Country Club	Country Club	108
Albertsons	Grocery	100
Gunn Nissan	Auto Dealership	76

APPENDIX B

EXCERPTS FROM THE
CITY OF LAVON, TEXAS
ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2019

The information contained in this Appendix consists of excerpts from the City of Lavon, Texas Annual Financial Report for the Fiscal Year Ended September 30, 2019, and is not intended to be a complete statement of the City's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORMS OF BOND COUNSEL'S OPINIONS



CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 7 – B

Item:

Discussion and action regarding Ordinance No. **2020-06-02** considering all matters incident and related to the issuance, sale and delivery of "City of Lavon, Texas General Obligation Refunding Bonds, Series 2020," to refund outstanding obligations issued for various public improvements and to pay costs of issuance; levying an annual ad valorem tax and providing for the security for and payment of said Bonds; providing an effective date; and enacting other provisions relating to the subject.

Background:

Municipalities typically use advance refunding to lower borrowing costs and to take advantage of lower interest rates. Advance refunding may also refer to a bond issuance in which new bonds sell at a lower rate than the outstanding ones. The City's financial advisor analyzed the city's position and current market conditions and determined a refunding was beneficial to the City. By combining the refunding with the actions detailed in the preceding item, the City is able to conserve resources in terms of issuance-related costs.

Staff Notes:

The City's bond counsel has reviewed the issuance details, related documents and prepared the ordinance. Approval is recommended.

Attachments: 1. Proposed Ordinance

**CITY OF LAVON, TEXAS
ORDINANCE NO. 2020-06-02**

ORDINANCE CONSIDERING ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE AND DELIVERY OF "CITY OF LAVON, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020," TO REFUND OUTSTANDING OBLIGATIONS ISSUED FOR VARIOUS PUBLIC IMPROVEMENTS AND TO PAY COSTS OF ISSUANCE; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; APPROVING THE OFFICIAL STATEMENT; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

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

WHEREAS, certain previously issued and outstanding obligations of the City of Lavon, Texas (the "Issuer") described in Schedule I attached hereto and incorporated herein (collectively, the "Refunded Obligations") are intended to be and shall be refunded pursuant to this Ordinance;

WHEREAS, Chapter 1207, Texas Government Code, authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, together with any other available funds or resources, directly with a paying agent for the Refunded Obligations or a trust company or commercial bank that does not act as a depository for the Issuer and is named in these proceedings, and such deposit, if made before the payment dates of the Refunded Obligations, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations;

WHEREAS, Chapter 1207, Texas Government Code, further authorizes the Issuer to enter into an escrow or similar agreement with such paying agent for the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent or trust company or commercial bank may agree;

WHEREAS, the City Council hereby finds and declares a public purpose and it is in the best interests of the Issuer to refund the Refunded Obligations in order to achieve a debt service savings and to restructure the Issuer's outstanding debt service, and that such refunding will result in a present value debt service savings of approximately [\$ _____] and an actual debt service savings of [\$ _____] to the Issuer;

WHEREAS, all the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the Bonds hereinafter authorized;

WHEREAS, the Bonds hereinafter authorized to be issued and are to be issued, sold and delivered pursuant to the general laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended; 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 Texas Government Code Chapter 551; Now, Therefore

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Bonds of the City of Lavon, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of [\$2,175,000] for the public purposes of refunding certain outstanding obligations of the Issuer (described in the preamble hereto) and to pay the costs incurred in connection with the issuance of the Bonds.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF BONDS. Each bond issued pursuant to this Ordinance shall be designated: "CITY OF LAVON, TEXAS, GENERAL OBLIGATION REFUNDING BOND, SERIES 2020," and initially there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated the date of delivery, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1 (the "Initial Bond"), with bonds issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the Initial Bond being made payable to the Underwriters as described in Section 10 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"), and said Bonds shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF BOND set forth in Section 4 of this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2021	325,000		2024	460,000	
2022	415,000		2025	480,000	
2023	435,000		2026	60,000	

The term "Bonds" as used in this Ordinance shall mean and include collectively the bond initially issued and delivered pursuant to this Ordinance and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 3. CHARACTERISTICS OF THE BONDS.

(a) Appointment of Paying Agent/Registrar. The Issuer hereby appoints U.S. Bank National Association, Dallas, Texas, to serve as paying agent and registrar for the Bonds (the "Paying Agent/Registrar"). The Mayor or City Administrator is authorized and directed to execute and deliver in the name on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting.

(b) Registration, Transfer, Conversion and Exchange. The Issuer shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the

address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Ordinance. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(c) Authentication. Except as provided in subsection (i) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General of the State of Texas, and registered by the Comptroller of Public Accounts of the State of Texas.

(d) Payment of Principal and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books,

shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(g) Substitute Paying Agent/Registrar. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof and the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsections (i) and (j) of this Section, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the Issuer is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Bonds. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Bonds Registered in the Name of Cede & Co. With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Upon delivery by DTC to the Paying Agent/Registrar of

written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representations to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

(l) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations to DTC.

(m) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Ordinance. The Bonds initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Bond, in the FORM OF BOND set forth in this Ordinance.

(n) Cancellation of Initial Bond. On the closing date, the Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the purchaser designated in Section 10 or its designee, executed by manual or facsimile signature of the Mayor or Mayor Pro Tem and City Secretary of the Issuer, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, and with the date of delivery inserted thereon by the Paying Agent/Registrar, will be delivered to such purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 4. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Comptroller's Registration Certificate to be attached to the Bonds initially issued and delivered pursuant to this Ordinance, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Ordinance.

(a) Form of Bond.

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS CITY OF LAVON, TEXAS GENERAL OBLIGATION REFUNDING BOND SERIES 2020	PRINCIPAL AMOUNT \$ _____
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Interest Rate	Delivery Date	Maturity Date	CUSIP No.
		February 15, ____	

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, the City of Lavon, Texas in Collin County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date specified above at the Interest Rate per annum specified above. Interest is payable on February 15, 2021 and semiannually on each August 15 and February 15 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Bond (the "Bond Ordinance") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered

Owner hereof, at its address as it appeared on the last business day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and accrued interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated June 1, 2020, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of [\$2,175,000] for the public purposes of refunding certain outstanding obligations of the Issuer and to pay the costs incurred in connection with the issuance of the Bonds.

THIS BOND IS NOT SUBJECT TO REDEMPTION at the option of the Issuer.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Ordinance, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Ordinance. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to

evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer.

In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Bond Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed and been done in accordance with law; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law.

THE ISSUER HAS RESERVED THE RIGHT to amend the Bond Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Bond Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Bond Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the Mayor of the Issuer (or in the Mayor's absence, of the Mayor Pro Tem) and countersigned with the manual or facsimile signature of the City Secretary of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
City Secretary

(signature)
Mayor

(SEAL)

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an executed Comptroller's Registration Certificate)

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or

in exchange for, a Bond, Bonds, or a portion of a Bond or Bonds of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

U.S. BANK NATIONAL ASSOCIATION
Dallas, Texas,
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

_____ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) [Form of Comptroller's Registration Certificate]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Bond Insertions]

(i) The Initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Bond, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"THE CITY OF LAVON, TEXAS, in Collin County, Texas (the "Issuer"), being a political subdivision and municipal corporation of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Years	Principal Installments (\$)	Interest Rates (%)
(Information from Section 2 to be inserted)		

(Information from Section 2 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Delivery Date at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2021, and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above; or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond shall be numbered "T-1."

Section 5. INTEREST AND SINKING FUND.

(a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the Issuer as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of said Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said Issuer, and shall be used only for paying the interest on and principal of said Bonds. All amounts received from the sale of the Bonds as accrued interest shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds are outstanding and unpaid, the governing body of said Issuer shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on said Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures or is scheduled for redemption (but never less than 2% of the original amount of said Bonds as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said Issuer, for each year while any of said Bonds are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds, as such interest comes due and such principal matures or is scheduled for redemption, are hereby pledged for such payment, within the limit prescribed by law. If lawfully available moneys of the Issuer are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have been required to be levied pursuant to this Section may be reduced to the extent and by the amount of the lawfully available funds then on deposit in the Interest and Sinking Fund.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the Registered Owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 6. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged

as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in Subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 7. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the Registered Owner applying for a replacement bond certificate shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Bond, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Bonds duly issued under this Ordinance.

(e) Authority for Issuing Replacement Bonds. In accordance with Section 1206.022, Texas Government Code, this Section 7 of this Ordinance shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 3(a) of this Ordinance for Bonds issued in conversion and exchange for other Bonds.

Section 8. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor of the Issuer is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining to the Initial Bond pending its delivery and its investigation, examination, and approval by the Attorney General of the State of Texas, and its registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Initial Bond said Comptroller of Public Accounts of the State of Texas (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Bond. The approving legal opinion of the Issuer's Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

(b) The obligation of the Underwriters to accept delivery of the Bonds is subject to the Underwriters being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the Underwriters. The engagement of such firm as bond counsel to the Issuer in connection with the issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the Mayor or Mayor Pro Tem, and the Mayor or Mayor Pro Tem is hereby authorized to execute such engagement letter.

Section 9. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith (the "Projects") are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the Projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with B

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the Bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(9), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of the Bonds, transferred proceeds (if any) and proceeds of the Refunded Obligations expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the United States Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the Mayor or Mayor Pro Tem to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Disposition of Projects. The Issuer covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 10. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES.

(a) The Initial Bond is hereby sold and shall be delivered to Stifel, Nicolaus & Company, Inc., and SAMCO Capital Markets, Inc. (the "Underwriters") for the purchase price of [\$ _____, representing an aggregate par amount of the Bonds of \$ _____, plus a net reoffering premium of \$ _____, and less an Underwriters' discount on the Bonds of \$ _____], and no accrued interest, pursuant to the terms and provisions of a Purchase Agreement, which the Mayor is hereby authorized to execute and deliver. It is officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Initial Bond shall be registered in the name of Stifel, Nicolaus & Company, Inc. or its designee.

(b) The Issuer hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated May 27, 2020 prior to the date hereof is hereby ratified and confirmed.

(c) The Mayor and Mayor Pro Tem, the City Manager, City Administrator and City Secretary and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other certificates and instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the Bonds, the sale of the Bonds, any Purchase Agreement and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 11. DEFAULT AND REMEDIES

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the registered owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or

thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Bond authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

Section 12. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in a designated electronic format as prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. The Issuer will additionally provide financial statements of the Issuer ("Financial Statements"), that will be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and shall be in substantially the form included in the final

Official Statement, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2020. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not completed within 12 months after any such fiscal year end, then the Issuer shall provide unaudited Financial Statements within such 12-month period, and audited Financial Statements for the applicable fiscal year to the MSRB, when and if the audit report on such Financial Statements becomes available. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;
2. Modifications to rights of Bondholders;
3. Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
6. Appointment of a successor or additional trustee or the change of name of a trustee; and
7. Incurrence of a Financial Obligation of the Issuer or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Bonds, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701BTEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
6. Tender offers;
7. Defeasances;
8. Rating changes;
9. Bankruptcy, insolvency, receivership or similar event of the Issuer, which shall occur as described below; and
10. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, any event described in clause (9) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide annual financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes the Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY

RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Registered Owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

Section 13. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount a majority of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of all of the holders in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall

permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment;
or
- (5) Change the minimum percentage of the principal amount of any series of Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Ordinance under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Bonds a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment, and shall state that a copy thereof is on file at the office of the Issuer for inspection by all holders of such Bonds.

(d) Whenever at any time within one year from the date of the mailing of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this Section, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the mailing of the notice as provided for in this Section, and shall be conclusive and binding upon all future holders of the same Bond during such period.

Such consent may be revoked at any time after six months from the date of the mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of a majority in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Bonds, the Issuer shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 14. APPROVAL OF DEPOSIT AGREEMENT AND TRANSFER OF FUNDS. The Mayor or the City Manager of the Issuer is hereby authorized and directed to execute and deliver a deposit agreement with Broadway National Bank, San Antonio, Texas, or such other agreement determined to be necessary or desirable in redeeming the Refunded Obligations. In addition, the Mayor or other officer of the Issuer may authorize such contributions, as may be necessary for purposes of making banking arrangements for the discharge and redemption of the Refunded Obligations.

Section 15. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) The Issuer hereby directs that the Refunded Obligations be called for redemption on the date and as set forth on Schedule I. Each of such Refunded Obligations shall be redeemed at the redemption price of par plus accrued interest. The Mayor or City Secretary of the Issuer is hereby authorized and directed to issue or cause to be issued the Notice of Redemption of the Refunded Obligations in the forms set forth in Exhibit B attached hereto to the paying agent/registrar for the Refunded Obligations.

(b) In addition, the paying agent/registrar for the Refunded Obligations is hereby directed to provide the Registered Owners with appropriate notices of redemption and defeasance as specified by the ordinances authorizing the issuance of such Refunded Obligations and is hereby directed to make appropriate arrangements so that such Refunded Obligations may be redeemed on their redemption dates. The Refunded Obligations shall be presented for redemption at the paying agent/registrar therefore, and shall not bear interest after the date fixed for redemption.

(c) The source of funds for payment of the principal of and interest on the Refunded Obligations on their redemption date shall be from the proceeds of the Bond and funds contributed by the Issuer.

Section 16. APPLICATION OF PREMIUM. The Bonds are being sold with a premium equal to \$_____, of which \$_____ shall be used to pay the redemption price of the Refunded Obligations and \$_____ shall be used to pay costs of issuance and the underwriter discount.

Section 17. APPROPRIATION. To pay the debt service coming due on the Bonds, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 18. SEVERABILITY. If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

Section 19. EFFECTIVE DATE. In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

(Execution Page Follows)

PASSED, APPROVED AND EFFECTIVE this June 2, 2020.

Vicki Sanson, Mayor

ATTEST:

Kim Dobbs, City Administrator

[CITY SEAL]

SCHEDULE I

SCHEDULE OF REFUNDED OBLIGATIONS

Description	Maturity Date	Principal Amount Outstanding	Principal Amount Refunded
Tax Notes, Series 2018	8/15/2020	\$380,000	\$380,000
	8/15/2021	440,000	440,000
	8/15/2022	450,000	450,000
	8/15/2023	465,000	465,000
	8/15/2024	475,000	475,000
	2/15/2025	495,000	495,000
	Total	<u>\$2,705,000</u>	<u>\$2,705,000</u>

Called for redemption on July 3, 2020, at par plus accrued interest.

EXHIBIT A

Annual Financial Statements and Operating Data

The following information is referred to in Section 12(b) of this Ordinance:

The financial information and operating data with respect to the Issuer to be provided annually in accordance with such Section are as specified (and included in the Appendix of the Official Statement referred to) below:

1. Tables 1 through 6, and 8 through 13 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements in Appendix B to the Official Statement.

EXHIBIT B

NOTICE OF REDEMPTION

NOTICE IS HEREBY GIVEN that the City of Lavon, Texas, has called for redemption the outstanding Notes of the City described as follows (the "Refunded Obligations"):

City of Lavon, Texas Tax Notes, Series 2018, dated May 1, 2018, aggregating \$2,705,000 maturing on the dates and in the amounts as follows:

Maturity Date	Principal Amount Outstanding (\$)	Principal Amount Refunded (\$)
August 15, 2020	380,000	380,000
August 15, 2021	440,000	440,000
August 15, 2022	450,000	450,000
August 15, 2023	465,000	465,000
August 15, 2024	475,000	475,000
February 15, 2025	495,000	495,000

Call date: July 3, 2020; redeemable at a redemption price of par plus accrued interest at the principal corporate offices of Broadway National Bank, only upon presentation by the owner thereof.

If moneys sufficient for the payment of such redemption price are held by or on behalf of the paying agent, the described Refunded Obligations shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, payors making certain payments due on debt securities may be obligated to deduct and withhold 30 percent of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of the withholding of tax, such payees should submit a taxpayer identification number when surrendering the Refunded Obligations for redemption.

NOTICE IS FURTHER GIVEN that all Refunded Obligations should be submitted to one of the following addresses:

First Class/Registered/ Certified Mail	Express Delivery/Air Courier
Broadway National Bank	Broadway National Bank

Dated: _____, 20__

By: Broadway National Bank



CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 7 - C

Item:

Discussion and action regarding the second and final reading of Resolution No. 2020-05-09 authorizing the Lavon Economic Development Corporation to expend funds for projects Shop Lavon and Building Improvement/Loan Grant Program, such projects not to exceed \$30,000.00 respectively; and providing an effective date.

Background:

On May 11, 2020, the Board of Directors of the Lavon Economic Development Corporation (LEDC) voted unanimously to proceed with the development of two projects: 1) Shop Lavon - \$20 Coupon and 2) Business Improvement Loan/Grant Program, both projects to assist in the promotion of new and expanded business development in Lavon. The projects provide timely stimulus benefits to residents and local businesses in response to the economic effects of COVID-19 pandemic.

The Local Government Code provides that a Type B economic development corporation may undertake a project with the City Council's approval.

Code Excerpt:

TEXAS LOCAL GOVERNMENT CODE

Sec. 505.158. PROJECTS RELATED TO BUSINESS DEVELOPMENT IN CERTAIN SMALL MUNICIPALITIES.

(a) For a Type B corporation authorized to be created by a municipality with a population of 20,000 or less, "project" also includes the land, buildings, equipment, facilities, expenditures, targeted infrastructure, and improvements found by the corporation's board of directors to promote new or expanded business development.

(b) A Type B corporation may not undertake a project authorized by this section that requires an expenditure of more than \$10,000 until the governing body of the corporation's authorizing municipality adopts a resolution authorizing the project after giving the resolution at least two separate readings.

The LEDC conducted public hearings on May 27, 2020 for each project. After the hearings, the LEDC Board voted to proceed swiftly with the Shop Lavon Coupon Promotion pending City Council approval of the Resolution.

On May 19, 2020, the City Council approved the first reading of the resolution. This item provides for the second and final reading of the resolution.

Financial Implications:

The LEDC has identified appropriate funding resources.

Staff Notes:

Approval is recommended.

Attachments: 1) Proposed Resolution
2) Projects Information

CITY OF LAVON, TEXAS
RESOLUTION NO. 2020-05-09

LEDC – Shop Lavon and Building Improvement/Loan Grant Programs

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAVON, TEXAS AUTHORIZING THE LAVON ECONOMIC DEVELOPMENT CORPORATION TO EXPEND FUNDS FOR PROJECTS SHOP LAVON AND BUILDING IMPROVEMENT/LOAN GRANT PROGRAM, SUCH PROJECTS NOT TO EXCEED \$30,000.00 RESPECTIVELY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on May 11, 2020, the Board of Directors of the Lavon Economic Development Corporation (LEDC) voted unanimously to proceed with the development of two projects: 1) Shop Lavon - \$20 Coupon and 2) Business Improvement Loan/Grant Program, both projects to assist in the promotion of new and expanded business development in Lavon; and

WHEREAS, the consensus of LEDC was to amend the budget as needed to provide for the projects; and

WHEREAS, the Texas Local Government Code, Section 505.158 establishes the authority for the LEDC to undertake certain projects with the City Council of the City of Lavon's approval.

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

SECTION 1. That the City Council of the City of Lavon does hereby authorize the Lavon Economic Development Corporation to expend funds for the projects Shop Lavon and Building Improvement/Loan Grant Program, such projects not to exceed \$30,000.00 respectively.

SECTION 2. That this resolution shall take effect from and after the date of the second reading.

FIRST READING: 05-19-2020

SECOND READING: _____

DULY PASSED AND APPROVED by the City Council of the City of Lavon, Texas on the _____ day of _____ 2020.

Vicki Sanson
Mayor

ATTEST:

Kim Dobbs
City Administrator/City Secretary



“We Cultivate Investment and Growth”

The Strategic Plan of the LEDC includes Goal #1- Attract New Private Sector Commercial Development, Expanding the Property and Sales Tax Base for Lavon by 4%. A strategy under this goal was to “Encourage the continued development of property through developing incentives, voluntary annexation and extension of utilities.”

Projects of the LEDC, a Type B Corporation, are required, by Texas Local Government Code, to be considered as a project after a public hearing and public advertisement of the project. The LEDC has held the public hearing on May 25, 2020 for both proposed projects. There were no public comments rendered at the public hearings. The attached advertisement, for both proposed projects, was published in the Wylie News on May 20, 2020. Additionally, for projects over \$10,000, City Council must approve the project and expenditure of the project by resolution, after giving the resolution at least two separate readings. The first reading of the resolution was held at the May 19, 2020 City Council Meeting.

City Staff recommended to the LEDC consideration of a retail promotion in response and in relief of the COVID-19 pandemic. The LEDC has agreed to provide the funding for a Connect Lavon/Shop Lavon \$20 coupon to shop at local participating businesses. Twenty Lavon businesses have agreed to participate in the coupon project. The draft coupon is included, design details are still being completed. One coupon would be mail to each household in Lavon. There are approximately 1,400 households in Lavon. With design, printing, mailing and reimbursing businesses receiving the coupon, it is estimated that the cost of this project will be \$30,000. Incentive funds of the LEDC account will be used for this project if approved by City Council.

The additional Covid-19 pandemic relief effort is a business and façade improvement project. Upon Board approval of an application, a local Lavon business owner or retail building owner may receive up to \$9,500 for a loan to improve the building, improve the façade or prepared buildout of the interior of a building for a retail store. There is an application process developed as part of the project. A legally prepared loan document would be prepared for the approved loan project. If the project of improvements is completed within 12 months the loan becomes a grant. If the improvements are not completed the monthly loan payments begin on the 13th month at 3% simple interest. Not all applications would be for the maximum loan amount. Each loan approved would be for 50% of a proposed project cost. The minimum loan amount would be \$2,500. The LEDC agreed to budget for this year \$30,000 for this project. Description of this project is attached.

The existing LEDC budget has \$20,000 in the incentive line item. The LEDC would like to amend the budget to include an additional \$40,000 into the incentive line item from account reserves in the TEXSTAR account to pay for these two projects.

Both projects would have a positive impact supporting existing retailers in Lavon and helping to meet the Goal noted above.

classifieds

972-442-5515 classifieds@csmedias.com

Employment

HELP WANTED

Need maintenance person for park area at Collin Park on Lake Lavon. Duties include general maintenance, repairs, trash pick up and mowing. Must work weekends, \$12 per hour. Apply in person at 2200 St. Paul Road in Wylie, Call 972-442-5755.

Lawn Care

S & S Lawn Service
Affordable & reliable
All phases of lawn maintenance
Handyman Services
214-794-1804
Now accepting
MasterCard, Visa
and Discover

Pet Care

Jazzy Pet Dog & Cat Boarding & Grooming
Call today for your appointment.
972-442-7396.

Legal Notice

NORTH TEXAS MUNICIPAL WATER DISTRICT

INVITATION FOR BIDS

The North Texas Municipal Water District is soliciting proposals for the construction of the following project:

Meter Vault Standardization Project - Set Point Control Implementation Phase III, Project 101-0338C-13

Proposals must be delivered to Office of the Executive Director at 505 Brown Street, Wylie, Texas 75098 no later than 2:00 pm on Tuesday, May 26, 2020 to be accepted. The proposals will be publicly opened and read aloud at this time and

place. Bids received after this time will be returned unopened. Address proposals to: President and Board of Directors of the North Texas Municipal Water District. Contract Documents may be examined at the offices of Fruesc & Nichols, Inc. at the following address:

Fruesc & Nichols, Inc.
Attention: Mike Hagen, P.E.
2711 N. Haskell Ave., Suite 3300
Dallas, TX 75204
Phone: 214-217-2281
E-mail: mike.hagen@fruesc.com

Contract Documents may be downloaded or viewed free of charge from CivCast at www.civcastusa.com on Monday, May 4, 2020. It is the responsibility of the Contractor to download a complete set of documents as defined in the Instructions to Bidders. The Bidders' attention is directed to Article 6 of the Bid Form for list of required submittals for complete Bid.

Contract Documents are on file and may be examined without charge in the offices of the North Texas Municipal Water District at the address where proposals are to be received, or at the offices of Fruesc & Nichols, Inc. at the address listed above.

A non-mandatory pre-bid conference for the project will be held on 2:00 pm on Thursday, May 14, 2020 at 505 E. Brown Street, Wylie, Texas 75098.

All questions must be submitted in writing, posted to CivCast, no later than 2:00 pm on Thursday, May 22, 2020.

This project includes construction of six (6) new meter vaults on existing treated water transmission lines. Construction will include installation of magnetic meters, sleeve valves, flow conditioners and associated appurtenances at each site. These vaults

will be located at the following NTMWD delivery points: Allen #2 (Stacy Road PS), Allen #3 (Custer Road PS), McKinney #3 (University PS), Mesquite #1 (Hailey PS), Richardson #3 (Shilo PS) and Wylie #2 (Nortex PS).

Bidders must submit a cashier's check, certified bidder's bond with their proposal as a guarantee that the Bidder will enter into a contract for the project with the Owner within fifteen (15) days of Notice of Award of the contract. The security must be payable to North Texas Municipal Water District in the amount of five percent (5%) of the bid submitted. Contractor must execute the contract, bonds and certificates of insurance on the forms provided in the Contract Documents.

Contractors for this Project must pay no less than the prevailing wage rates for the area established by the Owner and included in the contract documents.

Performance and Payment Bonds are required, each in an amount of not less than one-hundred percent (100%) of the contract price, conditioned upon the faithful performance of the contract and upon payment of all persons supplying labor or furnishing materials.

The North Texas Municipal Water District reserves the right to adopt the most advantageous interpretation of the bids submitted in the case of ambiguity or lack of clearness in stating proposal prices, to reject any or all bids, and/or waive formalities. Bids may not be withdrawn within sixty (60) days from date on which bids are opened.

The North Texas Municipal Water District

Attention: Lisa Barber, P.E., 13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, Texas 75240. Phone: 972-770-1300 during regular business hours.

www.civcastusa.com and may be viewed at, and purchased from Kinley-Horn and Associates, Inc., Attention: Lisa Barber, P.E., 13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, Texas 75240. Phone: 972-770-1300 during regular business hours.

NORTH TEXAS MUNICIPAL WATER DISTRICT

3-31-2018

Legal Notice

GARNEY CONSTRUCTION

BID NOTICE

Project: Lower Bois d'Arc Creek Reservoir Program - Water Treatment Plant and Pump Station Project Solicitation Set #10

Bid Date: June 04, 2020 in BPP#10.1. Garney Construction is requesting proposals from suppliers and subcontractors.

INVITATION FOR BIDS

NORTH TEXAS MUNICIPAL WATER DISTRICT

WILSON CREEK LIFT STATION IMPROVEMENTS PROJECT NO. 448

Sealed bids addressed to the President and Board of Directors of the North Texas Municipal Water District will be received at the office of the Executive Director of the North Texas Municipal Water District, 505 East Brown Street, Wylie, Texas until 2:00 pm June 4, 2020 and then publicly opened and read for Lift station and surrounding site improvements to the Wilson Creek Lift Station in McKinney, Texas. A non-mandatory pre-bid meeting will be held 10:00 am May 28, 2020 via a virtual Microsoft Teams Meeting; participants will be able to call into the meeting at (833) 779-7795 with conference ID: 816 957 8138. Plans, specifications and bidding documents may be examined at the office of the North Texas Municipal Water District, 505 East Brown Street, Wylie, Texas, may be downloaded at <http://www.civcastusa.com>, and may be viewed at, and purchased from Kinley-Horn and Associates, Inc., Attention: Lisa Barber, P.E., 13455 Noel Road, Two Galleria Office Tower, Suite 700, Dallas, Texas 75240. Phone: 972-770-1300 during regular business hours.

NORTH TEXAS MUNICIPAL WATER DISTRICT

3-31-2018

East Fork Special Utility District

EQUIPMENT BUILDING PROJECT

ADVERTISEMENT FOR BIDS

Sealed Bids for the construction of an Equipment Building Project will be received at East Fork Special Utility District at the district's office, located at 1355 Troy Road, Wylie, Texas 75098 until 2:00 p.m. local time on Thursday, June 4, 2020, at which time the Bids received will be publicly opened and read. The Project consists of constructing Equipment Building Project.

The Issuing Office for the Bidding Documents is: Daniel & Brown Inc. 118 McKinney St. Farmersville, TX 75442, 972-784-7777. Prospective Bidders may examine the Bidding Documents at the Issuing Office on Monday through Friday, 8:00 a.m. until 5:00 p.m.

NORTH TEXAS MUNICIPAL WATER DISTRICT

By Don Gordon
President
Board of Directors

CITY OF MURPHY

PUBLIC NOTICE

The City of Murphy Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2019 has been issued by the independent auditor and accepted by the City Council during the April 7, 2020 meeting. The independent auditor issued an unmodified ("clean") opinion on the City of Murphy's financial statements for the year ended September 30, 2019. The audit report was filed with the City Secretary on March 24, 2020 and is available on the City's website at

Legal Notice

www.murphytx.org.

Dated this 14th day of May, 2020.

Ernie Bannister
Controller
City of Murphy, TX

3-11-011

CITY OF WYLLIE

Ordinance No. 2020-31

An ordinance of the city council of the city of Wylie, Texas, amending ordinance nos. 2020-24, 2020-25, 2020-26 and 2020-29 and continuing and extending The Mayor's Amended Declaration of Local Disaster for public health emergency due to the novel coronavirus (COVID-19); providing the consent of the city council to the continuation of the declaration until 11:59 p.m. on May 26, 2020; prescribing orders to help abate the public health emergency; providing authority for the city council to terminate the disaster declaration; and providing an enforcement clause, severability clause and an effective date.

3-11-011

East Fork Special Utility District

EQUIPMENT BUILDING PROJECT

ADVERTISEMENT FOR BIDS

Sealed Bids for the construction of an Equipment Building Project will be received at East Fork Special Utility District at the district's office, located at 1355 Troy Road, Wylie, Texas 75098 until 2:00 p.m. local time on Thursday, June 4, 2020, at which time the Bids received will be publicly opened and read. The Project consists of constructing Equipment Building Project.

The Issuing Office for the Bidding Documents is: Daniel & Brown Inc. 118 McKinney St. Farmersville, TX 75442, 972-784-7777. Prospective Bidders may examine the Bidding Documents at the Issuing Office on Monday through Friday, 8:00 a.m. until 5:00 p.m.

Bidding Documents may be obtained from the Issuing Office during the hours indicated above on compact disc (CD) format for a non-refundable charge of \$25.00, excluding overnight or express service. Alternatively, printed documents are available for a non-refundable charge of \$50.00, excluding overnight or express service, payable to Daniel & Brown Inc. Neither Owner nor Engineer will be responsible for Bidding Documents, including Addenda if any, obtained from sources other than the Issuing Office at www.civcastusa.com. A pre-bid conference will not be held.

Owner: East Fork Special Utility Dis-

lrit
By: Dana Andrews
Title: General Manager
Date: May 20, 2020

NOTICE OF PUBLIC HEARING AND NOTICE OF TYPE B PROJECTS

City of Lavon Economic Development Corporation (Lavon EDC)

NOTICE IS HEREBY GIVEN THAT, in accordance with the Texas Local Government Code, Section 505.159, a public hearing will be conducted by the Lavon EDC Board of Directors Lavon, Texas on May 27, 2020 at 7:00 p.m. at Lavon City Hall, 120 School Road, Lavon, Texas. In the event that the Board will be unable to meet at City Hall on May 27, 2020, the Lavon EDC will post on its website, www.lavon-texas.com, information for persons to attend the meeting by telephone, teleconference or other electronic means. The public hearing is held to consider the use of sales and use tax proceeds within the Lavon EDC annual budget to develop and/or fund one or more capital projects eligible costs and business promotional expenses including 1) Shop Lavon \$20 Coupon, 2) Business Improvement Loan/Grant Program, both projects to assist in the promotion of new and expanded business development in Lavon. Each project being considered may include costs for the acquisition of land, buildings, equipment, facilities and improvements, and may include the cost of expenditures for the design, construction, renovation, equipping, improving, maintenance and operation of the land, buildings, equipment, facilities and improvements. It is estimated that the cost of each project will not exceed \$30,000 for each of the projects being considered.

It is requested that you make your views known, either in person or by writing to the Lavon EDC.

Following the public hearing and the receipt of public input, it is anticipated that the Lavon EDC Board may take action on one or both of the project(s) at the same meeting.

THIS NOTICE OF TYPE B PROJECTS PURSUANT TO TEXAS LOCAL GOVERNMENT CODE SECTIONS 505.159 AND 505.160.

Kay Wright,
President
Lavon EDC

REQUEST FOR BID

NORTH TEXAS MUNICIPAL WATER DISTRICT

RFB NO. 20-095-B Right of Way Easement Clearing Services

Sealed bids addressed

to the attention of Ali Nobles, Senior Buyer for the North Texas Municipal Water District, Wylie, Texas will be received at the Office of the Executive Director, 501 E. Brown Street, Wylie, Texas 75098 until 2:00 p.m., local time, on Friday, June 5, 2020. Bids will be opened and read aloud at 2:00 p.m. the same day in the Training Room. Bid documents may be obtained on the NTMWD Website or by contacting Ali Nobles by email at anobles@ntmwd.com.

Bidders must submit a cashier's check, certified bidder's bond with their proposal as a guarantee that the Bidder will enter into a contract for the project with the Owner within fifteen (15) days of Notice of Award of the contract. The security must be payable to North Texas Municipal Water District in the amount of five percent (5%) of the bid submitted. Contractor must execute the contract, bonds and certificates of insurance on the forms provided in the Contract Documents.

NORTH TEXAS MUNICIPAL WATER DISTRICT

3-25-211

NORTH TEXAS MUNICIPAL WATER DISTRICT

INVITATION FOR BIDS

The North Texas Municipal Water District is soliciting proposals for the construction of the following project:

Project #490 - Wylie-Rockwall-Farmersville 36" Water Pipeline, Phase 2 Improvements

Proposals must be delivered to Office of the Executive Director at 505 Brown Street, Wylie, Texas 75098 no later than 2:00 PM on June 2, 2020 to be accepted. The proposals will be publicly opened and read aloud at this time and place. Bids received after this time will be returned unopened. Address proposals to President and Board of Directors of the North Texas Municipal Water District.

Contact information for engineer of record is as follows:

Kimley-Horn and Associates, Inc.
Attention: Kyle Sanderson, P.E.
13455 Noel Road, Two Galleria Office Tower, Suite 700 Dallas, TX 75240
Phone: 972-770-3033
E-mail: kysanderson@kimley-horn.com

The electronic version of the Contract Documents in PDF format may be obtained without charge from the website www.civcastusa.com. It is the responsibility of the Contractor to download a complete set of documents as defined in the Instructions to Bidders. The Bidders' attention is directed to Article 6 of the Bid Form for list of required submittals for complete bid.

A non-mandatory pre-bid conference for the project will be held on May 20, 2020 at 11:00 AM via WebEx. The call in number is 41-415-655-0001, access code 36299329.

All questions must be submitted in writing, posted to CivCast, no later than 2:00 pm on Thursday, May 28, 2020.

This project includes construction of approximately 2,100 LF of 48-inch water line, 650 LF of tunnel with 66-inch I.D. tunnel liner plate, connections to existing water transmission lines; and all other improvements detailed in the construction plans and

specifications. The 48-inch water line generally parallels an existing Onco transmission line beginning at the intersection of Kreymeyer Lane and Brown Street and terminating at County Road 484.

Bidders must submit a cashier's check, certified bidder's bond with their proposal as a guarantee that the Bidder will enter into a contract for the project with the Owner within fifteen (15) days of Notice of Award of the contract. The security must be payable to North Texas Municipal Water District in the amount of five percent (5%) of the bid submitted. Contractor must execute the contract, bonds and certificates of insurance on the forms provided in the Contract Documents.

NORTH TEXAS MUNICIPAL WATER DISTRICT

3-25-211

NORTH TEXAS MUNICIPAL WATER DISTRICT

INVITATION FOR BIDS

Contractors for this Project must pay no less than the prevailing wage rates for the area established by the Owner and included in the contract documents.

Performance and Payment Bonds are required, each in an amount of not less than one-hundred percent (100%) of the contract price, conditioned upon the faithful performance of the contract and upon payment of all persons supplying labor or furnishing materials.

The North Texas Municipal Water District reserves the right to adopt the most advantageous interpretation of the bids submitted in the case of ambiguity or lack of clearness in stating proposal prices, to reject any or all bids, and/or waive formalities. Bids may not be withdrawn within sixty (60) days from date on which bids are opened.

NORTH TEXAS MUNICIPAL WATER DISTRICT

2-31-2018

REQUEST FOR BID

NORTH TEXAS MUNICIPAL WATER DISTRICT

RFB NO. 20-096-B Fencing and Gate System Installation, Maintenance and Repair

Sealed bids addressed to the attention of Harsh Oberoi, Purchasing Agent, for the North Texas Municipal Water District, Wylie, Texas will be received at the Office of the Executive Director, 501 E. Brown Street, Wylie, Texas 75098 until 2:00 p.m. local time, on Friday, May 29, 2020. Bids will be opened and read aloud at 2:00 p.m. the same day in the Training Room. Bid documents may be obtained on the NTMWD Website or by contacting Harsh Oberoi by email at hoberoi@ntmwd.com.

NORTH TEXAS MUNICIPAL WATER DISTRICT

2-2-491

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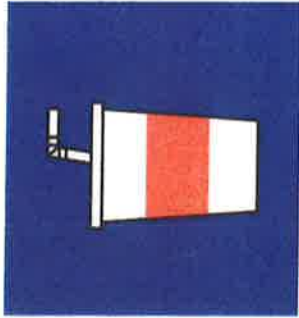
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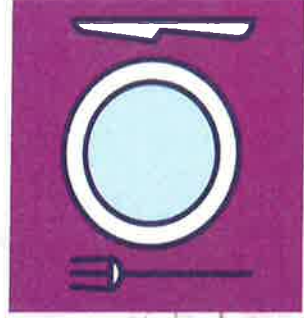
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- Farmers Insurance
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- L&D Automotive
- Lavon Cross Fit

- Lavon Pharmacy
- Lavon Sweet Shop
- Mo's Exxon
- O'Reilly's Auto Parts
- St. Paul Pharmacy
- Sawaaro Spa
- Shell Convenience Store
- Sonic Drive-in
- The Old Bank Antiques & Accessories
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Coupon Provided as part of COVID-19 Pandemic Relief Efforts

Coupon Received by _____
 for \$ _____

 (Name of Participating Business)

\$20

Expires July 15, 2020

- coupon limited to one use only at one participating business
- coupon card to be submitted to participating business at time of use
- coupon is not usable for cash, cash refund, cash equivalent or lottery ticket

For questions regarding coupon use, call (469) 867-9258 or (214) 773-0966
 or email info@lavonedc.com.

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P.O. Box 340
Lavon, TX 75166

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PERMIT NO. 372

Lavon Economic Development Corporation provides Lavon households with a \$20 Connect Lavon/Shop Lavon Coupon as part of the COVID-19 Pandemic Relief Effort.

Lavon Economic Development Corporation development incentives including the cost of this coupon promotion have provided an economic return on investment exceeding 28% attracting new retail development for Lavon. For the past two years, Lavon Economic Development Corporation has received the Statewide Texas Economic Excellence Award. See www.lavonedc.com



1

Name

Address

City, State & zip

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The

LAVON

EDC



**Business Improvement
Loan/Grant Agreement**

Purpose

Lavon City Council organized, in 2004, the Lavon Economic Development Corporation (LEDC) as a Type B Economic Development Corporation. Lavon voters approved the creation of the LEDC and authorized the use of ½ cent of the sales tax revenues to foster growth and development within the City.

The State of Texas Local Government Code, Title 12, Subtitle C1, Chapter 505.158, Type B Corporations in a municipality with a population of 20,000 or less may conduct a project to include “land, buildings, equipment, facilities, expenditures, targeted infrastructure and improvements found by the corporation’s board of director to promote new or expanded business development.” To foster growth and development within Lavon, the LEDC is actively marketing Lavon to attract new business and to assist the existing businesses to grow and thrive.

The LEDC’s purpose is to enhance the economic vitality of the City by encouraging safe and visually appealing business buildings and business sites. To this end, the LEDC is establishing a business improvement loan/grant. The Business Improvement Loan/Grant is to be sponsored, funded and monitored by the LEDC Board of Directors who may amend, adjust, or eliminate the project at any time. The goal is to assist the existing Lavon small businesses, to assist new businesses to come to Lavon to fill existing or proposed retail spaces, to add jobs, and to generate new property tax revenue and sale tax revenue.

Applicant for Building Improvement Loan/Grant

For purposes of this loan/grant, an applicant shall be a for-profit, retail small business, with \$2 million or less in annual sales, 20 or fewer employees, located within or to be located with the city limits of Lavon, within a retail zoned area. The applicant must be current on all ad valorem and sales taxes. An applicant may also be the owner of a retail zoned building within the city limits of Lavon, current on ad valorem and sales taxes and said building shall be no larger than 15,000 square feet and building site no larger than 3 acres.

Qualifying Loan/Grant Award & Terms

A loan may be provided for a successfully approved application. The loan shall be for no more than 50% of the proposed building improvement project cost. The loan cannot exceed \$9,500. The minimum loan to be considered shall be \$2,500. The applicant must match the approved loan amount. The project must be completed within 1 year of the loan award. Upon completion of the project, the loan may be forgiven and transformed into a grant if the project is successfully completed and all construction related bills paid before the end of the 12-month period. If the project is not completed within 12 months of the loan awarded date, then the loan principal and

interest shall be due within an additional 12 months. The loan principal and interest shall be paid monthly starting at the 13th month of the loan. A simple compounded monthly interest rate of 3% shall be applied to the loan starting at the 13th month of the loan. At the start of a project, the loan shall be issued in two phases with 50% of the loan provided at loan award. Remainder of the loan provided when the project demonstrates that all materials are ordered. Loan/grant award decisions of Lavon Economic Development Corporation Board of Directors are final.

Eligible Projects

The eligible building and building site project improvements shall be limited to:

- Rehabilitate, restore or enhance the façade, side and rear of a retail building including; Structural improvements to the façade; Painting of the façade, brick, stone or masonry installations; Door, window, storefront system/trim replacement or repair; Removal of exterior finishes, signs or façade materials; Awning installations; LEDC approved exterior lighting added to the façade exterior
- Retail signs on the façade of buildings excluding box signs
- Monument signs not exceeding 8 feet in height
- Parking lots paving and striping
- Sidewalk installations and patio installations
- Landscaping and lighting
- Air conditioning replacements or installations
- Grease traps required of the Plumbing Code
- Kitchen hoods required of the Fire Code
- Professional fees of an architect or engineer
- Interior finish out of a medical office or restaurant
- City Permit Fees

Application Fee and Additional Information Required

Applicant shall complete the official LEDC Building Improvement Loan/Grant application, sign and approve the loan/grant agreement, submit a \$50 application fee and submit the following required documents with the application:

1. Proof of ownership and/or right of occupancy such as a deed/lease
2. If the applicant does not own the property the applicant shall provide proof that the improvements are allowed and authorized by the Owner of the property
3. Photograph of existing conditions
4. Renderings, elevations, drawings of proposed improvements
5. Two detailed cost estimates from 2 separate contractors/suppliers of all proposed improvements

6. Proof of the required 50% cash match being available. If a loan is required to be matched the required 50% LEDC building improvement loan/grant the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.
7. In-kind contributions may not be used as cash matches to the loan/grant.

Application and Approval Process

1. Applications shall be applied to the LEDC via email at info@lavonedc.com or by mail at: LEDC, P.O. Box 340, 120 School Road, Lavon, TX 75166.
2. Applications shall be received no later than noon on the first Monday of each month to be considered at the LEDC regular meeting which is second Monday of each month at 7:00 p.m. If not received by noon on the first Monday, the application will be considered at the monthly meeting following the current month.
3. Incomplete applications shall not be considered and will be returned to the applicant.
4. Application form and the agreement shall be on line under small business on the Lavon EDC website: www.lavonedc.com
5. All required attachments shall be provided.
6. The application will be considered and must be approved by the LEDC Board of Directors.
7. Application approval notice, shall be provided in writing. If an LEDC loan/grant award has certain provisions, conditions or other requirements of the LEDC, said provisions, conditions or other requirements shall be provided in writing.

Funding of the Loan/Grant

1. The loan shall be issued in two phases with 50% of the authorized loan provided upon loan agreement signed and agreed to and the remainder of the loan provided when the applicant demonstrated that all materials have been ordered. Funding authorization, for 50% of the loan, shall take place at the LEDC Board meeting where the Board's letter is considered, approved and acted upon.
2. The applicant shall be obligated to complete the improvements in accordance with the application within 12 months of the LEDC loan award. No modifications of the improvements shall be permitted without prior LEDC approval. Failure to obtain such written approval prior to making any modifications shall render the applicant ineligible to receive the business improvement loan, or if funds were dispensed, ineligible for the loan to convert to a grant.
3. The applicant shall be responsible for all City permits.
4. All improvements, as presented in the application, must be completed in their entirety. Failure to complete all of the stated improvements shall render the applicant ineligible to receive the grant funding.
5. Upon approval of the loan and during the construction of the improvements, a representative of

the LEDC shall have the right, at reasonable times, to have access to and inspect the work in progress.

6. The applicant shall not begin any improvements, related to the business improvement loan, prior to receiving the written approval of the loan approval and funding from the LEDC.
7. The applicant shall agree to remain in business and to not sell or assign such business or building to another person or entity for a period of twelve (12) months from the date of the approval of the grant.
8. Approval of the application and funding of the loan shall be with the understanding and with a written loan agreement.
9. Upon written notification to the LEDC, by the applicant, that a project has been completed, an inspection by an LEDC representative shall be made to confirm that such project has been completed in accordance with the application, written agreement, plans submitted with the application and any approved modification thereto. Such notification shall include, but not be limited to documentation of paid receipts for materials, labor, permits, inspection reports, or any other item that the LEDC may reasonably deem necessary for determining the project's completion.
10. Within thirty-one (31) days following the inspection required above, and confirmation of completion of the project in accordance with the application and any approved modifications thereto, the LEDC shall consider a letter of approval and the transformation of the loan to a grant. A copy of such letter shall also be provided to the applicant.
11. Within fifteen (15) days following an LEDC inspection and the presentation of the receipts by the applicant, a determination is made by the LEDC's representative that the project has not been completed in accordance with the application or any approved modification thereof, the LEDC shall issue a letter to the applicant indicating all areas of non-compliance. The applicant shall then have sixty (60) days from the date of the LEDC letter, to make the modifications necessary to bring the project into compliance. Failure to complete such modifications within said sixty (60) day period shall be deemed a default of the applicant's obligations under the loan/grant.
12. Available funding; the LEDC shall determine an annual budget for this project to fund the loan/grant program. Loan/grant applications received after the available funds have been exhausted may be considered the following fiscal year. The LEDC retains sole discretion to accept or reject applications received after the available funding has been exhausted.
13. Payments due by the applicant/owner shall be paid in full within thirty (30) days after the date of written notification by the LEDC that the applicant/owner is in default of any of the funding requirement set forth herein. The form of such payment shall be a cashier's check or money order, made payable to the Lavon Economic Development Corporation.
14. The Laws of the State of Texas shall govern the interpretation, validity, performance and enforcement of this Business Improvement Loan/Grant and venue for any lawsuit or other



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proceeding involving this program shall be in Collin County, Texas

15. If any provision of this business improvement loan/grant is held to be invalid or unenforceable, the validity and enforceability of the remaining provisions shall not be affected.

The undersigned acknowledges and agrees to abide by and be subject to the terms and conditions of the Lavon Economic Development Corporation Business Improvement Loan/Grant as described herein.

Applicant _____

Address _____

Email Address _____

Telephone Number _____

Signature _____ **Date** _____

PROPERTY OWNER:

Name _____

Address _____

Email Address _____

Telephone Number _____

Signature _____ **Date** _____



Lavon Economic Development Corporation Business Improvement Loan/Grant Application

Date of Application: _____, 2020

APPLICANT INFORMATION

Name of Applicant _____

Applicant Contact Email _____

Applicant Telephone Number _____

Business Name _____

Address of the Business Improvement _____

City _____ State _____ ZIP CODE _____

BUSINESS OWNER (if different than above)

Name of Business Owner _____

Business Owner Email _____

Business Owner Telephone Number _____

Business Address of Business Owner _____

City _____ State _____ ZIP CODE _____

PROPERTY OWNER (if different than above)

Name of Property Owner _____

Property Owner Email _____

Property Owner Telephone Number _____

Business Property Address _____

City _____ State _____ ZIPCODE _____

Describe the proposed business improvements:

- 1. Provide Proof of ownership or right of occupancy such as a deed/lease.
- 2. Provide written authorization that the applicant is allowed to make improvements and is authorized by the owner of the property.
- 3. Provide photographs of existing conditions.
- 4. Provide renderings, elevations, drawings of proposed improvements.
- 5. Provide two detailed cost estimates from 2 separate contractors/suppliers of all proposed improvements.
- 6. Provide proof that the applicant has the required 50% cash match. If a loan is required to match the required 50% LEDC building improvement loan/grant, the applicant shall provide a copy of the bank application and notice from the bank that the funds are available as needed.

I (we) hereby certify that, to the best of our knowledge the above information is accurate as provided:

APPLICANT NAME (please print carefully):

Signature _____ Date _____

BUILDING OWNER APPROVAL OF APPLICATION NAME (please print carefully):

Signature _____ Date _____



CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 7 - D

Item:

Discussion and action regarding Resolution No. 2020-06-02, approving and authorizing execution of a participation agreement and trust instrument for participation in a public funds investment pool, Local Government Investment Cooperative (LOGIC), designating the board of trustees of the pool as an agency and instrumentality to supervise the pool, approving investment policies of the pool, appointing authorized representatives and designating investment officers.

Background:

The City has an opportunity to further diversify the City's resources and obtain a favorable interest rate on deposits by participating in the Local Government Investment Cooperative (LOGIC), a Texas Public Funds Investment Pool and Texas Trust.

From the LOGIC website:

LOGIC is a AAA rated local government investment pool created by Texas local government officials who understand the specific needs and challenges of investing public funds.

LOGIC provides government entities across the state with solid investment returns, portfolio liquidity, diversification and exceptional systems and services

LOGIC is administered by HilltopSecurities and JPMorgan Chase. Together these organizations bring to the LOGIC program the powerful partnership of two leaders in financial services with a proven track record in local government investment pool management and extensive industry resources.

The Pool can only invest in authorized investments under the Public Funds Investment Act. Investing with LOGIC is permitted pursuant to the City's adopted Investment Policy. The deposits will remain liquid and are easily accessible.

Attachments:

1. Proposed Resolution and Agreement
2. Investment Pool Average Rate Summary

**CITY OF LAVON, TEXAS
RESOLUTION NO. 2020-06-02**

Local Government Investment Cooperative (LOGIC) Resolution

RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF A PARTICIPATION AGREEMENT AND TRUST INSTRUMENT FOR PARTICIPATION IN A PUBLIC FUNDS INVESTMENT POOL, DESIGNATING THE BOARD OF TRUSTEES OF THE POOL AS AN AGENCY AND INSTRUMENTALITY TO SUPERVISE THE POOL, APPROVING INVESTMENT POLICIES OF THE POOL, APPOINTING AUTHORIZED REPRESENTATIVES AND DESIGNATING INVESTMENT OFFICERS.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as amended (the "Interlocal Act"), permits any "local government" to contract with one or more other "local governments" to perform "governmental functions and services," including investment of public funds (as such phrases are defined in the Interlocal Act);

WHEREAS, the Interlocal Act authorizes the contracting parties to any interlocal agreement to contract with agencies of the State of Texas, within the meaning of Chapter 771 of the Government Code,

WHEREAS, the Act permits the contracting parties to any interlocal agreement to create an administrative agency to supervise the performance of such interlocal agreement and to employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of such interlocal agreement;

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended (the "PFIA"), authorizes the entities described in Subsection (a) of the PFIA to invest their funds in an eligible public funds investment pool, and the Local Government Investment Cooperative (LOGIC) intends to become and remain an eligible public funds investment pool, under the terms and conditions set forth in PFIA;

WHEREAS, the City of Lavon, Texas (the "Government Entity") desires to enter into that certain Participation Agreement and Trust Instrument (the "Agreement"), a copy of which is presented with this Resolution and is incorporated herein by reference, and to become a participant in a public funds investment pool created under the PFIA, to be known as Local Government Investment Cooperative (LOGIC) (the "Pool");

WHEREAS, the Government Entity is a Government Entity as defined in the Agreement;

WHEREAS, the Government Entity desires to cause administration of the Pool to be performed by a board of trustees (the "Board"), which shall be an advisory board under the PFIA, an administrative agency created under the Interlocal Act, and trustee of the funds in the Pool; and

WHEREAS, the Government Entity desires to designate the Board as its agency and instrumentality with authority to supervise performance of the agreement, employ personnel and engage in other administrative activities and provide other administrative services necessary to execute the terms of the Agreement;

WHEREAS, each capitalized term used in this Resolution and not otherwise defined has the same meaning assigned to it in the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

1. The Agreement is hereby approved and adopted and, upon execution thereof by an Authorized Representative (defined below) and receipt of the Government Entity's application to join the Pool by the Administrator, the Government Entity shall become a Participant in the Pool for the purpose of investing its available funds in the Pool from time to time in accordance with the terms of the Agreement.

2. The Board is hereby designated as an agency and instrumentality of the Government Entity, and the Board shall have the authority to supervise performance of the Agreement and the Pool, employ personnel and engage in other administrative activities and provide other administrative services necessary to

execute the terms of the Agreement. The Government Entity agrees that all moneys it transfers to the Pool shall be held and managed in trust by the Board for the benefit of the Government Entity.

3. The investment policies of the Pool, as set forth in the document entitled Investment Policies, as summarized in the Information Statement, and as may be amended from time to time by the Board, are hereby adopted as investment policies of the Government Entity with respect to money invested in the Pool, and any existing investment policies of the Government Entity in conflict therewith shall not apply to investments in the Pool.

4. The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: execute the Agreement, an application to join the Pool and any other documents required to become a Participant; deposit money to and withdraw money from the Government Entity's Pool account from time to time in accordance with the Agreement and the Information Statement; to agree to the terms for use of the website for online transactions and take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity:

- 1. Name: Vicki Sanson Title: Mayor
Signature: _____ Phone: 972-843-4220
Email: vicki.sanson@cityoflavon.org
- 2. Name: Kim Dobbs Title: City Administrator
Signature: _____ Phone: 972-843-4220
Email: kim.dobbs@cityoflavon.org
- 3. Name: Rae Norton Title: Assistant City Secretary
Signature: _____ Phone: 972-843-4220
Email: rae.norton@cityoflavon.org
- 4. Name: LeAnn McClendon Title: Municipal Services Coordinator
Signature: _____ Phone: 972-843-4220
Email: leann.mcclendon@cityoflavon.org

In accordance with the Pool's procedures, an Authorized Representative shall promptly notify the Pool in writing of any changes in who is serving as Authorized Representatives.

5. **{Required}** List the name of the Authorized Representative listed above that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements

Name: Kim Dobbs

6. **{Optional}** In addition, the following additional Participant representative (not listed above) is designated as an Inquiry Only Representative authorized to obtain account information:

Name: Diane Cuellar Title: Accounting Administrator

Signature: _____ Phone: 972-843-4220

Email: diane.cuellar@cityoflavon.org

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

7. **{Required}** Taxpayer Identification Number.

Applicant's taxpayer identification number is 75-2004104

8. **{Required}** Contact Information.

Applicant primary mailing address: P.O. Box 340, Lavon, TX 75166

Applicant physical address (if different): 120 School Rd., Lavon, TX 75166

Applicant main phone number:

972-843-4220

Applicants main fax number:

na

In addition to the foregoing Authorized Representatives, each Investment Officer of the Pool appointed by the Board from time to time is hereby designated as an investment officer of the Government Entity and, as such, shall have responsibility for investing the share of Pool assets representing funds of the Government Entity. Each depository and custodian appointed by the Board from time to time are hereby designated as a depository and custodian of the Government Entity for purposes of holding the share of Pool assets representing funds of the Government Entity.

PASSED AND APPROVED this _____ day of _____, 20____

By: _____

Attest: _____

Vicki Sanson, MAYOR
Printed Name and Title

Kim Dobbs, City Administrator
Printed Name and Title

OFFICIAL SEAL OF APPLICANT (REQUIRED BELOW)



Local Government Investment Cooperative (LOGIC) Participation Agreement and Trust Instrument

THIS PARTICIPATION AGREEMENT AND TRUST INSTRUMENT (together with any amendments and supplements, referred to as this “Agreement”) is made and entered into by and among each of those government entities initially executing this Agreement and any other government entity that is eligible and becomes a party hereto (collectively, the “Participants”).

WHEREAS, the Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended (the “PFIA”) authorizes the entities described in the PFIA to invest their funds in an eligible public funds investment pool;

WHEREAS, each of the Participants qualifies as an entity described in the PFIA;

WHEREAS, the Participants desire to establish and maintain a public funds investment pool for the purpose of pooling their local funds for joint investment in accordance with the PFIA and the terms hereof and providing assistance to each other on investment alternatives and on other issues of concern to the Participants;

WHEREAS, the Participants desire that the public funds investment pool be entitled Local Government Investment Cooperative (LOGIC) and that it be managed and operated by a board of trustees, which shall be an advisory board under the PFIA;

WHEREAS, each of the Participants has duly taken all official action necessary and appropriate to become a party to this Agreement, including the adoption of a rule, order, ordinance, or resolution, as appropriate;

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein, each Participant agrees that all moneys it transfers to LOGIC on or after the effective date hereof shall be held and managed in trust by the board of trustees for the benefit of the Participant, and the Participants mutually agree as follows:

ARTICLE I

Definitions and Rules of Construction

Section 1.01. Definitions. Except as otherwise provided in this Agreement, the capitalized terms used herein shall have the following meanings unless the context otherwise requires:

Account - any account established by a Participant.

Additional Party Agreement - a document substantially in the form attached hereto as an Appendix which, when attached to a copy of this Agreement and executed by an Authorized Representative of a Government Entity, constitutes a valid and binding counterpart of this Agreement and results in the Government Entity becoming a party to this Agreement.

Administrator - Any person, firm or organization approved by the Board and under contract to provide administrative assistance in connection with the management and operation of the Pool.

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

Advisor - The registered investment advisor or advisors selected by or at the direction of the Board to provide advice regarding investment of Pool assets pursuant to this Agreement and subject to applicable law.

Authorized Investments - those investments which are authorized from time to time to be purchased, sold and invested in under PFIA or other applicable law and further defined in the Investment Policies.

Authorized Representative - an individual authorized to execute documents and take other necessary actions, pursuant to this Agreement, on behalf of a Government Entity or other person, firm or organization, as evidenced by a duly adopted resolution or bylaw of the governing body of such Government Entity or other person, firm or organization, a certified copy of which is on file with the Administrator. In the case of a Government Entity that is a combination of political subdivisions under the Act, the Authorized Representatives of any administrative agency appointed by such combination of political subdivisions shall be deemed to be Authorized Representatives for such Government Entities.

Board - the governing body of the Pool, known as The Board of Trustees of Local Government Investment Cooperative.

Bylaws - the bylaws adopted by the Board, as the same may be amended from time to time, subject to the requirements of this Agreement.

Custodian - any person, firm or organization selected by or at the direction of the Board to have custody of all money, investments and other assets of the Pool pursuant to this Agreement and subject to applicable law.

General Manager - any person, firm or organization which has contracted with the Board to provide general management services to the Board.

Government Entity - a local government of the State of Texas, as defined in the PFIA, a state agency, as defined in the PFIA, and a nonprofit corporation acting on behalf of a local government or a state agency, including but not limited to an incorporated city or town, a county, a public school district, a district or authority created under art. III, Section 52(b)(1) or (2) of the Texas Constitution, or art. XVI, Section 59 of the Texas Constitution, an institution of higher education as defined by Section 61.003 of the Education Code, a hospital district, or a fresh water supply district.

Information Statement - the information statement or any other document distributed to Participants and potential Participants to provide them with a description of the management and operation of the Pool, as the same may be amended from time to time, subject to the requirements of this Agreement.

Interlocal Act - the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, as the same may be amended from time to time.

Investment Officer - one or more officers or employees of the Board designated as investment officers by the Board.

Investment Policies - the written Investment Policies adopted and approved by the Board governing investment and management of Pool assets of different Portfolios, as the same may be amended from time to time, subject to the requirements of this Agreement.

Marketing Representative - any person, firm or organization authorized by the Board to promote the Pool.

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

Participants - the Government Entities that are the initial parties to this Agreement and the Government Entities which subsequently become parties to this Agreement.

PFLA - the Public Funds Investment Act, Chapter 2256, Texas Government Code, as the same may be amended from time to time.

Pool - the public funds investment pool and trust created pursuant to this Agreement.

Portfolio - a portfolio of assets in the Pool which are held separate from other assets of the Pool and which are invested with a defined investment objective which may be different from other Portfolios in the Pool, and in which a Participant may elect to invest its funds.

State - the State of Texas.

Units - equal proportionate units of undivided beneficial interest in the assets of the Pool or of any Portfolio of the Pool from time to time, including fractions of units as well as whole units.

Section 1.02. General Rules of Construction.

- (a) Whenever in this Agreement the context requires: (1) a reference to the singular number shall include the plural and vice versa; and (2) a word denoting gender shall be construed to include the masculine, feminine, and neuter.
- (b) The titles given to any article or section of this Agreement are for convenience only and are not intended to modify the article or section.

ARTICLE II

Creation of the Pool and Trust; Purpose and Objective

Section 2.01. Creation of the Board.

- (a) The Participants hereby agree to jointly invest their funds in a public funds investment pool and trust, to be known as Local Government Investment Cooperative (the "Pool") and to create and establish a board of trustees of the Pool (the "Board"), as an advisory board pursuant to the PFLA, an administrative agency pursuant to the Interlocal Act, and as trustee of the funds in the Pool.
- (b) The Participants delegate to the Pool through its Board, the authority to hold legal title to and manage all money, investments and other assets transferred to or acquired by the Pool pursuant to this Agreement as Pool assets.
- (c) The Board shall have the authority to employ personnel, engage in other administrative activities and provide other administrative services necessary to accomplish the purpose of this Agreement.

Section 2.02. Purpose and Objective.

- (a) The first purpose of the Pool is to provide Government Entities with a variety of investment vehicles to best suit their investment needs, with each Portfolio tailored to meet a specific investment need.

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

- (b) The second purpose of the Pool is to provide Government Entities with a forum for discussion of, and to provide education concerning, investments and other issues of concern in public finance. In all cases, however, the Pool will have the following investment objectives in order of priority: safety of principal; liquidity in accordance with the operating requirements of the Participants; and the highest rate of return.
- (c) In order to accomplish the Pool's objective, each Participant agrees that the money transferred to a Portfolio within the Pool will be commingled with other money transferred to the Portfolio by other Participants for the purpose of making Authorized Investments, subject to the terms of this Agreement, the Investment Policies and applicable law, thereby taking advantage of investment opportunities and cost benefits available to larger investors.

ARTICLE III

Pool Administration

Section 3.01. The Board and the Bylaws

- (a) The business and affairs of the Pool shall be managed by the Board as governing body of the Pool.
- (b) The Board is authorized to adopt Bylaws which shall set forth, among other things, the initial Board members, the procedures governing the selection of the members of the Board, the procedure for holding meetings, the election of officers, and other matters necessary or desirable for governance by the Board, and the right of the Board, the General Manager, and other consultants to be indemnified for damages arising from their actions in connection with the Pool. By executing this Agreement, the Participant consents to the Bylaws. By maintaining funds in the Pool after any amendment to the Bylaws becomes effective, the Participant consents to the Bylaws, as amended. The Board has the right to amend any term or provision of the Bylaws, provided that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, is a material change to the Bylaws.

Section 3.02. Powers and Duties of the Board.

- (a) Subject to applicable law and the terms of this Agreement, the Board shall have full and complete power to take all actions, do all things and execute all instruments as it deems necessary or desirable in order to carry out, promote or advance the investment objective, interests and purposes of the Pool to the same extent as if the Board was the sole and absolute owner of the Pool.
- (b) The Board shall adopt and maintain Investment Policies, consistent with the general objective of the Pool, which shall provide more detailed guidelines for investment and management of Pool assets. By executing this Agreement, the initial Participants consent to the proposed Investment Policies, and the subsequent Participants consent to the Investment Policies then in effect. By maintaining funds in the Pool after any amendment to the Investment Policies becomes effective, the Participant has consented to the Investment Policies, as amended. The Board shall, subject to the terms of this Agreement, have the authority to amend any term or provision of the Investment Policies, provided

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, will have a material effect on such Participant's investment in the Pool.

- (c) The Board shall adopt and maintain Operating Procedures, which shall provide more detailed information on the procedures for depositing and withdrawing funds from the Pool. By executing this Agreement, the initial Participants consent to the proposed Operating Procedures, and the subsequent Participants consent to the Operating Procedures then in effect. By maintaining funds in the Pool after any amendment to the Operating Procedures becomes effective, the Participant has consented to the Operating Procedures, as amended. The Board shall, subject to the terms of this Agreement, have the authority to amend any term or provision of the Operating Procedures provided that notice is sent to each Participant at least 30 days prior to the effective date of any change which, in the opinion of the Board, will have a material effect on such Participant's investment in the Pool.
- (d) The Board shall designate one or more Investment Officers for the Pool who shall be responsible for the investment of Pool assets.
- (e) The Board shall prepare, or direct the preparation of an Information Statement that describes how the Pool will operate in accordance with the terms of this Agreement and the Investment Policies. Subject to the terms of this Agreement and the Investment Policies, the Information Statement may be amended or supplemented, notice of which will be provided to Participants in accordance with the disclosure requirements of the PFIA.
- (f) The Board shall, subject to the limitations established in the Investment Policies, have full and complete power and authority to appoint a general manager and any other service providers deemed necessary or helpful in the operation of the Pool.
- (g) The Board shall provide, through peer review, seminars, computer mail systems, or other means, information and educational opportunities to Participants on investing and on other issues in the area of public finance.
- (h) The Board shall have full and complete power to use, or direct the use of, Pool assets for the following purposes: (1) incur and pay any expenses which, in its opinion, are necessary or incidental to or proper for carrying out any of the purposes of this Agreement; (2) reimburse others for the payment thereof; (3) pay appropriate compensation or fees to persons with whom the Pool has contracted or transacted business; and (4) charge a Participant's Account for any special fees or expenses related specifically to transactions in such Account.
- (i) The Board shall have full power to compromise, arbitrate, or otherwise adjust claims in favor of or against the Pool.
- (j) The Board shall cause financial statements to be prepared and maintained for the Pool and for such statements to be audited annually by an independent certified public accounting firm.
- (k) The Board may appoint a General Manager to perform managerial services for the Pool, provided that the Board shall continue to oversee the operation and

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

management of the Pool and shall have the authority to direct the General Manager to take or not take specific action on behalf of the Pool.

- (l) The enumeration of any specific power or authority herein shall not be construed as limiting the general power and authority of the Board over the Pool.
- (m) The Board shall act in good faith in accordance with the purposes of the Pool.

Section 3.03. Liability.

- (a) Neither the Board, the Investment Officers, nor any officers, employees or board members of any of the forgoing shall be held liable for any action or omission to act on behalf of the Pool or the Participants unless caused by such person's willful misconduct or unless constituting a breach of trust for which a trustee may not be relieved of liability under the Texas Trust Code. The Pool shall indemnify and hold harmless (either directly or through insurance) any person referred to in this Section, to the extent permitted by law, for any and all litigation, claims or other proceedings, including but not limited to reasonable attorney fees, costs, judgments, settlement payments and penalties arising out of the management and operation of the Pool, unless the litigation, claim or other proceeding resulted from the willful misconduct of such person or a breach of trust for which a trustee may not be relieved of liability under the Texas Trust Code.
- (b) Neither the General Manager, the Marketing Representative, the Administrator, the Advisor, the Subadvisor, the Custodian, nor their affiliates, officers, employees or board members shall be held liable for any action or omission to act on behalf of the Pool or the Participants unless such person failed to meet the standard of care required under its agreement relating to the Pool or acted with willful misconduct. The Pool shall indemnify and hold harmless (either directly or through insurance) any person referred to in this Section, to the extent permitted by law, for any and all litigation, claims or other proceedings, including but not limited to reasonable attorney fees, costs, judgments, settlement payments and penalties arising out of the management and operation of the Pool, unless the litigation, claim, or other proceeding is adjudicated to have resulted from such person's failure to meet the standard of care required under its agreement relating to the Pool or its willful misconduct.
- (c) The indemnification provisions are described in more detail in the Bylaws.

ARTICLE IV

Participation in LOGIC

Section 4.01. Eligibility. In order for a Government Entity to become a Participant and transfer money into the Pool, each of the following conditions must be satisfied:

- (a) The Government Entity must adopt a resolution (1) authorizing it to become a Participant and approving this Agreement, (2) acknowledging the Board's power to supervise the Pool and agreeing that moneys it transfers to the Pool shall be held and managed in trust by the Board for the Government Entity's benefit, (3) approving the investment policies of the Pool (as amended from time to time by

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

the Board) and directing that any conflicting local investment policies shall not apply to Pool investments of the Participant, (4) designating Authorized Representatives of the Participant, (5) designating the Investment Officers appointed from time to time by the Board as the Participant's investment officers who shall be responsible for investing the share of Pool assets representing local funds of the Participant, (6) designating the depository and custodian appointed from time to time by the Board as the Government Entity's depository and custodian for purposes of holding the share of Pool assets representing funds of the Government Entity, and consenting to the terms and conditions specified on the website in order to use the online transaction system; and

- (b) The Government Entity must become a party to this Agreement by executing an Additional Party Agreement and delivering the same to the Pool, together with a certified copy of the resolution referred to in subsection (a) of this Section, an application in form and substance satisfactory to the Board, and such other information as may be required by the Board.
- (c) No entity except a Government Entity may be a Participant. The Board shall have sole discretion to determine whether a Government Entity is eligible under Texas law to be a Participant and to designate categories of Government Entities eligible to be Participants in any Portfolio of the Pool.

Section 4.02. Participant Accounts.

- (a) While available local funds of Participants may be commingled for purposes of common investment and operational efficiency, one or more separate Accounts for each Participant in each Portfolio in the Pool designated by the Participant will be established in accordance with the Participant's application to join the Pool and maintained by the Pool.
- (b) Each Participant shall own an undivided beneficial interest in the assets in the Portfolios in which it invests, calculated as described in the Investment Policies.
- (c) The Participant agrees that all Pool fees shall be directly and automatically assessed and charged against the Participant's Account. The basic services fee shall be calculated as a reduction in the daily income earned and only the net income shall be credited to the Participant's Account. Fees for special services shall be charged to each Participant's Account as they are incurred or performed. Use of Pool assets for fees shall be made from current revenues available to the Participant.

Section 4.03. Reports. The Pool shall submit a written report a least once per month to each Participant. Such report will indicate: (1) the balance in each Account of a Participant as of the date of such report, (2) yield information, (3) all account activity since the previous report, and (4) other information required by the PFIA.

Section 4.04. Termination.

- (a) A Participant may withdraw all funds from an Account in accordance with the Investment Policies and Operating Procedures. A Participant may cease to be a Participant under this Agreement, with or without cause, by providing written notice to the Pool at least 10 days prior to such termination.

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

- (b) The Board may terminate a Participant's participation in this Agreement upon at least 30 days' notice if Texas law changes so that such Participant is no longer entitled to join in an eligible public funds investment pool under PFIA, the Interlocal Act, or other applicable law.
- (c) Upon the vote of a majority of its full membership, the Board may order the termination of this Agreement by directing that all outstanding operating expenses of the Pool be paid and remaining assets of the Pool be distributed to Participants in accordance with their respective pro rata interests.

ARTICLE V

Pool Assets

Section 5.01. Investments. Pool assets shall be invested and reinvested by the Pool only in Authorized Investments in accordance with the Investment Policies.

Section 5.02. Custody. All money, investments and assets of the Pool shall be held in the possession of the Custodian.

ARTICLE VI

Miscellaneous

Section 6.01. Severability.

- (a) If any provision of this Agreement shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provisions contained herein or render the same invalid, inoperative or unenforceable to any extent whatsoever.
- (b) Any participation in this Agreement or transfer of assets to the Pool that is not qualified for any reason shall not terminate this Agreement or the participation of other Participants or otherwise adversely affect the Pool.

Section 6.02. Limitation of Rights. This Agreement does not create any right, title or interest for any person other than the Participants and any person who has a contract to provide services to the Pool, and nothing in or to be implied from this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under this Agreement.

Section 6.03. Execution of Counterparts. This Agreement may be executed in several separate counterparts, including by Additional Party Agreement, each of which shall be an original and all of which shall constitute one and the same instrument.

Section 6.04. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

Section 6.05. Term. This Agreement shall have an initial term beginning with the effective date set forth below and shall be automatically renewed for one year on such date and each anniversary of such date, except with respect to any Government Entity that may have terminated itself as a Participant or as otherwise provided in Section 4.05.

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

Section 6.06. Notices. Any notices or other information required or permitted to be given hereunder shall be sent: (a) to the Pool as set forth in the Information Statement, and (b) to a Participant as set forth in its application to become a Participant or as otherwise provided by written notice to the Administrator.

Section 6.07. Trust. LOGIC shall be a trust organized and existing under the laws of the State. LOGIC is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company, or joint stock company. The Participants shall be beneficiaries in LOGIC, and their relationship to the Board shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder. Nothing in this Agreement shall be construed to make the Participants, either by themselves or with the trustees, partners, or members of a joint stock association.

Section 6.08. Entire Agreement; Amendments. This Agreement represents the entire agreement and understanding of the Participants. This Agreement may be amended with the approval of the Board, provided that notice of any such amendment is sent to all Participants at least 60 days prior to the effective date thereof.

* * * * *

Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

Originally executed between Fort Bend County and City of Wichita Falls, Texas as of April 4, 1994, and amended by the Board and effective March 1, 1999 and December 4, 2015. The Board hereby acknowledges its duties as Trustee upon the effective date hereof.

* * * * *

Approved and accepted:

The Board of Directors, Local Government Investment Cooperative

By: /s/ Phil Roberson
President

Date: December 4, 2015

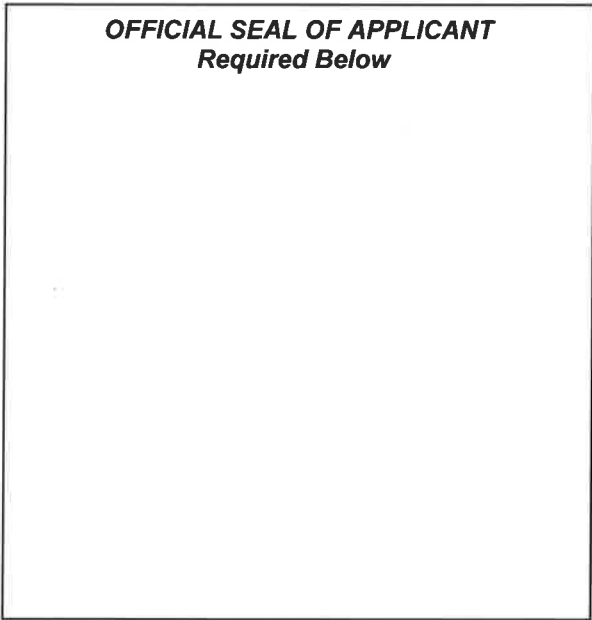
Local Government Investment Cooperative (LOGIC)
Participation Agreement and Trust Instrument

Additional Party Agreement

The Government Entity of the State of Texas named below, acting by and through the undersigned Authorized Representative, hereby agrees to become a party to that certain Participation Agreement and Trust Instrument to which this page is attached, and thereby become a Participant in the Local Government Investment Cooperative, subject to all of the terms and provisions of such Agreement. The undersigned hereby represents that it is a Government Entity as defined in such Agreement.

Executed this _____ day of _____, 20_____.

Name of Government Entity CITY OF LAVON, TEXAS



By: _____
Authorized Representative

Vicki Sanson, MAYOR
Printed Name and Title

Attest: _____
Authorized Representative

Kim Dobbs, City Administrator
Printed Name and Title

Approved and accepted:

LOCAL GOVERNMENT INVESTMENT COOPERATIVE {LOGIC}

By: FIRSTSOUTHWEST, A DIVISION OF HILLTOP SECURITIES
Participant Services Administrator

By: _____ Date: _____

Authorized Signer

Investment Pool Average Rate Summary May 8, 2020

Performance	Commercial Paper Pools		
	LOGIC	TexPool Prime	Lone Star Corporate Overnight
Previous 7 days	0.91%	0.86%	0.92%
Previous month	1.00%	0.91%	1.03%
Previous 3 months	1.33%	1.25%	1.35%
Previous 6 months	1.57%	1.55%	1.59%
Previous 1 year	1.95%	1.95%	1.95%
Previous 3 years	1.91%	1.91%	1.90%
Previous 5 years	1.36%	1.35%	1.34%

This material is for informational purposes only and is not intended to be an offer to buy or sell any security. The above rate information is obtained from sources that are believed to be reliable, however, its accuracy or completeness may be subject to change. This table represents historical information only and is not an indication of future performance.



CITY OF LAVON Agenda Brief

MEETING: June 2, 2020

ITEM: 7 – E

Item:

Discussion and action regarding the preliminary plat of the RaceTrac Addition on 5.899 acres of land consisting of three lots at 1000 SH 78 (also referred to as 9930 SH 78), out of the WAS Bohannon Survey, Abstract No. 121, CCAD Property IDs 2675083, 2593398, 2133957, 2664025 and a portion of 2664090, southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.

Application Information

Owner(s): 205-78, Ltd. And World Land Developers, LP.

Applicant: Andrew Malzer, RaceTrac Petroleum

Representative: Brad Williams, Winstead PC

Location: Southwest corner of the intersection of SH 78 and SH 205, northeast of Grand Heritage West

Description: 1000 SH 78, Lavon, Texas (also referred to as 9930 SH 78)
ABS A0121 W A S Bohannon Survey Sheet 3, Tract 80, 1.3514 acres, Tract 54, .9878 acres, Tract 68, .3828 acres, Tr 79, 1.8657 acres, and a portion of Tract 72, (CCAD Property IDs 2675083, 2593398, 2133957, 2664025 and a portion of 2664090 respectively)

Current Zoning: Retail (R)

Request: Preliminary Plat

Request Details

The applicant is seeking approval of a preliminary plat for the RaceTrac Addition. The proposed preliminary plat is consistent with the zoning and Comprehensive Plan.

The preliminary plat combines unplatted property made up of four adjacent parcels and a portion of a fifth adjacent parcel to form the RaceTrac Addition. The proposed addition consists of three lots that satisfy the area requirements of the Retail (R) zoning district. The property may be developed in phases.

The proposed development takes access from SH 78 and SH 205.

Excerpt:

**TEXAS LOCAL GOVERNMENT CODE
§ 212.004. PLAT REQUIRED**

PLAT REQUIRED. (a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

Infrastructure:

Water

The development is located within the certificated area of the Bear Creek Special Utility District (SUD). A conceptual water plan has been submitted and reviewed.

Sewer

The development will be served by the City of Lavon sanitary sewer system. The developer is installing service connections to serve the development and provide access for future development.

Circulation

The development provides for safe circulation in between the lots and extending to future lots.

Floodplain and Drainage

The drainage and grading plans will be designed for drainage on and in the vicinity of the addition. The conceptual drainage plans have been reviewed by the city engineer.

Planning and Zoning Commission Report

MOTION: RECOMMEND APPROVAL OF THE PRELIMINARY PLAT OF THE RACETRAC ADDITION ON 5.899 ACRES OF LAND CONSISTING OF THREE LOTS AT 1000 SH 78 (ALSO REFERRED TO AS 9930 SH 78), OUT OF THE WAS BOHANNAN SURVEY, ABSTRACT NO. 121, CCAD PROPERTY ID 2675083, 2593398, 2133957, 2664025 AND A PORTION OF 2664090, SOUTHWEST OF THE INTERSECTION OF SH 78 AND SH 205, CITY OF LAVON, TEXAS, REQUESTED BY RACETRAC PETROLEUM.

MOTION MADE: NABORS

SECONDED: SMITH

APPROVED: UNANIMOUS

Staff Notes:

The applicant met with the City staff development review committee (DRC) and has complied with all staff and city engineer review notes.

Approval of the preliminary plat is recommended subject to the satisfaction of the city engineer.

- Attachments:**
1. Application
 2. Proposed Preliminary Plat
 3. Location exhibits
 4. Engineer correspondence
 5. Applicant presentation



CITY OF LAVON

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166
 Office 972-843-4220 – Inspection 972-853-0855
 Email: leann.mcclendon@cityoflavon.org

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APR 17 2020

CITY OF LAVON

PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

Company Making Submission			Property Owner		
Name: <u>Urban Structure</u>			Name: <u>RaceTrac</u>		
Address: <u>8140 Walnut Hill Lane, Suite 905</u>			Address: <u>200 Galleria Dr. #900</u>		
City/State/Zip: <u>Dallas, TX 75231</u>			City/State/Zip: <u>Atlanta, Georgia 30339</u>		
Phone #: <u>214-396-2120</u>		Fax #: _____	Phone #: <u>770-431-7600</u>		Fax #: _____
Authorized Person: <u>Tyler Day</u>			Authorized Person: <u>Andrew Malzer</u>		
Type of Submission		Date		Check List of Items Submitted	
<input checked="" type="checkbox"/> Preliminary Plat		<u>4/17/2020</u>			
<input type="checkbox"/> Final Plat					
<input type="checkbox"/> Re-Submittal					
<input type="checkbox"/> Construction Plans					
<input type="checkbox"/> Other					
Pricing					
Preliminary Plat: C*D*		\$500.00 plus \$5.00 per lot (Plus engineer review costs)			
Final Plat: C*D*		\$500.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)			
Re-Plat: C*D*		\$325.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)			
Public Infrastructure Inspection: C*E*		4 percent of project or Cost (whichever is greater)			
<p>C* Costs shall include the actual costs to the City plus a 10 percent administrative fee. These fees shall be in addition to the permit fee required. D* A deposit of \$500.00 shall be required to cover engineers review, with additional costs to be billed upon engineers recommendation. Any portion of the deposit not used shall be refunded after the engineer's recommendation. E* An estimate of the testing and inspection shall be made at the time of the engineers review of construction plans and a deposit equal to that amount shall be due before any construction may begin, with additional costs to be billed when the costs are incurred.</p>					
<p>NOTICE TO APPLICANT: Any approval will be issued based on the information furnished in this application and on any submitted plats. It is subject to the provisions and requirements of the City of Lavon Code of Ordinances (# 2002-01-03) and any other applicable ordinances of the City, regardless of information and/or plans submitted.</p>					
Authorized Representative (Printed Name) <u>Tyler Day</u>		Authorized Representative (Signature) <u>Tyler Day</u>		Date: <u>04/17/2020</u>	
To be completed by the City					
In Takers Name:					
In takers Review Date:	PW Review Date:	COO Review Date:	Engineer Review Date:	P&Z Review Date:	Council Action Date:
<input type="checkbox"/> Accepted	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved
<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected
Comments:					



CITY OF LAVON

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166

Office 972-843-4220 - Inspection 972-853-0855

Email: leann.mcclendon@cityoflavon.org

PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

Plat Submittal Checklist

The below items are to be submitted with all plat applications.

- Application (signed and dated)
- 3 full size sets of plats (24x36)
- 3 full size sets of construction plans (24x36)
 - Titles on pages should be descriptive & listed on table of contents.
 - * ONLY HAVE A SITE PLAN AT THIS MOMENT.
- 1 PDF and DWG plat(s) on CD
- 1 PDF and DWG complete construction plan set(s) on CD
(Can be submitted on same disk as plat, but are not considered one)
Must include the following:
 - Detailed file description
 - Number of pages contained in file- * ONLY HAVE A SITE PLAN AT THIS MOMENT.
- 1 half size sets of plats
- 10 ½ size sets if it is **Final Submittal (Only on plat submittals)**
- N/A \$500.00 deposit for engineer review To be provided in the near future.
- Public Infrastructure Inspection fee on construction plans
(4% of project or cost; whichever is greater)

Project Representative:

If all required documentation are not submitted together your application will be denied.



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0397
 leann.mcclendon@cityoflavon.org

Declaration of Ownership

Date: 2-6-2020

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, 205-78, Ltd.,
 am/are the owner(s) of record of the property described in the attached survey
 documentation, submitted with this form, for the purpose of any future proposed
 request(s) relating to this property.

[Signature]
 Signature (Owner)

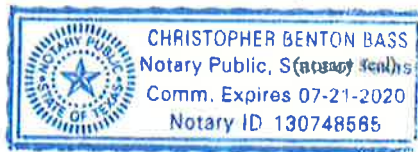
 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Michael Hopkins,
 on this the 6th day of February, 2020.

[Signature]



Notary Public in and for Dallas County, Texas **RECEIVED**

FEB 14 2020

CITY OF LAVON



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0396

Authorization of Representation

Date: 2-6-2020

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, 205-78, Ltd.,
 am/are the owner(s) of record of the property described in the attached survey
 documentation, submitted with this form, and do hereby authorize
Andrew Malzer & Brad Williams to represent me (us) and my (our)
 interests in the property described in the attached exhibits(s) for the expressed
 purpose of this request.

My signature
 Signature (Owner)

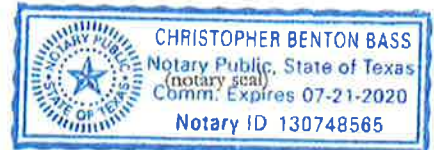
 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Michael Hopkins,
 on this the 6th day of February, 2020.

[Signature]
 Notary Public in and for Dallas County, Texas



RECEIVED

FEB 14 2020

CITY OF LAVON



CITY OF LAVON

120 School Road P.O. Box 340

Lavon, TX 75166

Phone (972) 843-4220 Fax (972) 843-0397

leann.mcclendon@cityoflavon.org

Declaration of Ownership

Date: 2-10-20

To the City of Lavon
Collin County, Texas

This letter will serve as notice that I/we, World Land Developers LP, am/are the owner(s) of record of the property described in the attached survey documentation, submitted with this form, for the purpose of any future proposed request(s) relating to this property.

Alan Bain, Vice President

Signature (Owner)

Signature (Owner)

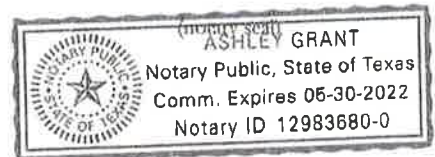
Signature (Owner)

The State of Texas
County of Dallas

Before me, the undersigned authority, appeared Alan Bain,
on this the 10 day of February, 2020.

Ashley Grant

Notary Public in and for Dallas County, Texas



RECEIVED

FEB 14 2020

CITY OF LAVON



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0396

Authorization of Representation

Date: 2-10-20

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, World Land Developers LP, am/are the owner(s) of record of the property described in the attached survey documentation, submitted with this form, and do hereby authorize Andrew Malzer & Brad Williams to represent me (us) and my (our) interests in the property described in the attached exhibits(s) for the expressed purpose of this request.

Alan Bain, Vice President
 Signature (Owner)

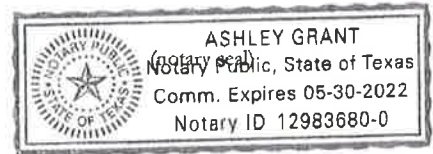
 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Alan Bain,
 on this the 10 day of February, 2020.

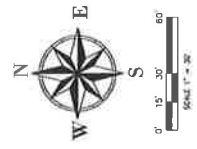
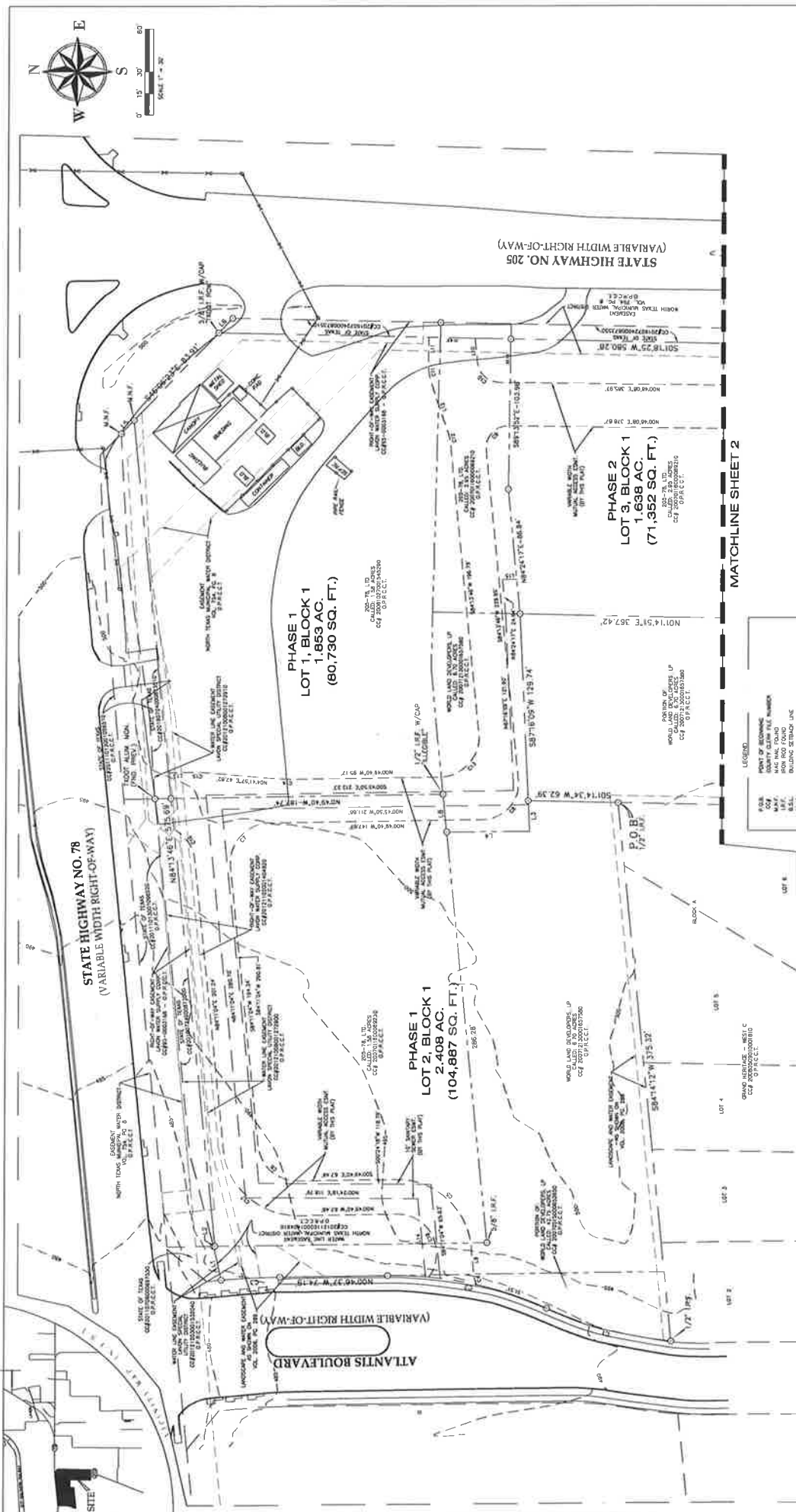
Ashley Grant
 Notary Public in and for Dallas County, Texas



RECEIVED

FEB 14 2020

CITY OF LAVON



PRELIMINARY PLAT
LOTS 1-3, BLOCK 1
RACETRAC ADDITION
 5.899 ACRES OF LAND OUT OF THE
 W.A.S. BOHANNAN SURVEY, ABSTRACT NUMBER 121
 CITY OF LAVON, COLLIN COUNTY, TEXAS

SCALE: 1"=30'
 APRIL, 2020 SHEET 1 OF 2

ENGINEER:
 URS | 1000 PINE HOLLOW DRIVE
 DALLAS, TX 75221
 PHONE: 214-285-5775

DEVELOPER:
 RACETRAC PARTNERS, L.P.
 200 GALLERIA PARKWAY, STE. 900
 ATLANTA, GEORGIA 30339
 770-431-7600

OWNER:
 WORLD LAND DEVELOPERS, L.P.
 1801 ELM STREET, STE. 2400
 DALLAS, TEXAS 75201

MATCHLINE SHEET 2

LEGEND:

○	POINT OF BEGINNING
○	IRON ROD FOUND
○	WELL
○	WATER METER
○	WATER METER VALVE
○	WATER METER BOX
○	WATER METER CONNECTION
○	WATER METER CONNECTION TO METER
○	WATER METER CONNECTION TO MAIN
○	WATER METER CONNECTION TO SERVICE
○	WATER METER CONNECTION TO METER AND MAIN
○	WATER METER CONNECTION TO METER AND SERVICE
○	WATER METER CONNECTION TO MAIN AND SERVICE
○	WATER METER CONNECTION TO METER, MAIN AND SERVICE

AREA TABLE

NO.	DESCRIPTION	ACRES	SQ. FT.
1	LOT 1, BLOCK 1	1.853	80,730
2	LOT 2, BLOCK 1	2.408	104,887
3	LOT 3, BLOCK 1	1.638	71,352
4	TOTAL	5.899	256,969

DETAILED AREA TABLE

NO.	DESCRIPTION	ACRES	SQ. FT.
1	LOT 1, BLOCK 1	1.853	80,730
2	LOT 2, BLOCK 1	2.408	104,887
3	LOT 3, BLOCK 1	1.638	71,352
4	TOTAL	5.899	256,969

O'NEAL SURVEYING CO.
 1000 PINE HOLLOW DRIVE
 DALLAS, TEXAS 75221
 TEL: 214-285-5775
 WWW.ONEALSURVEYING.COM

OWNER'S CERTIFICATE

CITY OF TARRANT COUNTY TEXAS

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

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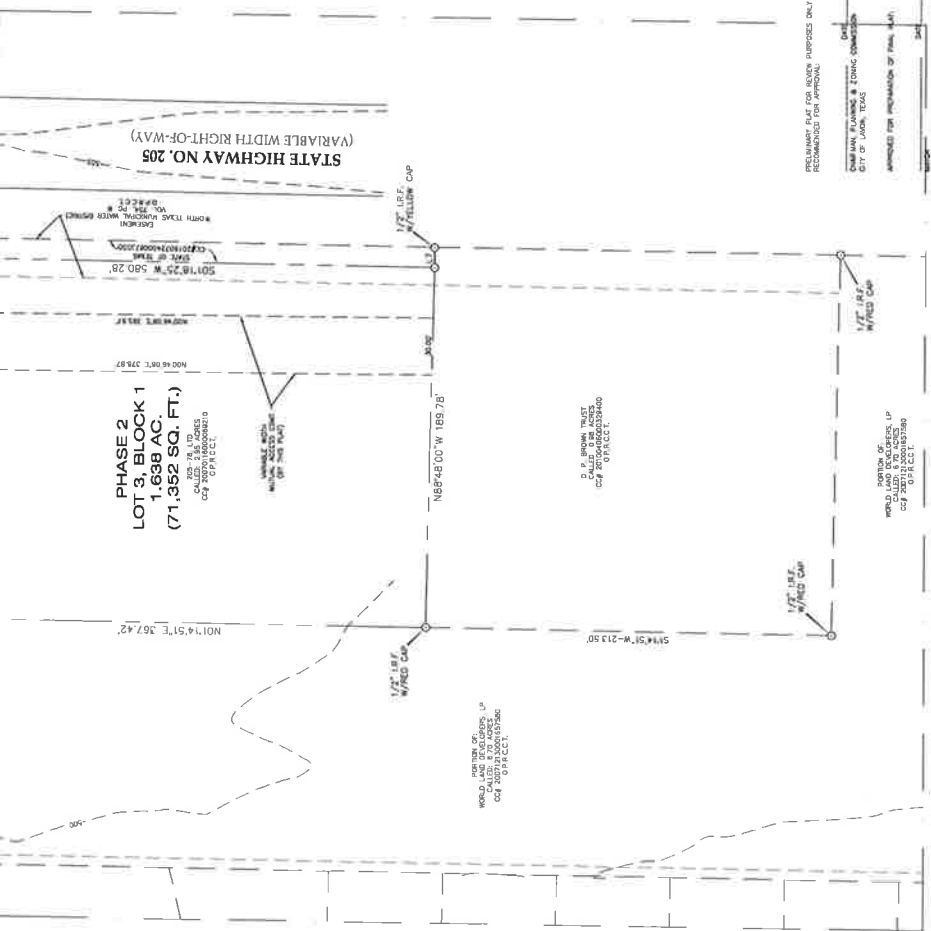
WHEREAS, THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997, AND THE CITY OF TARRANT COUNTY TEXAS HAS ADOPTED THE CITY OF TARRANT COUNTY TEXAS SUBDIVISION MAP ACT, CHAPTER 211, ACTS 1997...

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MATCHLINE SHEET 1



POINT OF BEGINNING
BEING THE CORNER OF THE
SECTION 17, T12N, R10E, S40E,
COUNTY OF TARRANT, TEXAS,
AS SHOWN ON THE SURVEY MAP
CALLED "PHASE 2, BLOCK 1, LOT 3"
AS RECORDED IN THE PUBLIC RECORDS
OF TARRANT COUNTY, TEXAS.

OWNER:
WORLD LAND SERVICES, LP
1601 ELM STREET, STE. 3400
DALLAS, TEXAS 75201

DEVELOPER:
RACETRAC PROTEUM, INC.
200 BALANTA, ATLANTA, GEORGIA 30338
770-431-7600

ENGINEER:
URS | STRUCTURE
8140 WALTON BLVD., STE. 905
DALLAS, TX 75221
PHONE: 214-285-5775

SCALE: 1"=30'
APRIL, 2020
SHEET 2 OF 2

RECORDING INFORMATION
CITY OF TARRANT, TEXAS
APPROVED FOR RECORDATION OF THIS PLAT
DATE: _____

Table with 3 columns: LINE NUMBER, BEARING, DISTANCE. Contains 10 rows of survey data.

Table with 3 columns: BEARING, DISTANCE, AREA. Contains 10 rows of survey data.

OWNER'S DEDICATION
STATE OF TEXAS
COUNTY OF TARRANT
I, DANIEL CHASE O'NEAL, A REGISTERED PROFESSIONAL LAND SURVEYOR, IN THE ACTUAL AND SOLE POSSESSION OF THE LAND AND THE INSTRUMENTS SHOWN ACCORDANCE WITH THE PLATING RULES AND REGULATIONS OF THE CITY PLAN PRELIMINARY THIS DOCUMENT SHALL NOT BE RECORDED FOR ANY PURPOSE.
DANIEL CHASE O'NEAL
DANIEL CHASE O'NEAL REGISTERED PROFESSIONAL LAND SURVEYOR NO. 45370
STATE OF TEXAS

O'NEAL SURVEYING CO. logo and contact information: 1925 JIMMIE ST. ATHLETEN, TX 75221. WWW.O'NEALSURVEYING.COM

RaceTrac Petroleum – Location Exhibit



Future Land Use Plan

Zoning Change RaceTrac Petroleum

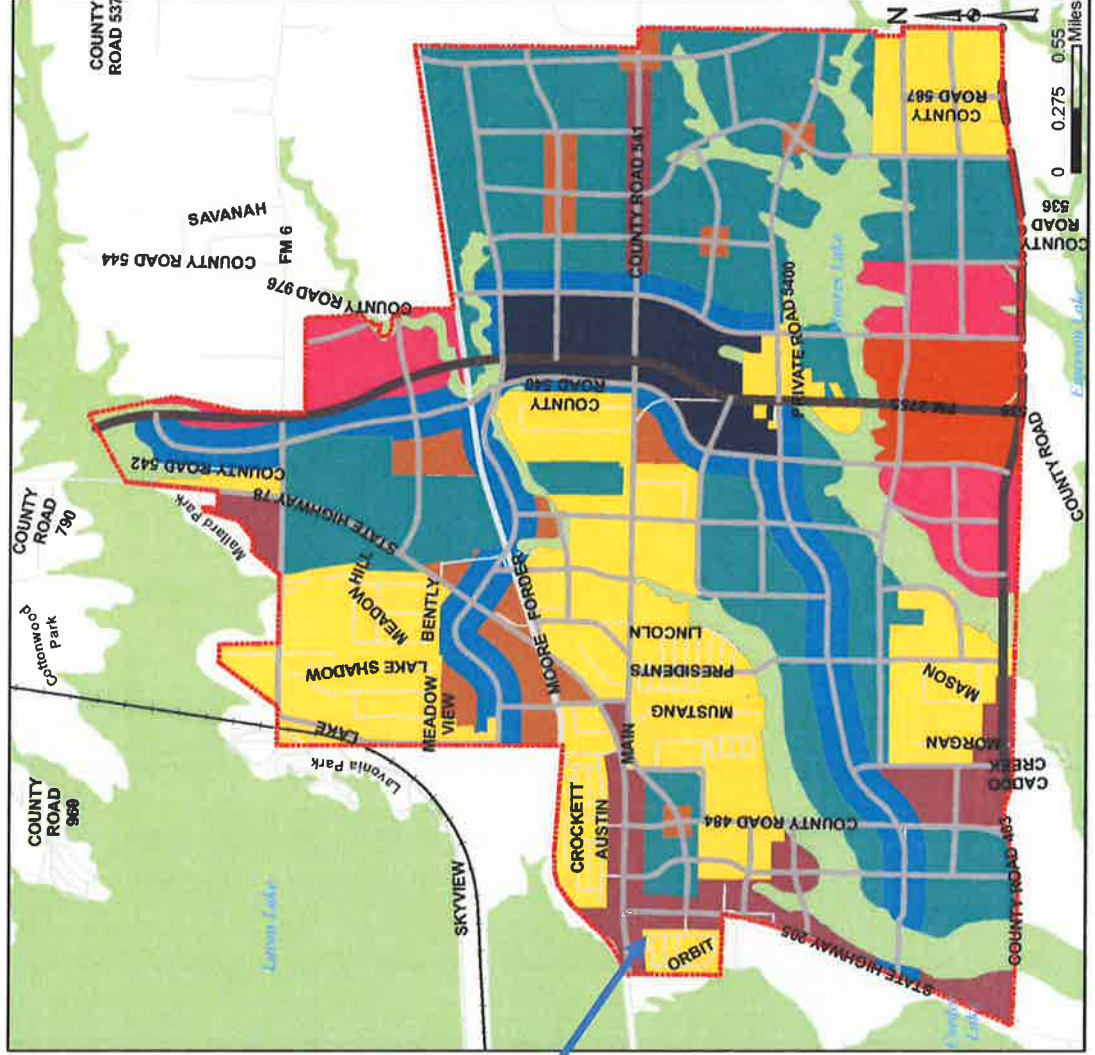
Lavon Future Land Use Plan

Source: Ideation Planning, Lee Engineering, 2019



Legend

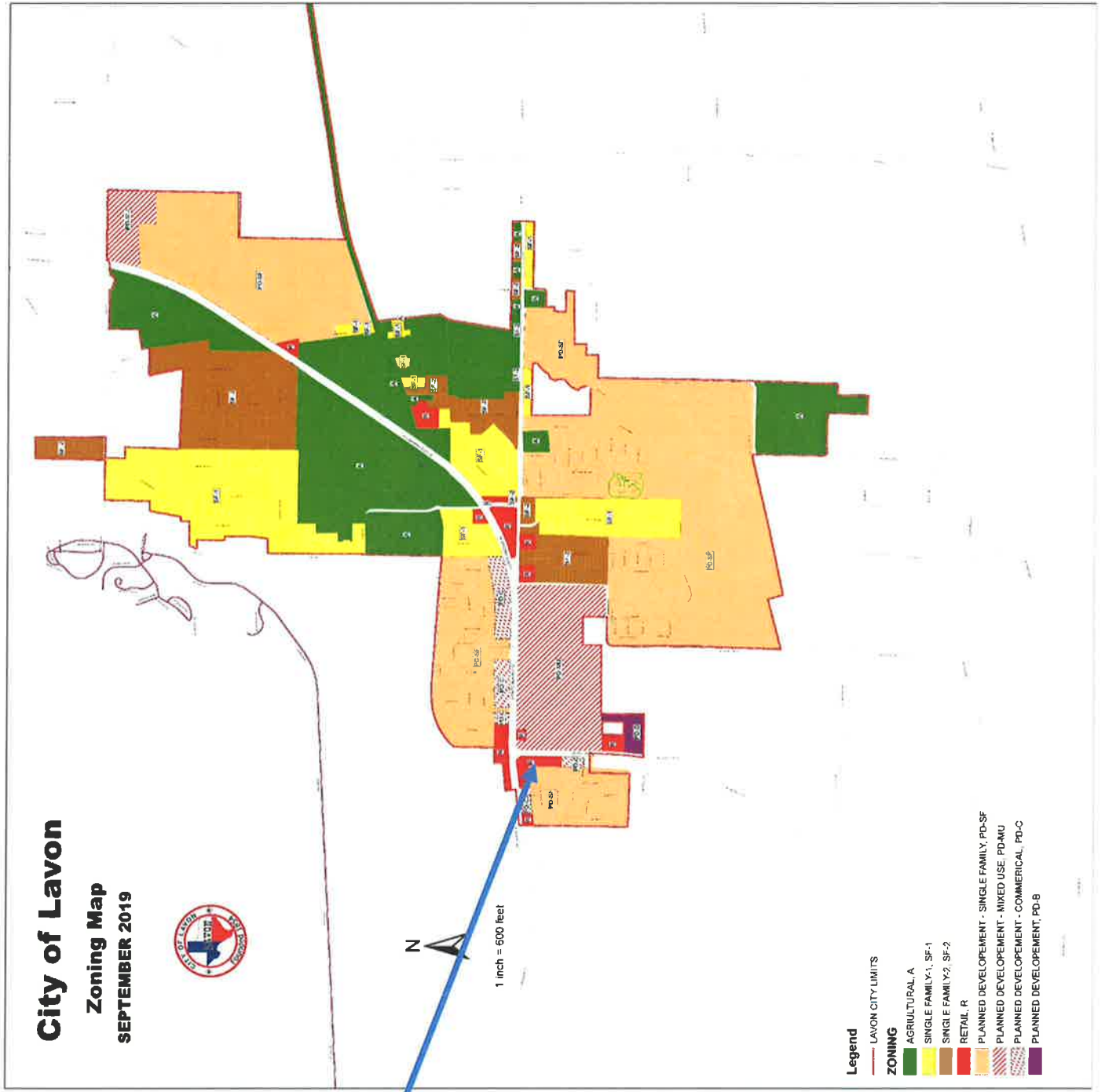
- Floodplain
- Regional Mixed-Use 2
- Creative Lakes District
- City Village
- Lake Connector Corridor
- Commercial
- Regional Mixed-Use 1
- Master Planned Community
- MTP Roadway
- Existing Neighborhood
- Potential Future Lavon
- Freeway (Collin County)
- KCS Railway
- NETEX Transportation Corridor



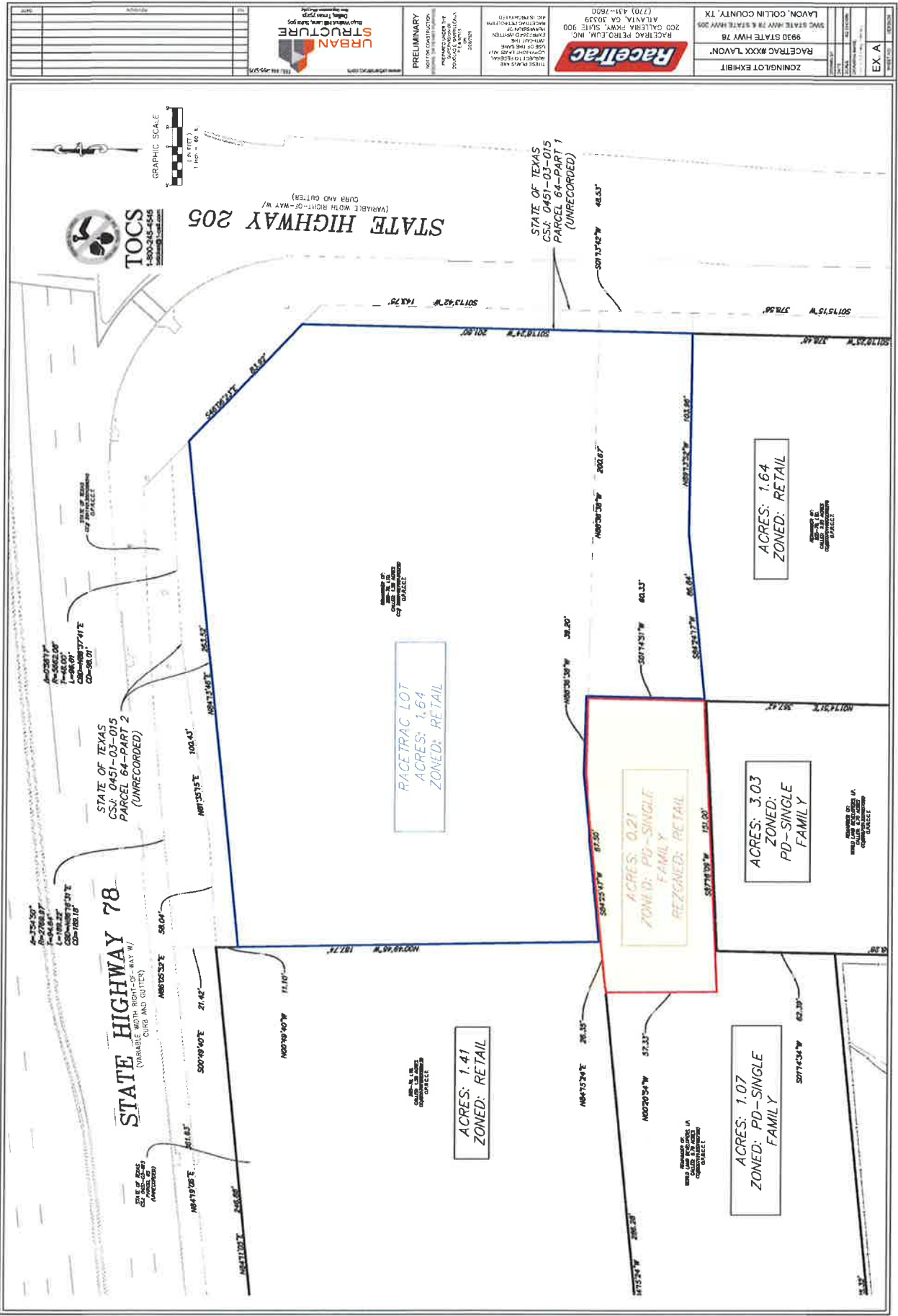
A comprehensive plan shall not constitute a zoning regulation or establish zoning district boundaries.

Zoning Map

RaceTrac Petroleum



RaceTrac Petroleum – Zoning Exhibit



VICTOR L. ACUY, P.E.
RICHARD A. DORMIER, P.E.
JOHN D. GATTIS, A.I.A.
MARK D. HILL, P.E.
DAMIR LULO, P.E.
MICHAEL K. STACEY, P.E.
LARRY J. FREEMAN, P.E.

May 22, 2020

Ms. Kim Dobbs
City of Lavon
PO Box 340
Lavon, TX 75166

Re: RaceTrac Addition - 3 Lots, 5.899 Acres
Preliminary Plat

Dear Ms. Dobbs:

As requested, we have reviewed the revised Plat dated April, 2020 as prepared by O'Neal Surveying Co. for the above referenced property. The property is located at the southwest corner of SH 78 and SH 205. The property is zoned Retail.

The revised Preliminary Plat shows that Lots 1 and 2 are to be Platted as Phase 1 and Lots 3 is Phase 2.

This concludes our review of the above referenced revised Preliminary Plat. **We recommend approval of the Preliminary Plat and Site Plans.**

The review conducted by FMI was for the limited purpose of code and ordinance compliance review for the exclusive benefit of the City of Lavon. The above referenced documents were not reviewed as to their quality or for errors on the part of the surveyor or engineer.

If there are any questions, please contact me at 214-503-0555 x115 or by email at mdhill@fmi-dallas.com.

Sincerely,
FREEMAN-MILLICAN, INC.



Mark D. Hill, P.E.
Consulting City Engineer

Cc: Sonny Mancias, Mike Jones, Danny Anthony, Tyler Day

F:\17024 - LAV General Servies\9 - Review\RaceTrac\RaceTrac Addition - Preliminary Plat - Rev 2.docx

May 14, 2020

Ms. Kim Dobbs
City of Lavon
PO Box 340
Lavon, TX 75166

Re: RaceTrac Addition - 3 Lots, 5.899 Acres
Preliminary Plat

Dear Ms. Dobbs:

As requested, we have reviewed the Preliminary Plat dated April, 2020 as prepared by O'Neal Surveying Co. and revised Site Plan dated February 5, 2020 as prepared by Urban Structure for the above referenced property. The property is located at the southwest corner of SH 78 and SH 205. The property is zoned Retail. Our comments are as follows:

Preliminary Plat

1. The Preliminary Plat includes a mutual access easement from Atlantis Blvd to the south property line. It should be noted that if only Lot 1, Block 1 is to be Final Platted, the easements on Lot 2 will be by separate instrument. Since Lot 3 is not utilized by Lot 1 currently, the easement can be part of the Final Plat for Lot 3.
2. The Sanitary Sewer is within a separate easement. It should be noted that if only Lot 1, Block 1 is to be Final Platted, the easements on Lot 2 will be by separate instrument.
3. The Approval Block should be changed to the Preliminary Plat Approval Block.

Site Plan

4. All previous comments have been satisfactorily addressed.
5. A separate sign permit will be required for proposed signage.

This concludes our review of the above referenced Preliminary Plat and revised Site Plan.

The review conducted by FMI was for the limited purpose of code and ordinance compliance review for the exclusive benefit of the City of Lavon. The above referenced documents were not reviewed as to their quality or for errors on the part of the surveyor or engineer.

Ms. Kim Dobbs
RaceTrac Addition, Preliminary Plat
May 14, 2020
Page 2 of 2

If there are any questions, please contact me at 214-503-0555 x115 or by email at mdhill@fmi-dallas.com.

Sincerely,
FREEMAN-MILLICAN, INC.

A handwritten signature in blue ink that reads "Mark D. Hill, P.E." with a stylized flourish at the end.

Mark D. Hill, P.E.
Consulting City Engineer

Cc: Sonny Mancias, Mike Jones, Danny Anthony, Tyler Day

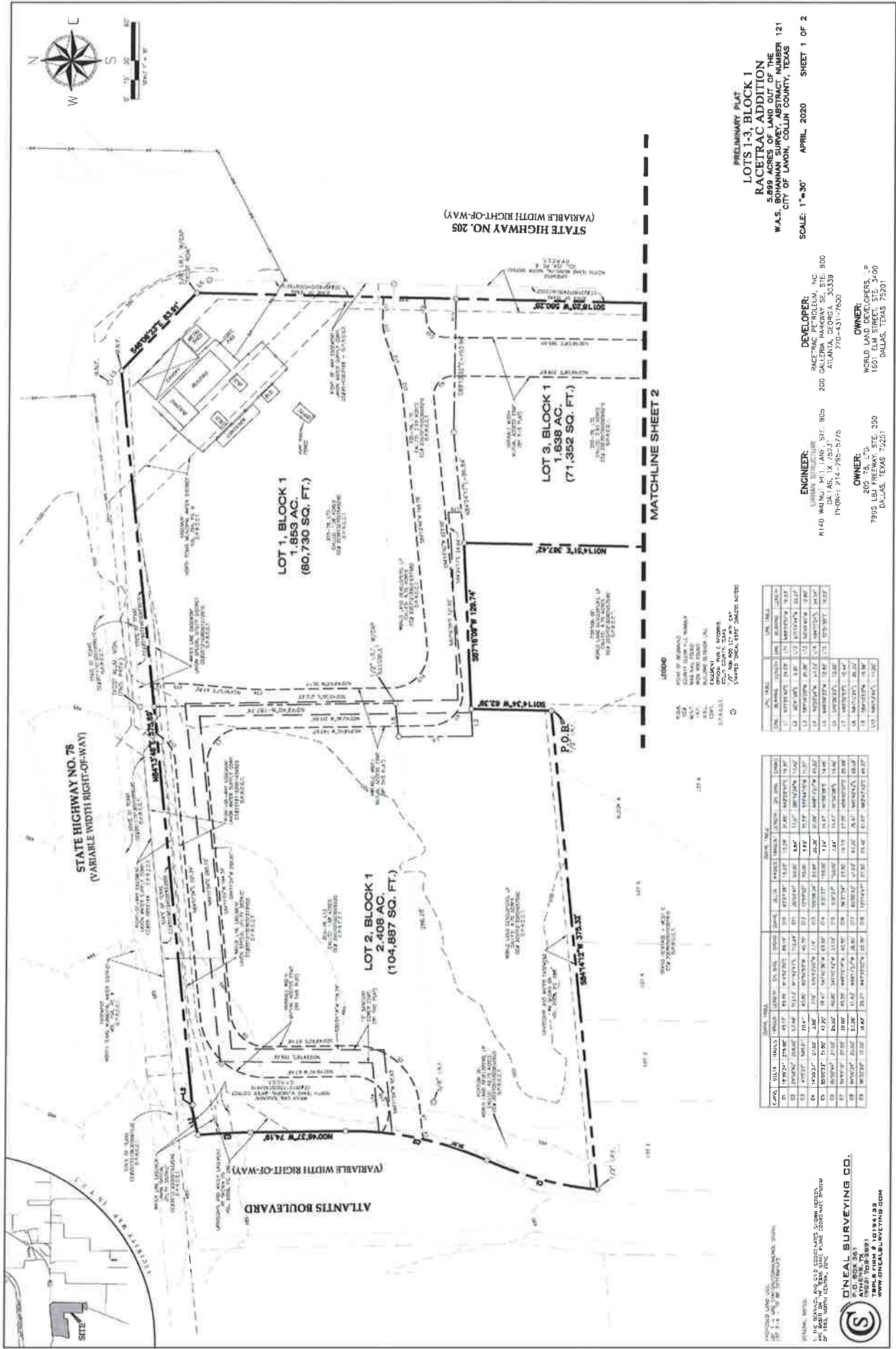
F:\17024 - LAV General Servies\9 - Review\RaceTrac\RaceTrac Addition - Preliminary Plat - Rev 1.docx



Site Plan & Plat

City of Lavon

May 26, 2020



PRELIMINARY PLAT
LOTS 1-3, BLOCK 1
RACETRAC ADDITION
 5,899 ACRES OF LAND OUT OF THE
 PUBLIC DOMAIN, COUNTY OF COLLIN,
 CITY OF LAWRENCE, COLLIN COUNTY, TEXAS

DEVELOPER:
 RACETRAC HOLDING CO.
 200 DALY STREET, STE. 30339
 ATLANTA, GEORGIA 30339
 770-431-7600

ENGINEER:
 K140 WILSON, HILL, JANS, SYK, 805
 DALLAS, TEXAS 75201
 P.E. NO. 714-795-5775

OWNER:
 WORLD LAD DEVELOPERS, P.
 1601 ELM STREET, STE. 3000
 DALLAS, TEXAS 75201

SCALE: 1"=30'
 APRIL, 2020
 SHEET 1 OF 2

LINE	MARKER	BEARING	DISTANCE	AREA
1	IRON	N 11° 15' 00" E	100.00	100.00
2	IRON	S 88° 45' 00" W	100.00	100.00
3	IRON	S 88° 45' 00" W	100.00	100.00
4	IRON	N 11° 15' 00" E	100.00	100.00
5	IRON	N 11° 15' 00" E	100.00	100.00
6	IRON	S 88° 45' 00" W	100.00	100.00
7	IRON	S 88° 45' 00" W	100.00	100.00
8	IRON	N 11° 15' 00" E	100.00	100.00
9	IRON	N 11° 15' 00" E	100.00	100.00
10	IRON	S 88° 45' 00" W	100.00	100.00
11	IRON	S 88° 45' 00" W	100.00	100.00
12	IRON	N 11° 15' 00" E	100.00	100.00
13	IRON	N 11° 15' 00" E	100.00	100.00
14	IRON	S 88° 45' 00" W	100.00	100.00
15	IRON	S 88° 45' 00" W	100.00	100.00
16	IRON	N 11° 15' 00" E	100.00	100.00
17	IRON	N 11° 15' 00" E	100.00	100.00
18	IRON	S 88° 45' 00" W	100.00	100.00
19	IRON	S 88° 45' 00" W	100.00	100.00
20	IRON	N 11° 15' 00" E	100.00	100.00

LINE	MARKER	BEARING	DISTANCE	AREA
21	IRON	N 11° 15' 00" E	100.00	100.00
22	IRON	S 88° 45' 00" W	100.00	100.00
23	IRON	S 88° 45' 00" W	100.00	100.00
24	IRON	N 11° 15' 00" E	100.00	100.00
25	IRON	N 11° 15' 00" E	100.00	100.00
26	IRON	S 88° 45' 00" W	100.00	100.00
27	IRON	S 88° 45' 00" W	100.00	100.00
28	IRON	N 11° 15' 00" E	100.00	100.00
29	IRON	N 11° 15' 00" E	100.00	100.00
30	IRON	S 88° 45' 00" W	100.00	100.00
31	IRON	S 88° 45' 00" W	100.00	100.00
32	IRON	N 11° 15' 00" E	100.00	100.00
33	IRON	N 11° 15' 00" E	100.00	100.00
34	IRON	S 88° 45' 00" W	100.00	100.00
35	IRON	S 88° 45' 00" W	100.00	100.00
36	IRON	N 11° 15' 00" E	100.00	100.00
37	IRON	N 11° 15' 00" E	100.00	100.00
38	IRON	S 88° 45' 00" W	100.00	100.00
39	IRON	S 88° 45' 00" W	100.00	100.00
40	IRON	N 11° 15' 00" E	100.00	100.00

DINEAL SURVEYING CO.
 P.O. BOX 303
 1601 ELM STREET, STE. 3000
 DALLAS, TEXAS 75201
 WWW.DINEALSURVEYING.COM



CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 7 – F

Item:

Discussion and action regarding the Site Plan for a RaceTrac store on Lot 1, Block 1 of the RaceTrac Addition, a 1.853 acre lot in the vicinity of 1000 SH 78 (also referred to as 9930 SH 78), southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.

Application Information

Owner(s): 205-78, Ltd. And World Land Developers, LP.

Applicant: Andrew Malzer, RaceTrac Petroleum

Representative: Brad Williams, Winstead PC

Location: Southwest corner of the intersection of SH 78 and SH 205 northeast of Grand Heritage West

Description: 1000 SH 78, Lavon, Texas (also referred to as 9930 SH 78)
RaceTrac Addition, Lot 1, Block 1, 1.853 acres

Current Zoning: Retail (R)

Request: Site Plan

The applicant has submitted a site plan for a proposed convenience store and fueling station located on Lot 1, Block 1 of the proposed RaceTrac Addition, on the southwest corner of the intersection of SH 78 and SH 205. The structure and fuel pumps are oriented to face SH 78.

Code Excerpt:

**LAVON CODE OF ORDINANCES – ZONING ORDINANCE
CHAPTER 7 – SITE PLAN**

9.1.7.1 PURPOSE

The purpose of this Section is to regulate the manner in which land in the City of Lavon is used and developed, minimize adverse effects on surrounding property or the general public, protection from fire, protection of adjacent uses from obstructions to light, air and visibility plus provision of adequate storm water

drainage facilities, transportation, water and sanitary sewage facilities.

9.1.7.4 CRITERIA FOR APPROVAL

- A) All applicable City of Lavon Comprehensive Master Plan and Ordinance requirements shall have been met as a condition of site plan approval.
- B) All applicable Site Plan requirements of this Subtitle shall have been met as a condition of site plan approval.
- C) The adequate capacity of public or private facilities for water, sewer and access to, from and through the development shall be met as a condition of site plan approval. City reserves the right to deny approval of a site plan based upon insufficient capacity of any public facility or facilities.

The application satisfies the criteria for approval.

Zoning: The property is zoned Retail (R) and the proposed development of a retail store is a permitted use. On April 7, 2020, the applicant was granted the required conditional use permit for an automobile fueling and gasoline filling station.

Platting: The preliminary plat is pending approval.

Access: Access to the site is located on SH 78 and SH 205 with at least two points of ingress and egress proposed and cross access easements for safe circulation. As appropriate, the applicant will prepare application(s) for the City to submit to TxDOT for the driveway permits. Sidewalks adjacent to the public roadways will be constructed by TxDOT with the future SH 205 widening project.

Utilities: The site will be served water by the Bear Creek Special Utility District and sanitary sewer by the City of Lavon. The applicant is dedicating sanitary sewer infrastructure and related easements.

Screening and Landscaping: With the exception of a small area adjacent to undeveloped property zoned Planned Development Single-Family (PD-SF), the site is bound by Retail (R) zoned property. An existing masonry wall separates homes in Grand Heritage West-C from the proposed site. Site lighting will not encroach onto adjacent properties. An application for a Landscape Plan is pending approval.

Planning and Zoning Commission Report

MOTION: RECOMMEND APPROVAL OF THE SITE PLAN FOR A RACETRAC STORE ON LOT 1, BLOCK 1 OF THE RACETRAC ADDITION, A 1.853 ACRE LOT IN THE VICINITY OF 1000 SH (ALSO REFERRED TO AS 9930 SH 78), SOUTHWEST OF THE INTERSECTION OF SH 78 AND 205, CITY OF LAVON, TEXAS, REQUESTED BY RACETRAC PETROLEUM.

MOTION MADE: NABORS

SECONDED: COKER

APPROVED: UNANIMOUS

Staff Notes:

The proposed site plan was reviewed by the City Engineer and staff development review committee (DRC). Approval is recommended.

Attachments:

1. Application
2. Site Plan
3. Engineer's correspondence (see prior item)
4. Applicant presentation



CITY OF LAVON SITE PLAN APPLICATION

P.O. Box 340 120 School Rd., Lavon, TX 75166
Office (972) 843-4220 Fax (972) 843-0397

RECEIVED
APR 17 2020
CITY OF LAVON

APPLICATION INFORMATION

Name: Tyler Day

Address: 8140 Walnut Hill Lane, Suite 905

Telephone Number: 469-332-4150

Email Address: tday@urbanstruct.com

LEGAL DESCRIPTION: (Lot, Block, Subdivision, or CAD Tract No, Survey, Abstract, Address)

Southwest Corner of 78/205... W.A.S. BOHANNAN SURVEY, ABSTRACT NO. 121,

SUBDIVISION NAME: (*approved plat is prerequisite*) To Be Determined

ZONING: Retail

LEGAL OWNER OF PROPERTY INVOLVED: 205-78 LTD, World Land Developers LP

If Applicant is NOT the Owner, Relationship to Owner: Engineer

I AM THE OWNER OR AGENT AUTHORIZED TO MAKE THE ABOVE STATEMENTS AND REPRESENTATIONS HEREIN ON BEHALF OF THE OWNER.

Signature: 
Owner / Authorized Agent

04/14/2020
Date

Printed Name: Andrew Malzer
Owner / Authorized Agent

Title: Engineering Project Manager

Company: RaceTrac

City Office Use Only:

	Amount:	Check #	or Cash _____
Fee paid (<i>due at time of application</i>)			
Cost plus admin fee - \$500 deposit			
Required items submitted			
Development Engineer Comments			
Development Review Committee Comments			
Comments Addressed by Applicant			
Planning & Zoning Action			
City Council Action			

* City of Lavon to calculate fee for US and we will then provide payment.



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0397
 leann.mcclendon@cityoflavon.org

Declaration of Ownership

Date: 2-6-2020

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, 205-78, Ltd.,
 am/are the owner(s) of record of the property described in the attached survey
 documentation, submitted with this form, for the purpose of any future proposed
 request(s) relating to this property.

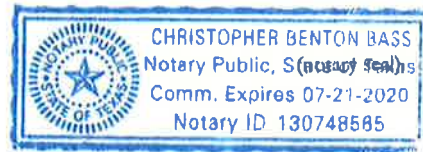
[Signature]
 Signature (Owner)

 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Michael Hopkins,
 on this the 6th day of February, 2020.



[Signature]

Notary Public in and for Dallas County, Texas **RECEIVED**

FEB 14 2020
CITY OF LAVON



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0396

Authorization of Representation

Date: 2-6-2020

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, 205-78, Ltd.,
 am/are the owner(s) of record of the property described in the attached survey
 documentation, submitted with this form, and do hereby authorize
Andrew Malzer & Brad Williams to represent me (us) and my (our)
 interests in the property described in the attached exhibits(s) for the expressed
 purpose of this request.

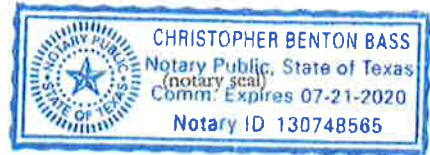
My / sign
 Signature (Owner)

 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Michael Hopkins,
 on this the 6th day of February, 2020.



[Signature]
 Notary Public in and for Dallas County, Texas

RECEIVED

FEB 14 2020

CITY OF LAVON



CITY OF LAVON

120 School Road P.O. Box 340

Lavon, TX 75166

Phone (972) 843-4220 Fax (972) 843-0397

leann.mcclendon@cityoflavon.org

Declaration of Ownership

Date: 2-10-20

To the City of Lavon
Collin County, Texas

This letter will serve as notice that I/we, World Land Developers LP,
am/are the owner(s) of record of the property described in the attached survey
documentation, submitted with this form, for the purpose of any future proposed
request(s) relating to this property.

Alan Bain, Vice President

Signature (Owner)

Signature (Owner)

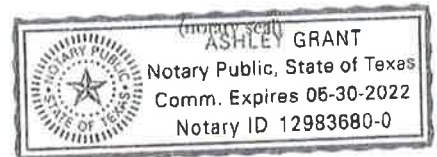
Signature (Owner)

The State of Texas
County of Dallas

Before me, the undersigned authority, appeared Alan Bain,
on this the 10 day of February, 2020.

Ashley Grant

Notary Public in and for Dallas County, Texas



County, Texas

RECEIVED

FEB 14 2020

CITY OF LAVON



CITY OF LAVON
 120 School Road P.O. Box 340
 Lavon, TX 75166
 Phone (972) 843-4220 Fax (972) 843-0396

Authorization of Representation

Date: 2-10-20

To the City of Lavon
 Collin County, Texas

This letter will serve as notice that I/we, World Land Developers LP,
 am/are the owner(s) of record of the property described in the attached survey
 documentation, submitted with this form, and do hereby authorize
Andrew Malzer & Brad Williams to represent me (us) and my (our)
 interests in the property described in the attached exhibits(s) for the expressed
 purpose of this request.

Alan Bain, Vice President
 Signature (Owner)

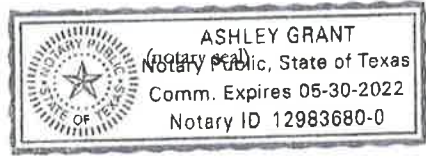
 Signature (Owner)

 Signature (Owner)

The State of Texas
 County of Dallas

Before me, the undersigned authority, appeared Alan Bain,
 on this the 10 day of February, 2020.

Ashley Grant
 Notary Public in and for Dallas County, Texas



RECEIVED

FEB 14 2020

CITY OF LAVON

NO.	REVISION

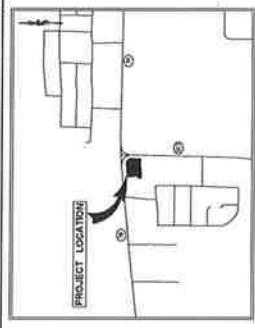
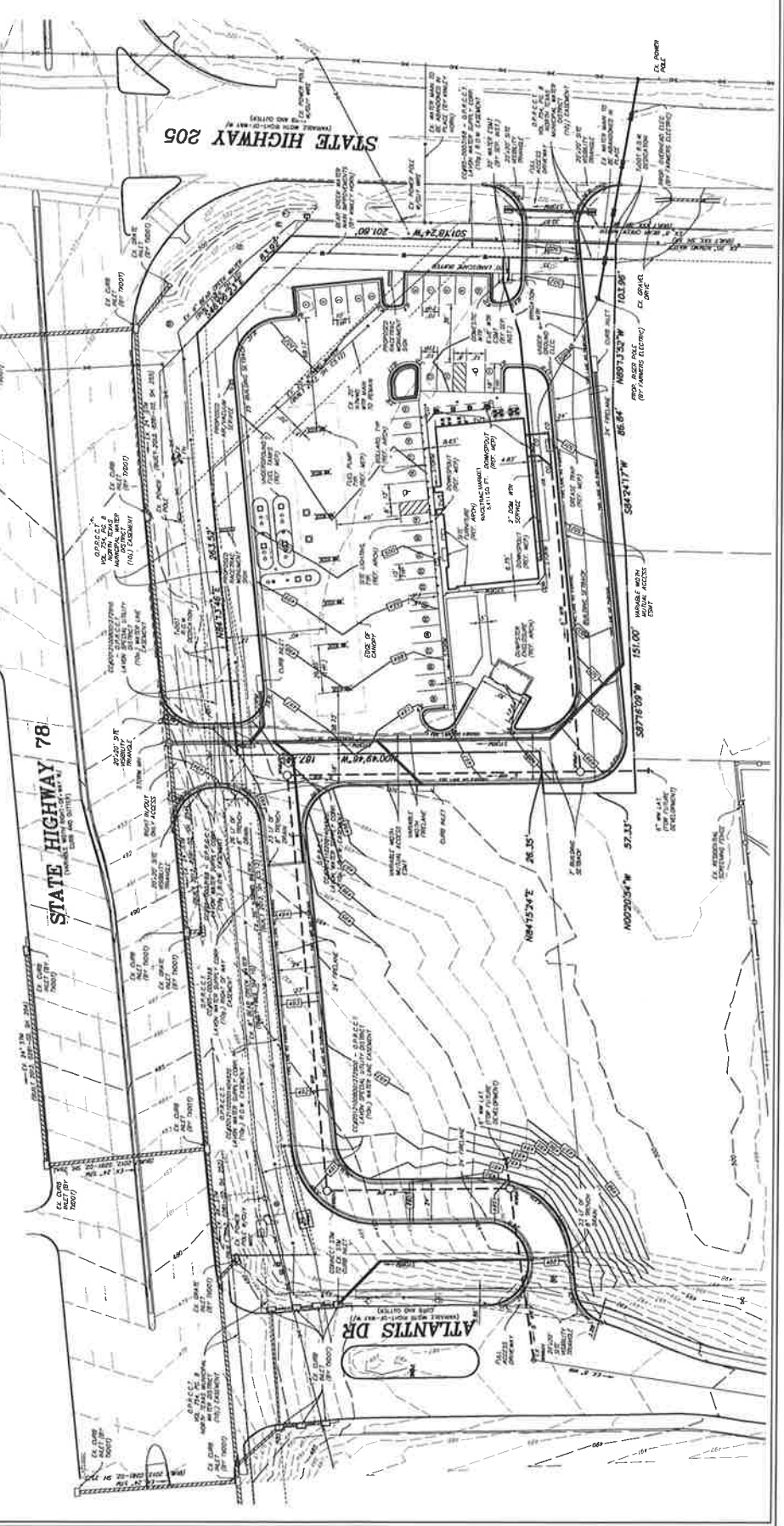
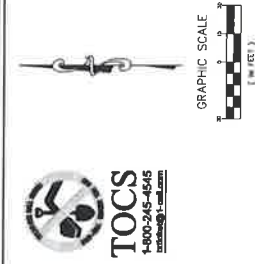
DATE: _____
 DRAWN BY: _____
 CHECKED BY: _____
 APPROVED BY: _____



URBAN STRUCTURE
 311 West 17th Street
 Fort Worth, TX 76102
 TEL: 817.959.5275

Racetrac
 THESE PLANS ARE PREPARED BY RACETRAC AND THE CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING THE ACCURACY OF ALL INFORMATION PROVIDED BY RACETRAC. RACETRAC SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THESE PLANS.

9930 STATE HWY 78
 RACETRAC #XXX "LAVON"
 SMC STATE HWY 78 & STATE HWY 205
 LAVON, COLLIN COUNTY, TX
 SITE PLAN
 CDE 01
 SHEET NO. 1
 VOLUME 1



- SITE NOTES**
1. ALL WORK AND MATERIALS COMPLY WITH COLLIN COUNTY AND/OR STATE STANDARDS, REGULATIONS AND CODES AND O.S.H.A. STANDARDS.
 2. CONTRACTOR SHALL REFER TO ARCHITECTURAL PLANS FOR EXACT LOCATIONS OF ALL STRUCTURES, UTILITIES, SIGNAGE, LIGHTING, COLUMNS, DOOR LOCATIONS AND UTILITY ENTRANCES.
 3. EXISTING STRUCTURES WITHIN CONSTRUCTION LIMITS ARE TO BE DEMOLISHED AND RECONSTRUCTED PER ARCHITECTURAL PLANS. ALL COSTS SHALL BE INCLUDED IN BASE BID.
 4. CONTRACTOR SHALL BE RESPONSIBLE FOR ALL RELOCATIONS OF EXISTING UTILITIES, SIGNAGE, TRAFFIC SIGNALS AND POLES ETC. AS REQUIRED PER ARCHITECTURAL PLANS.
 5. ALL DIMENSIONS ARE TO THE FACE OF CURB UNLESS OTHERWISE NOTED.
 6. ALL BUILDING DIMENSIONS ARE TO THE FACE OF STRUCTURAL WALLS UNLESS OTHERWISE NOTED.
 7. THE CONTRACTOR IS RESPONSIBLE FOR THE PROTECTION OF ALL AREAS INDICATED TO REMAIN UNDISTURBED OR TO REMAIN AS EXISTING. ANY DAMAGE TO EXISTING UTILITIES OR STRUCTURES DURING CONSTRUCTION SHALL BE REPAIRED BY THE CONTRACTOR. CONTRACTOR SHALL MATCH EXISTING PAVEMENT IN GRADE AND ALIGNMENT.

SITE PLAN LEGEND

PROPOSED LINE	EXISTING LINE
PROPERTY LINE	AS BUILT
SHARED PARKING	EXISTING UTILITY LINE
EX. GAS LINE	EXISTING UNDERGROUND TELEPHONE
EX. WATER LINE	EXISTING UNDERGROUND ELECTRIC
EX. UNDERGROUND TELEPHONE	EXISTING UNDERGROUND ELECTRIC
EX. UNDERGROUND ELECTRIC	EXISTING UNDERGROUND GAS
EX. WATER	EXISTING UNDERGROUND WATER
EX. UNDERGROUND TELEPHONE	EXISTING UNDERGROUND GAS
EX. UNDERGROUND ELECTRIC	EXISTING UNDERGROUND WATER
EX. UNDERGROUND GAS	EXISTING UNDERGROUND FIBER OPTIC
EX. UNDERGROUND WATER	EXISTING UNDERGROUND CABLE TV
EXISTING UNDERGROUND TELEPHONE	EXISTING UNDERGROUND FIBER OPTIC
EXISTING UNDERGROUND ELECTRIC	EXISTING UNDERGROUND CABLE TV
EXISTING UNDERGROUND GAS	EXISTING UNDERGROUND FIBER OPTIC
EXISTING UNDERGROUND WATER	EXISTING UNDERGROUND CABLE TV
EXISTING UNDERGROUND TELEPHONE	EXISTING UNDERGROUND FIBER OPTIC
EXISTING UNDERGROUND ELECTRIC	EXISTING UNDERGROUND CABLE TV
EXISTING UNDERGROUND GAS	EXISTING UNDERGROUND FIBER OPTIC
EXISTING UNDERGROUND WATER	EXISTING UNDERGROUND CABLE TV

PARKING SUMMARY

TYPE	NO.
Handicap	2
Other	20
TOTAL	22

SITE DESIGN STANDARDS

ITEM	STANDARD
Lot Area	1000 sq. ft.
Lot Depth	30 ft.
Lot Width	30 ft.
Lot Length	30 ft.
Lot Area	1000 sq. ft.
Lot Depth	30 ft.
Lot Width	30 ft.
Lot Length	30 ft.

LAND USE SUMMARY (ON-SITE)

TYPE	NO.
Handicap	2
Other	20
TOTAL	22

Small text at the bottom right corner, likely containing project details or contact information.



City of Lavon
Site Plan – Checklist

Zoning Ordinance, Article 9 - Exhibit B, Chapter 7

	Item	complete
1	All applicable City of Lavon Comprehensive Master Plan and Ordinance requirements shall have been met as a condition of the site plan approval	X
2	Prior to issuance of any building permit for new structure	
	Essential requirements:	
3	The adequate capacity of public or private facilities for water, sewer and access to, from and through development	X
4	Project Name, North Arrow and Date	X
5	Vicinity Map at scale of less than 1": 1,000 and scale of the site plan drawing shall be no less than 1": 50	X
6	Aerial Photography upon which the proposed development features shall be placed	X
7	Public Street Names and location of all existing and proposed streets right-of-way, within or on the boundary of the proposed development, pavement widths, sidewalks and bikeways	X
8	Lot layout with dimensions for all lot lines, all yards and building sites	X
9	Zoning designations of proposed development and all adjoining lots and development	X
10	Location all existing structures fences, structures and buildings on site as well as within 200 feet	X
11	Location and sizes of all existing proposed easements for public utilities in and adjacent to the proposed development including:	X
12	Water lines and diameter, fire hydrants, connections to water	X
13	Sanitary sewer lines, diameters, manholes, connections to City Sewer Line	X
14	Storm water detention/retention facilities, outlets and inlets with pre and post detention facilities for five (5) to one hundred (100) year storms in five-year increments	X
15	Electric and Gas Facilities and easements	X
16	Telecommunication facilities and easements	X
17	Show existing land topography at contour interval or not more than two (2) feet, floodplains and proposed grading and changes to topography.	X
18	Proposed open space reserves, park lands and recreation lands	N/A
19	Proposed location of all parking and loading areas	X
20	Location of existing landscape, existing trees, creeks, wetlands, FEMA flood plains or ponds	X
21	Landscape plan showing detail of location, type and size of proposed landscaping	X
22	Architectural elevations for all buildings on all sides. Plan to include color, texture, windows doors and other designs	X
23	Signage plans shall include signs drawn to scale, illumination type, height and material	X
24	Illumination plans shall be provided that show the illumination of the buildings and structures and lighting levels within the site within (20) feet of the site.	X
25	Parkland, Recreation Land and Open space Reserve Plan showing detail	X
26	Data to be provided include: Gross area of site, number of dwelling units, percent of lot coverage, percentage of lot covered by impervious surfaces, percent of landscaping, and total number of parking and loading spaces.	X
27	Landscape Plan is required – See Landscape Plan Checklist	X

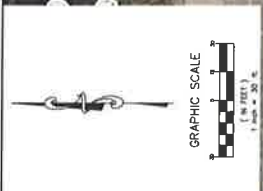
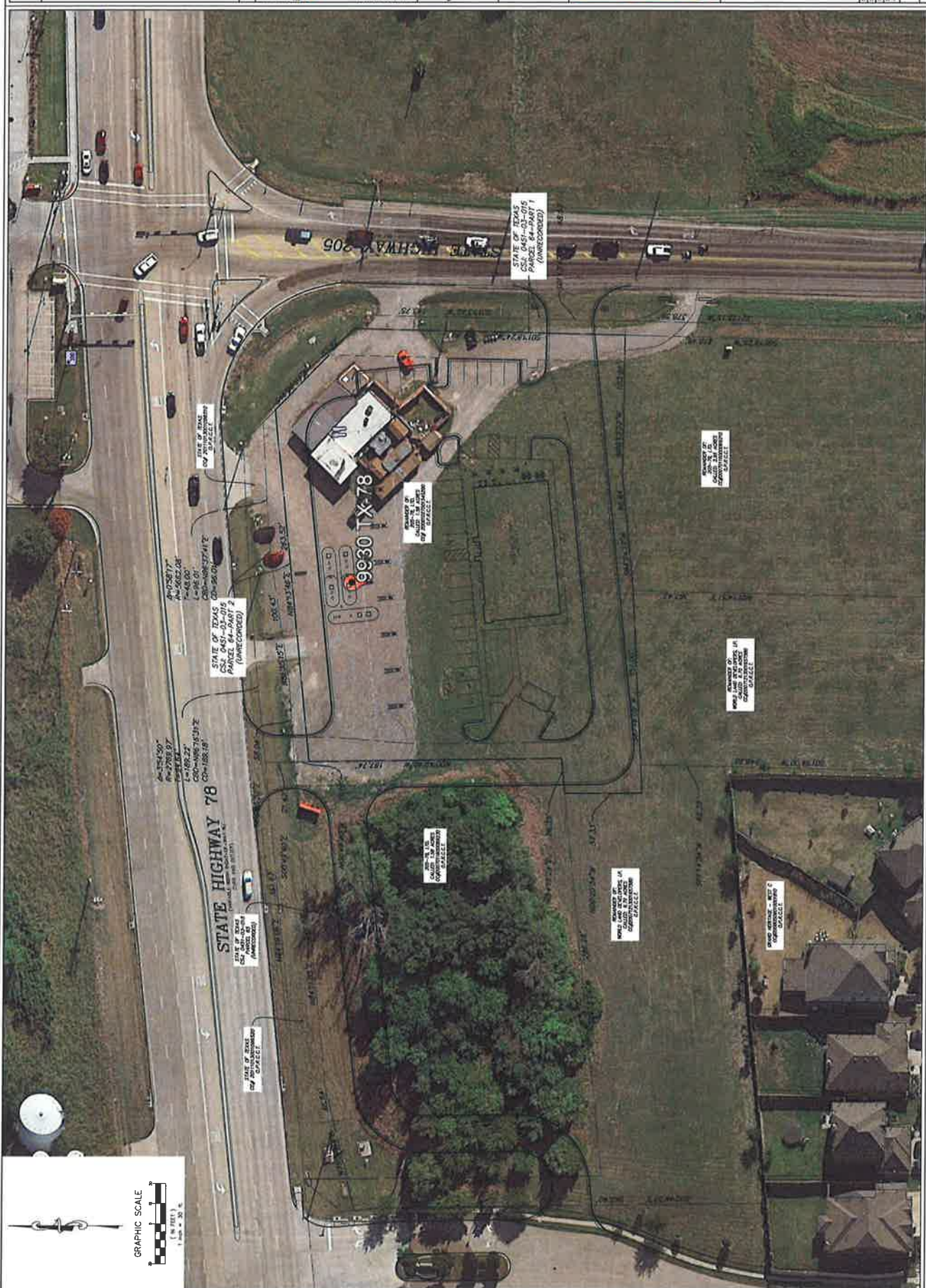
DATE	11/11/2011
TIME	11:00 AM
BY	STRAUN
PROJECT	9930 STATE HWY 78
CLIENT	RACETRAC #XXX 'LAVON'
LOCATION	9930 STATE HWY 78 & STATE HWY 205 LAVON, COLLIN COUNTY, TX

STRAUN
STRUCTURE
1111.111.111.111
www.straun.com

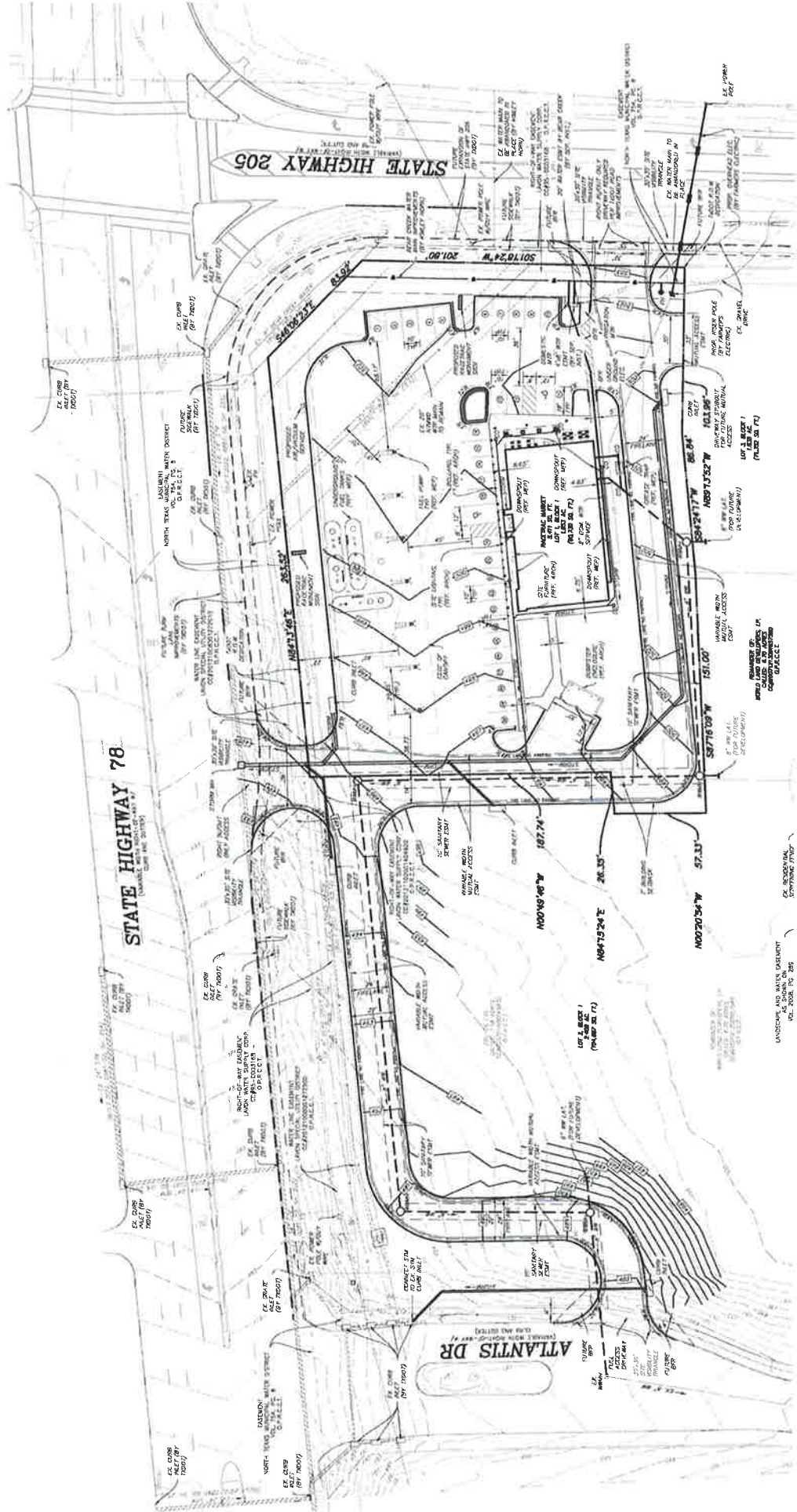
PRELIMINARY
NOT FOR CONSTRUCTION
NOT TO BE USED FOR PERMITTING
PROCESSES OR FOR ANY OTHER
PURPOSES WITHOUT THE WRITTEN
CONSENT OF STRAUN

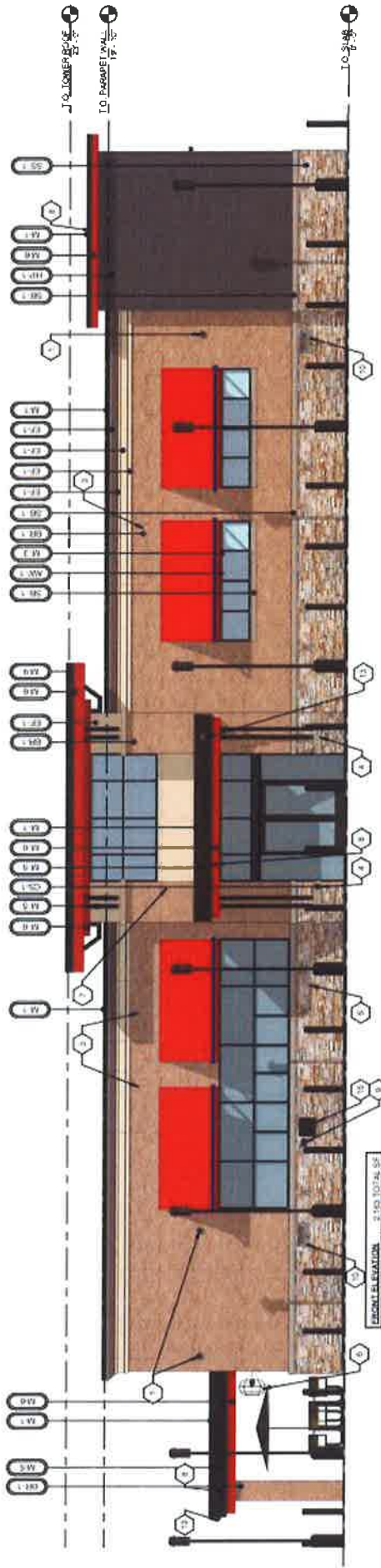
Racetrac
RACETRAC PETROLEUM, INC.
200 GALILEA PARK, SUITE 900
ATLANTA, GA 30339
(770) 451-7600

AREAL EXHIBIT
RACETRAC #XXX 'LAVON'
9930 STATE HWY 78
9930 STATE HWY 78 & STATE HWY 205
LAVON, COLLIN COUNTY, TX



Technical Site Plan

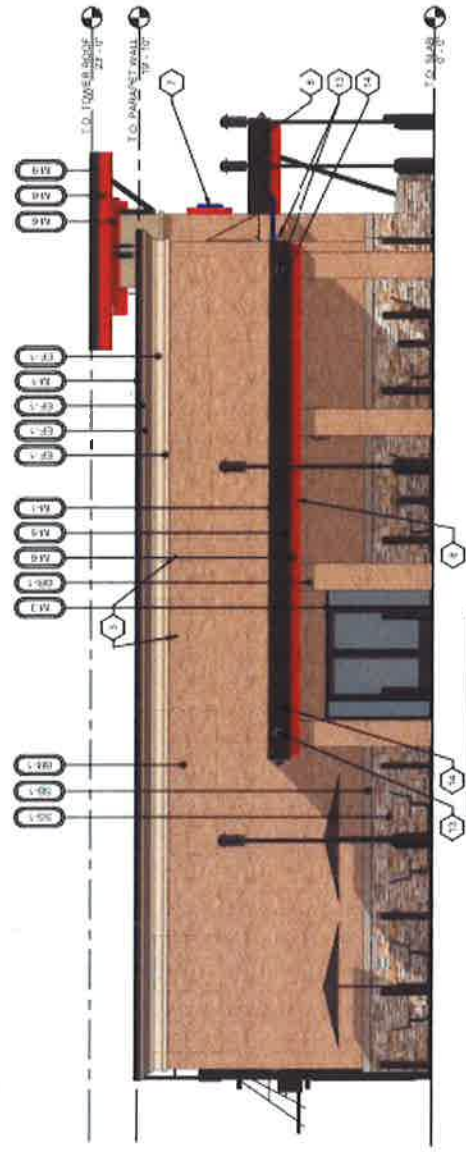




FRONT ELEVATION 5'-10" x 102'-4.5"

MATERIAL	SQ. FEET	% OF ELEVATION
STONE	423	15%
BRICK	659	46%
GLASS	183	8%
CLADDING	311	15%
TOTAL	277	100%

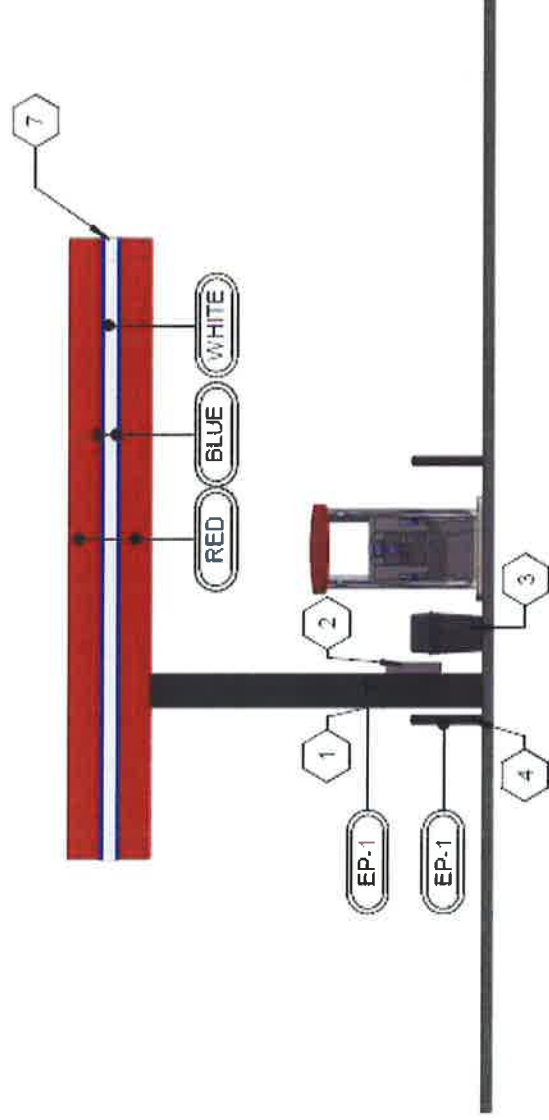
1 FRONT ELEVATION
5'-10" x 102'-4.5"



LEFT ELEVATION 5'-10" x 102'-4.5"

MATERIAL	SQ. FEET	% OF ELEVATION
STONE	108	8%
BRICK	102	8%
GLASS	11	1%
CLADDING	48	4%
ROOFING	41	3%
TOTAL	270	100%

4 LEFT ELEVATION
5'-10" x 102'-4.5"





CITY OF LAVON

Agenda Brief

MEETING: June 2, 2020

ITEM: 7 – G

Item:

Discussion and action regarding the Landscape Plan for a RaceTrac store on Lot 1, Block 1 of the RaceTrac Addition, a 1.853 acre lot in the vicinity of 1000 SH 78 (also referred to as 9930 SH 78), southwest of the intersection of SH 78 and SH 205, City of Lavon, Texas, requested by RaceTrac Petroleum.

Application Information

Owner(s): 205-78, Ltd. And World Land Developers, LP.

Applicant: Andrew Malzer, RaceTrac Petroleum

Representative: Brad Williams, Winstead PC

Location: Southwest corner of the intersection of SH 78 and SH 205 northeast of Grand Heritage West

Description: 1000 SH 78, Lavon, Texas (also referred to as 9930 SH 78)
RaceTrac Addition, Lot 1, Block 1, 1.853 acres

Current Zoning: Retail (R)

Request: Landscape Plan

The applicant has submitted a landscape plan for a proposed convenience store and fueling station located on Lot 1, Block 1 of the proposed RaceTrac Addition, on the southwest corner of the intersection of SH 78 and SH 205.

Code Excerpt:

**LAVON CODE OF ORDINANCES – ZONING ORDINANCE
CHAPTER 9 – LANDSCAPE PLAN**

9.1.9.1 PURPOSE

The purpose of these landscape requirements is to protect the public health, safety and welfare by requiring that new development be adaptive to the existing natural areas and sensitive to sustaining the existing tree canopy and Texas native

landscape thereby reducing heat build-up, air pollution, soil erosion and reduction of the rate of storm water drainage as well as providing for the control of the density of development.

The application satisfies the required landscaping standards and meets the spirit of the zoning requirements. The placement of street trees as set out in the code is not possible due to various utility easements adjacent to the state highway right of way on SH 78 and SH 205. To compensate for the placement of street trees as contemplated in the ordinance, the applicant has provided other landscape materials in the planting strip and located additional trees within the site.

The landscape plan provides a landscape screen around the garbage dumpster enclosure. Additionally, the landscape plan provides a screen of Bald Cypress trees on the south boundary to screen the rear of the store and enhance the streetscape from northbound SH 205 in the entry corridor.

The photometric design for the site specifically relating to the garbage dumpster enclosure and landscape screen was discussed by the Planning and Zoning Commission and it was recommended that a draft photometric plan be provided to the City Council with the landscape plan.

Planning and Zoning Commission Report

MOTION: RECOMMEND APPROVAL OF THE LANDSCAPE PLAN FOR A RACETRAC STORE ON LOT 1, BLOCK 1 OF THE RACETRAC ADDITION, A 1.853 ACRE LOT IN THE VICINITY OF 1000 SH 78 (ALSO REFERRED TO AS 9930 SH 78), SOUTHWEST OF THE INTERSECTION OF SH 78 AND SH 205, CITY OF LAVON, TEXAS, REQUESTED BY RACETRAC PETROLEUM.

MOTION MADE: NABORS

SECONDED: SMITH

APPROVED: UNANIMOUS

Staff Notes:

Approval is recommended.

- Attachments:**
1. Checklist
 2. Landscape Plan
 3. Applicant presentation



City of Lavon
Landscape Plan Details

Zoning Ordinance, Article 9, Exhibit B, Chapter 9

	Item	complete
1	Prior to issuance of any commercial certificate of occupancy	X
2	Minimum of twenty (20) percent of property shall be landscaped and ten (10) percent of existing trees over six (6) inches shall be preserved	X
3	The landscape plan, drawn to a minimum scale of one (1) inch equals fifty (50) feet, shall provide, at a minimum, the following:	X
4	Property limits, topography of the site, north arrow, date name of preparer	X
5	Location, size and species of trees to be preserved indicating the size measured at twenty-four (24) inches above ground level, location and species of Texas landscape materials to be maintained	X
6	Location and spacing of all plants and landscaping materials to include plants, paving, benches, screens, fountains, statues, earthen berms, ponds to include depth	X
7	Species of all plants	X
8	Size of all plant materials at time of planting and size of plant at maturity	X
9	Layout of irrigation, sprinkler or water systems including water source	X
10	Description of landscape maintenance requirements for all landscape features	X
	Required Landscaping Standards:	X
11	Planting Strip. Along each public street, a twenty (20) foot wide landscaped planting strip shall be required in all districts except in the Main Street District where the planting strip shall be (10) feet wide.	X
12	Street Trees. For all development, a minimum of one (4) inch caliper, eight-foot (8) height tree shall be required every twenty-five (25) linear feet	X
13	For all single detached residential development lots, a minimum of one (1) tree shall be planted for each dwelling unit on the development property	X
14	For multi-family residential development lots, a minimum of one (1) tree shall be planted for each dwelling unit	X
15	For development within Retail, Main Street and Planned Commercial Districts a minimum of one (1) tree shall be planed every fifteen hundred (1,500) square feet of floor area with the site	X
16	For the Business Park District a minimum of two (1) [sic] trees shall be planted for every five thousand (5,000) square feet of floor area within the site	X
17	Planting strips less than six (6) feet wide are prohibited	X
18	Where landscaping is intended to provide visual screen, the species, quantity, maturity (size), and spacing of the initial plantings shall be enough to provide functional screen within a single growing season	X
19	Planters shall be guarded from automobiles by raised curbs or wheel stops	X
20	Vegetative matter shall cover seventy-five (75) percent of any landscape area	X
21	Storm water detention facilities do not meet the landscape requirements	X

GENERAL GRADING AND PLANTING NOTES

1. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND THE LOCAL WATER UTILITY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND THE LOCAL WATER UTILITY.
2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND THE LOCAL WATER UTILITY. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL HEALTH DEPARTMENT AND THE LOCAL WATER UTILITY.
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LANDSCAPE CALCULATIONS

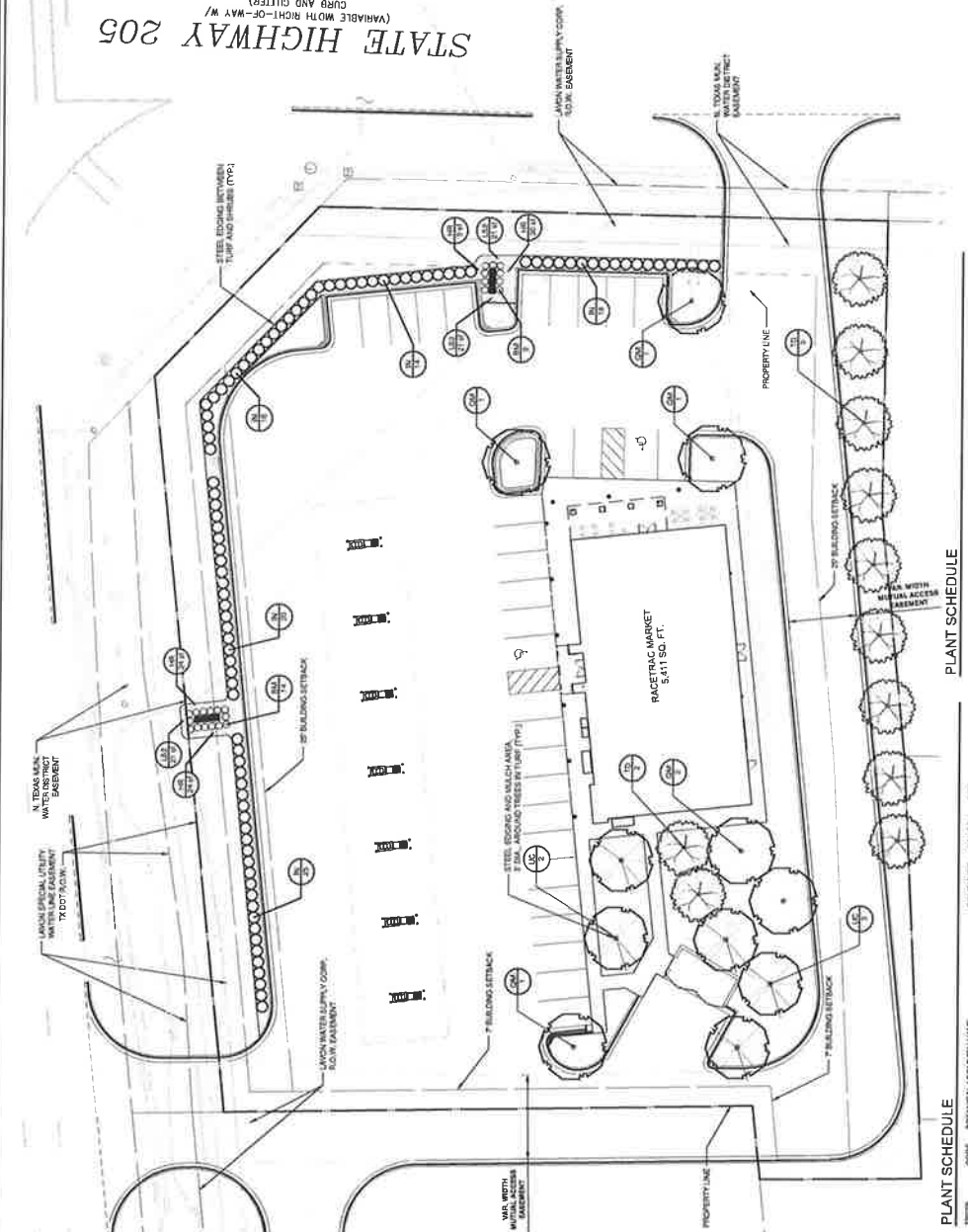
TOTAL SITE AREA: 72,164 SF
 LANDSCAPE AREA PROVIDED: 22,183 SF (30.7% OF SITE AREA)
 STREET TREES REQUIRED: HWY 78
 STREET TREES PROVIDED: HWY 205
 STREET TREES PROVIDED: HWY 205

ROOT BARRIERS

NOTE: DUE TO UTILITIES AND EXISTING TREES ON SITE, LANDSCAPE VARIANCE IS BEING REQUESTED. STREET TREES HAVE BEEN LOCATED IN OTHER AREAS OF THE SITE.
 THE CONTRACTOR SHALL INSTALL ROOT BARRIERS NEAR ALL NEW PLANTED TREES THAT ARE LOCATED WITHIN FIVE (5) FEET OF ADJACENT TO HARDWARE. INSTALL PANELS PER MANUFACTURER'S INSTRUCTIONS. CONTRACTOR SHALL VERIFY AND BE RESPONSIBLE FOR THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO INSTALLATION OF ROOT BARRIERS. CONTRACTOR SHALL VERIFY AND BE RESPONSIBLE FOR THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO INSTALLATION OF ROOT BARRIERS.

MULCH MIX

AFTER ALL PLANTING IS COMPLETE, THE CONTRACTOR SHALL APPLY A LAYER OF 2" OF MULCH MIX TO ALL PLANTING AREAS. MULCH MIX SHALL BE A MIXTURE OF 50% PINE BARK AND 50% COMPOST. MULCH MIX SHALL BE APPLIED TO ALL PLANTING AREAS. MULCH MIX SHALL BE APPLIED TO ALL PLANTING AREAS.
 SEED MIX: NATIVE TEXAS MIX (0.25 LB / 1,000 SF)
 SPRING-SHALL ALL PERENNIAL MIX (0.25 LB / 1,000 SF)
 ALL MULCH MIXES ARE AVAILABLE THROUGH NATIVE AMERICAN SEED (800) 728-2493. REFER TO PLANTING SPECIFICATIONS FOR SEEDING METHOD.



STATE HIGHWAY 205 (VARIABLE WIDTH RIGHT-OF-WAY WITH CURB AND GUTTER)

PLANT SCHEDULE

TREE CODE	BOTANICAL COMMON NAME	CONTAINER	CALCULATED	SIZE	QTY
OH	Quercus muhlenbergii / Chinquapin Oak	4" Cal	865	10" x 12"	6
TD	Taxodium distichum / Bald Cypress	4" Cal	865	12" x 14"	11
LC	Ulmus americana / Cane Elm	4" Cal	865	10" x 12"	5
BM	Banksia thurgooze / Mam Tree / Swamp Milkshake Baboon	3 gal			25
PK	Pinus taeda / Dwarf Weeping	5 gal			87

PLANT SCHEDULE

GROUND COVERS	CODE	BOTANICAL COMMON NAME	SIZE	QTY
	CT	Cyperus alternifolius / Tall Hair Grass	1 gal	20,270 #
	HS	Hemerocallis / Red / Yellow Daylily	1 gal	80 #
	LS	Liriodendron / Yellow Trillium Liriodendron	1 gal	80 #

Scale 1" = 20'

THIS PLAN AND SPECIFICATIONS ARE THE PROPERTY OF GIP CONSULTING ENGINEERS. NO PART OF THIS DOCUMENT IS TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF GIP CONSULTING ENGINEERS.



GIP
Consulting Engineers
10000 WEST 10TH AVENUE, SUITE 100
DENVER, COLORADO 80231
TEL: 303.751.1111 FAX: 303.751.1112

DATE: 08/14/2020
DRAWN BY: J. HARRIS
CHECKED BY: J. HARRIS
SCALE: AS SHOWN
PROJECT: LAYON (78 & 205)



RaceTrac
RACING OPERATIONS, LLC
1000 WEST 10TH AVENUE, SUITE 100
DENVER, COLORADO 80231
TEL: 303.751.1111 FAX: 303.751.1112

PROJECT NAME:
LAYON (78 & 205)

LOCATION:
LAYON, TEXAS

DATE: 08/14/2020
DRAWN BY: J. HARRIS
CHECKED BY: J. HARRIS

SCALE: AS SHOWN

PROFESSIONAL SEAL:
1383



PROJECT NUMBER:
138300

SHEET TITLE:
SITE PHOTOMETRY PLAN

SHEET NUMBER:
SP-1

SCALE FOR PLAN:

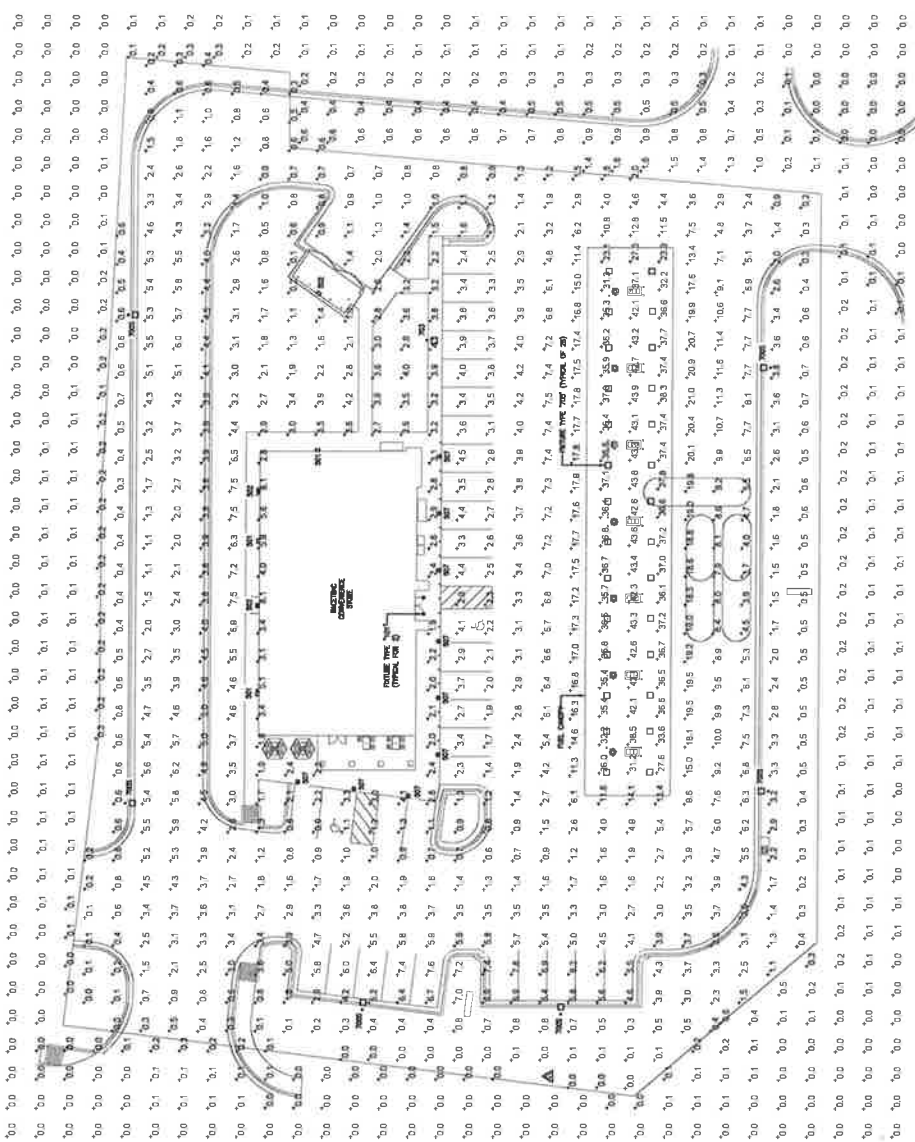
GENERAL NOTES
1. ALL LIGHTS ON THIS PLAN ARE TO BE INSTALLED AS SHOWN.
2. LIGHTS ARE TO BE INSTALLED AT THE POINTS SHOWN ON THIS PLAN.

STATISTICS

Item	Quantity	Notes
Light Fixtures	10	As Shown
Light Poles	5	As Shown
Light Wires	100	As Shown
Light Controls	5	As Shown

LUMINAIRE SCHEDULE

Item	Quantity	Notes
Light Fixture 1	10	As Shown
Light Pole 1	5	As Shown
Light Wire 1	100	As Shown
Light Control 1	5	As Shown



SITE PHOTOMETRY PLAN



CITY OF LAVON

Agenda Brief

MEETING: May 26, 2020

ITEM: 7 - H

Item:

Discussion and action regarding the replat of Lots 22R-30R, Block A of the Lavon Farms Addition, generally located southwest of the intersection of FM 2755 and CR 483.

Background Information

Owner(s): Pacesetter Homes
Applicant: Engineering Concept Design, L.P.
Location: Forage Drive, west of the intersection of Forage and CR 483
Description: Lavon Farms, Block A, Lots 22-30
City of Lavon, Collin County, Texas
Zoning: Planned Development – Single Family (PD-SF)
Request: Replat – Amending Plat

Request Details

The applicant has proposed a replat consisting of relocating lot lines on nine lots in Block A consisting of Lots 22 through 30 that front Forage Drive. The lot lines of Lots 22-30 have shifted 0.70' to the west so that the pad on Lot 30 will be able to accommodate a 40' pad.

Excerpts:

**TEXAS LOCAL GOVERNMENT CODE
§ 212.016 AMENDING PLAT**

(a) The municipal authority responsible for approving plats may approve and issue an amending plat, which may be recorded and is controlling over the preceding plat without vacation of that plat, if the amending plat is signed by the applicants only and is solely for one or more of the following purposes:

- (9) to relocate one or more lot lines between one or more adjacent lots if:
 - (A) the owners of all those lots join in the application for amending the plat;
 - (B) the amendment does not attempt to remove recorded covenants or restrictions; and
 - (C) the amendment does not increase the number of lots;

(b) Notice, a hearing, and the approval of other lot owners are not required for the approval and issuance of an amending plat.

The requirements of the Texas Local Government Code, Section 212.016, (a) have been satisfied. The replat conforms to the zoning and Comprehensive Plan.

The proposed replat does not affect the installed public infrastructure and has a negligible impact on the drainage easement on proposed Lot 27-R.

No building permit applications have been received for Lots 22-30.

Planning and Zoning Commission Report

MOTION: RECOMMEND APPROVAL OF THE REPLAT OF LOTS 22R-30R, BLOCK A OF THE LAVON FARMS ADDITION, GENERALLY LOCATED SOUTHWEST OF THE INTERSECTION OF FM 2755 AND CR 483.

MOTION MADE: NABORS

SECONDED: COKER

APPROVED: UNANIMOUS

Staff Notes:

The proposed replat was reviewed by the staff and the City Engineer and approval is recommended.

- Attachments:**
1. Application
 2. Proposed Replat
 3. Final Plat
 4. Location Exhibits
 5. Engineer's correspondence



CITY OF LAVON

P.O. Box 340 – 120 School Rd. – Lavon, TX 75166
 Office 972-843-4220 – Inspection 972-853-0855
 Email: leann.mcclendon@cityoflavon.org

PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

Company Making Submission	Property Owner
Name: <u>Engineering Concept Design, L.P.</u>	Name: <u>Pacesetter Homes LLC</u>
Address: <u>201 Windco Circle, Suite 200</u>	Address: <u>14400 The Lakes Blvd. Suite 200 Bldg.C</u>
City/State/Zip: <u>Wylie, Tx. 75098</u>	City/State/Zip: <u>Pflugerville, Tx. 78660</u>
Phone #: <u>972-941-8400</u> Fax #: <u>972-941-8401</u>	Phone #: <u>469-712-7404</u> Fax #: _____
Authorized Person: <u>Todd Winters</u>	Authorized Person: <u>Blake Friesenhahn-VP DFW</u>

Type of Submission	Date	Check List of Items Submitted
<input type="checkbox"/> Preliminary Plat		<input checked="" type="checkbox"/> (two) full size sets of plats (24x36)
<input type="checkbox"/> Final Plat		<input type="checkbox"/> (two) full size construction sets (24x36)
<input type="checkbox"/> Re-Submittal		<input checked="" type="checkbox"/> (one) half size sets of plats (11x17)
<input type="checkbox"/> Construction Plans		<input type="checkbox"/> (ten) half size sets of plats with final submission (11x17)
<input checked="" type="checkbox"/> Other Replat		<input checked="" type="checkbox"/> (one) PDF plats (on separate CD's)
		<input type="checkbox"/> (one) PDF construction plans (can be included on plat CD)

Pricing	
Preliminary Plat: C*D*	\$500.00 plus \$5.00 per lot (Plus engineer review costs)
Final Plat: C*D*	\$500.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)
Re-Plat: C*D*	\$325.00 plus \$5.00 per lot plus \$50.00 filing fee (Plus engineer review costs)
Public Infrastructure Inspection: C*E*	4 percent of project or Cost (whichever is greater)

C* Costs shall include the actual costs to the City plus a 10 percent administrative fee. These fees shall be in addition to the permit fee required.
 D* A deposit of \$500.00 shall be required to cover engineers review, with additional costs to be billed upon engineers recommendation. Any portion of the deposit not used shall be refunded after the engineer's recommendation.
 E* An estimate of the testing and inspection shall be made at the time of the engineers review of construction plans and a deposit equal to that amount shall be due before any construction may begin, with additional costs to be billed when the costs are incurred.

NOTICE TO APPLICANT: Any approval will be issued based on the information furnished in this application and on any submitted plats. It is subject to the provisions and requirements of the City of Lavon Code of Ordinances (# 2002-01-03) and any other applicable ordinances of the City, regardless of information and/or plans submitted.

Authorized Representative (Printed Name)	Authorized Representative (Signature)	Date:
--	---------------------------------------	-------

To be completed by the City

In Takers Name:					
In takers Review Date:	PW Review Date:	COO Review Date:	Engineer Review Date:	P&Z Review Date:	Council Action Date:
<input type="checkbox"/> Accepted	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved	<input type="checkbox"/> Approved
<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected	<input type="checkbox"/> Rejected

Comments:



CITY OF LAVON

P.O. Box 340 - 120 School Rd. - Lavon, TX 75166
Office 972-843-4220 - Inspection 972-853-0855
Email: leann.mcclendon@cityoflavon.org

PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

Authorization of Representation

Date: 5/8/20

To the City of Lavon
Collin County, Texas

This letter will serve as notice that I/we, Pacesetter Homes LLC, am/are the owner (s) of record of the property described in the attached survey documentation, submitted with this form, and do hereby authorize Engineering Concepts & Design, L.P. to represent me (us) and my (our) interests in the property described in the attached exhibits (s) for the expressed purpose of this request.

Blake Friesenhahn - Assistant Secretary
Signature (Owner)

Signature (Owner)

Signature (Owner)



The State of Texas
County of Collin

Before me, the undersigned authority, appeared Blake Friesenhahn,
on this the 8 day of May, 2020.

(notary seal)

Madison McCabe

Notary Public in and for Collin County, Texas



CITY OF LAVON

P.O. Box 340 - 120 School Rd. - Lavon, TX 75166
Office 972-843-4220 - Inspection 972-853-0855
Email: leann.mcclendon@cityoflavon.org

PLAT APPLICATION

Please type or print clearly. Incomplete applications will not be accepted.

Declaration of Ownership

Date: 5/8/20

To the City of Lavon
Collin County, Texas

This letter will serve as notice that I/we, Pacesetter Homes LLC, am/are the owner (s) of record of the property described in the attached survey documentation, submitted with this form, for the purpose of any future proposed request (s) relating to this property.

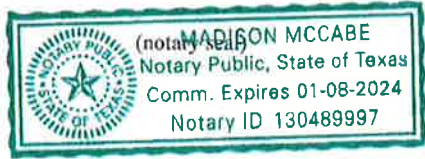
Blake Friesenhahn - Assistant Secretary
Signature (Owner)

Signature (Owner)

Signature (Owner)

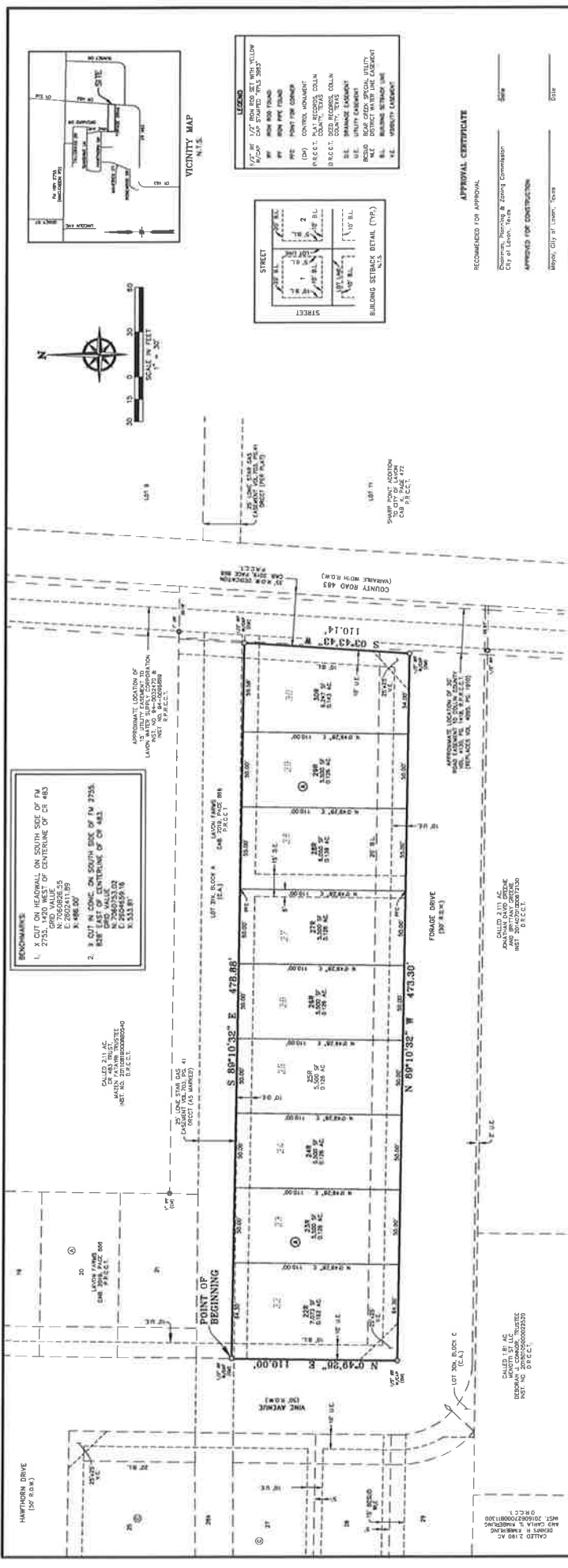
The State of Texas
County of Collin

Before me, the undersigned authority, appeared Blake Friesenhahn,
on this the 8 day of May, 20 20.

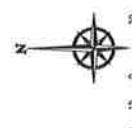


Madison McCabe

Notary Public in and for Collin County, Texas



ENCLOSURES
1. X CUT ON NE CORNER ON SOUTH SIDE OF FM 3755, 1470 WEST OF CENTERLINE OF CR 405
2. 3 CUT IN CONC ON SOUTH SIDE OF FM 3755, 1470 WEST OF CENTERLINE OF CR 405



LEGEND
W/30' 1/2" RADIUS CURVE
W/20' 1/2" RADIUS CURVE
W/10' 1/2" RADIUS CURVE
BY SIDE OF ROAD
BY SIDE OF DRIVE
BY SIDE OF ALLEY
BY SIDE OF YARD
BY SIDE OF LOT



APPROVAL CERTIFICATE
RECOMMENDED FOR APPROVAL
City of Lavin, Texas
APPROVED FOR CONSTRUCTION
Mayor, City of Lavin, Texas
ACCEPTED
Mayor, City of Lavin, Texas
DATE

OWNER'S CERTIFICATE AND DEDICATION
THIS plat approved subject to all existing ordinances, rules, regulations and the City of Lavin, Texas
The undersigned owners and appraisers have and will maintain all water, sewer, electric, gas, telephone, and other utility lines and structures...
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

OWNER'S CERTIFICATE
I, Robert C. Myers, do hereby certify that I prepared this plat from an original and accurate survey of the land and that the other measurements shown hereon are as were properly placed under my personal supervision...
ROBERT C. MYERS
PROFESSIONAL LAND SURVEYOR
STATE OF TEXAS NO. 3963

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

REPLAT
LAVON FARMS
LOTS 22-30R, BLOCK A
BEING A REPLAT OF
LOTS 22-30, BLOCK A
OF THE
CAB-2018, PC #46, PROJECT
AND BEING
1.202 ACRES
SITUATED IN THE
BRIDLEY ANGLIN SURVEY, ACRT. NO. 2
CITY OF LAVON, COLLIN COUNTY, TEXAS

ENGINEERING CONCEPTS, PC DESIGN, LLP
300 W. WILSON ROAD, SUITE 200
DALLAS, TEXAS 75243
(972) 941-8400 FAX (972) 941-8401
STATE LICENSE NO. 00145
REGISTERED PROFESSIONAL ENGINEER

STATE OF TEXAS
COUNTY OF COLLIN
BEFORE ME, the undersigned authority, a Notary Public in and for said County and State, on this date personally appeared [Name], known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed and in the capacity therein stated.
GIVEN MY HAND AND SEAL OF OFFICE THIS 24th DAY OF [Month], 2020.
NOTARY PUBLIC FOR THE STATE OF TEXAS

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

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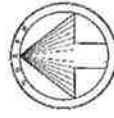
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BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
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NOTICE TO THE PUBLIC FOR THE STATE OF TEXAS
BY: [Signature]
FOR: WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (LEN-HO-1009)

Lavon Farms – Location Exhibit





CONCEPT PLAN
OF
LAVON FARMS
38.62 ACRES

IN THE
CITY OF LAVON, COLLIN COUNTY, TEXAS
50'x110' TYPICAL LOT
152 RESIDENTIAL LOTS
6 OPEN SPACE LOTS

Engineer:



Developer:
SADDLE STAR
3076 HAYS LANE
ROCKWALL, TEXAS 75087
972-388-6383
Contact: Pat Atkins
AUGUST 29, 2017

VICTOR L. ACUY, P.E.
RICHARD A. DORMIER, P.E.
JOHN D. GATTIS, A.I.A.
MARK D. HILL, P.E.
DAMIR LULO, P.E.
MICHAEL K. STACEY, P.E.
LARRY J. FREEMAN, P.E.

May 22, 2020

Ms. Kim Dobbs
City of Lavon
PO Box 340
120 School Road
Lavon, TX 75166

Re: Lavon Farms
Replat, Lots 22-30, Block A

Dear Ms. Dobbs:

As requested, we have reviewed the Replat dated May 4, 2020 as prepared by R.C. Myers Surveying, LLC for the Lavon Farms development.

The Replat consists of adjusting the interior lot lines easterly. All lots remain a minimum of 50' wide.

We recommend approval of the Replat of Lavon Farms, Lots 22-30, Block A.

The review conducted by FMI was for the limited purpose of code and ordinance compliance review for the exclusive benefit of the City of Lavon. The above referenced documents were not reviewed as to their quality or for errors on the part of the surveyor or engineer.

If there are any questions, please contact me at 214-503-0555 x115 or by email at mdhill@fmi-dallas.com.

Sincerely,
FREEMAN-MILLICAN, INC.



Mark D. Hill, P.E.
Consulting City Engineer

F:\17024 - LAV General Servies\9 - Review\Lavon Farms\Lavon Farms - Replat.docx



CITY OF LAVON Agenda Brief

MEETING: June 2, 2020

ITEM: 7 - I

Item:

Discussion and action regarding the preliminary plat of the Abston Hills addition on 113.172 acres of land situated in the Samuel M. Rainer Survey, Abstract No. 740, (portions of CCAD Property IDs 1290347 and 2121783), consisting of 435 residential lots and 18 HOA open space lots located south of FM 6 and east of and adjacent to the LakePointe addition, Lavon extraterritorial jurisdiction, Collin County, Texas.

Application Information

- Owner(s):** Petro-Hunt, L.L.C.
- Applicant:** JBI Partners
- Location:** Southeast of the intersection of SH 78 and FM 6, east of the LakePointe Addition and north of the NETEX right of way
- Description:** Samuel M. Rainer Survey, Abstract No. 740
CCAD property IDs 1290347 and 2121783
Collin County, Texas (111.053 acres)
Portions in Lavon ETJ and in Nevada ETJ
- Current Zoning:** None; the property is located in the extraterritorial jurisdiction (ETJ) of the City of Lavon.
- Request:** Preliminary Plat

Request Details

The applicant is seeking approval of a preliminary plat for the Abston Hills addition. The proposed development takes primary access from FM 6 through the extraterritorial jurisdiction (ETJ) of the City of Nevada.

On May 5, 2020, the City of Lavon entered into a boundary adjustment agreement with the City of Nevada to adjust the ETJ boundary to accommodate the proposed lot layout of the Abston Hills development.

The City of Lavon has authority for the review and approval of the plats of property in the City's ETJ pursuant to an agreement with Collin County. There are no zoning regulations in the ETJ with which the plat is required to comply. The preliminary plat conforms to the Future Land Use Plan that was in effect on the date of original application.

Code Excerpts:

**TEXAS LOCAL GOVERNMENT CODE
§ 212.004. PLAT REQUIRED**

PLAT REQUIRED. (a) The owner of a tract of land located within the limits or in the extraterritorial jurisdiction of a municipality who divides the tract in two or more parts to lay out a subdivision of the tract, including an addition to a municipality, to lay out suburban, building, or other lots, or to lay out streets, alleys, squares, parks, or other parts of the tract intended to be dedicated to public use or for the use of purchasers or owners of lots fronting on or adjacent to the streets, alleys, squares, parks, or other parts must have a plat of the subdivision prepared. A division of a tract under this subsection includes a division regardless of whether it is made by using a metes and bounds description in a deed of conveyance or in a contract for a deed, by using a contract of sale or other executory contract to convey, or by using any other method. A division of land under this subsection does not include a division of land into parts greater than five acres, where each part has access and no public improvement is being dedicated.

On December 3, 2019, the City Council denied the November 13, 2019 application of Abston Hills for a preliminary plat. In accordance with state law, a detailed letter setting out the reasons for the denial was provided to the applicant.

On December 4, 2019, the city engineer and staff met with the applicant to discuss the application process and subdivision code requirements. During the meeting, there was discussion of how to best comply with the requirements of state law to the benefit of both the applicant and the City. On January 21, 2020, the City and developer entered into a letter agreement with MA Partners, LLC to set forth and coordinate the process and time periods for submission of Developer's Response and consideration of the preliminary plat for the Abston Hills Addition.

The owner submitted a Petition for the Creation of the Abston Hills Municipal Utility District No. 1-A that contains the proposed addition. The petition is pending before the Texas Commission on Environmental Quality (TCEQ).

On April 7, 2020, the City Council appointed a working group comprised of the Mayor, two council members, staff, and consultants to facilitate communication, discuss the project and identify a path forward for the various issues relating to the development. The working group has begun meeting with the developer.

As provided in the above-referenced letter agreement, the developer has provided responses, including conceptual engineering plans and planning studies, and the city has reviewed and replied to the responses. The developer submitted the revised preliminary plat for consideration on May 20, 2020.

The revised preliminary plat has 435 lots, less than the 511 lots in the original submittal. A preliminary review of the revisions to the proposed preliminary plat application packet has been conducted pursuant to the City of Lavon Code of Ordinances. Updated City review notes are provided in red below to detail the preliminary review.

Comments from the December 3, 2019 Denial Letter:

Plat and Infrastructure Review:

- A. A Traffic Impact Analysis (TIA) has not been provided as required. (Art. 9.02.001, Section 3, 3.08(3)(b)) – **Provided**
- B. A detailed engineering study for determination of Base Flood Elevation has not been provided as required. (Art. 4.04.005(c)) – **Provided**
- 1. The \$500 deposit for engineer review costs was not provided with the application fee. (Art. 9.02.001, Section 4, 4.03; Ord. No. 2019-09-07; Plat Application note *D) - **Paid**
- 2. The corporate limits of the City were not provided. (Art. 9.02.001, Section 4, 4.03(a)(2)) - **Provided**
- 3. The jurisdiction lines were not provided for the area described in a Petition for Consent to Include Land in a Municipal Utility District, signed by the owner and dated August 14, 2019 that appears to include the preliminary plat area. (Art. 9.02.001, Section 4, 4.03(a)(2)) – **The property is wholly situated in the area described in a Petition for the Creation of the Abston Hills Municipal Utility District No. 1-A that is pending before the Texas Commission on Environmental Quality (TCEQ)**
- 4. The correct Interlocal Boundary Agreement boundary was not provided. (Art. 9.02.001, Section 4, 4.03(a)(2)) - **Provided**
- 5. The Dedication Statement incorrectly identified the development as an addition to the City of Lavon. (Art 9.02.001, Section 4, 4.03(b)(5)) - **Corrected**
- 6. The Dedication Statement incorrectly dedicated public infrastructure and easements to the City of Lavon. (Art 9.02.001, Section 4, 4.03(b)(5)) - **Corrected**
- 7. The Dedication Statement did not provide the correct owner's name. (Art 9.02.001, Section 4, 4.03(b)(5)) - **Corrected**
- 8. The developer did not request or participate in a pre-application conference with city staff or the staff's duly authorized representative prior to application. (Art. 9.02.001, Section 4, 4.01) - **Done**
- 9. The development is located within the certificated area of the Bear Creek Special Utility District (SUD) for water service. With regard to water service, verification and an initial demonstration was not provided that adequate public facilities necessary to support and serve the development exist or provision has been made for the facilities. (Art 9.02.001, Section 3, 3.07(2)(a); Section 3, 3.07(3)(c); Section 3, 3.07(4)(a); Section 3, 3.07(5)(a)) – **Provided**
- 10. With regard to sanitary sewer service, verification and an initial demonstration was not provided that adequate public facilities necessary to support and serve the development

exist or provision has been made for the facilities. (Art 9.02.001, Section 3, 3.07(2)(a); Section 3, 3.07(3)(c); Section 3, 3.07(4)(b); Section 3, 3.07(5)(a)) – the developer provided a copy of and advised that on April 20, 2020, they submitted a Discharge Permit for a wastewater treatment plant to TCEQ; additionally, the City has informed the developer that the City is able and willing to provide retail sanitary sewer service.

11. With regard to drainage, verification and an initial demonstration was not provided that adequate public facilities necessary to support and serve the development exist or provision has been made for the facilities. (Art. 9.02.001, Section 3, 3.07(2)(a); Section 3, 3.07(3)(c); Section 3, 3.07(4)(d), Section 3, 3.07(5)(a); Section 3, 3.08; Section 3, 3.08(7); Section 3, 3.08(8)) - **Provided**
12. With regard to access to existing roadways and intersections, verification was not provided to demonstrate that adequate public facilities necessary to support and serve the development exist or provision has been made for the facilities. (Art. 9.02.001, Section 3, 3.07(2)(a); Section 3, 3.07(3)(c); Section 3.307(4)(c); Section 3, 3.07(5)(a); Section 3, 3.07(6); Section 3, 3.08(1); Section 3, 3.08(2); Section 3, 3.08(3)(d)) – a **TIA was provided**
13. Adequate turnarounds and easements were not provided for streets that extend to the boundary of the proposed development and that were not connected to existing street extensions. (Art. 9.02.001, Section 3, 3.08(2)(a); Section 3, 3.08(3)(e); Section 3, 3.08(5)) - **Provided**
14. A statement that the development will be constructed as a single phase was not provided. (Art 9.02.001, Section 4, 4.02(f)(1)). – **Phasing notes provided**

Planning and Zoning Commission Report

MOTION: RECOMMEND APPROVAL OF THE PRELIMINARY PLAT OF THE ABSTON HILLS ADDITION ON 113.172 ACRES OF LAND SITUATED IN THE SAMUEL M. RAINER SURVEY, ABSTRACT NO. 740, (PORTIONS OF CCAD PROPERTY IDS 1290347 AND 2121783), CONSISTING OF 435 RESIDENTIAL LOTS AND 18 HOA OPEN SPACE LOTS LOCATED SOUTH OF FM 6 AND EAST OF AND ADJACENT TO THE LAKEPOINTE ADDITION, LAVON EXTRATERRITORIAL JURISDICTION, COLLIN COUNTY, TEXAS.

MOTION MADE: NABORS

SECONDED: SMITH

APPROVED: UNANIMOUS

Staff Notes

Texas House Bill 3167 (effective 9/1/19) provides stringent review and consideration timelines. The letter agreement provides for a fifteen-day response timeframe. If the application is denied, the applicant will be provided with a list of reasons for the denial.

If there are questions regarding this item, please contact the city staff at 972-843-4220 or kim.dobbs@cityoflavon.org .

- Attachments:**
1. Developer transmittal correspondence
 2. Preliminary Plat
 3. Location Exhibits
 4. City Engineer correspondence



May 18, 2020

Ms. Kim Dobbs
City of Lavon
120 School Road
Lavon, Texas 75166

Dear Kim:

On behalf of our client, MA Partners, LLC, please accept this submittal for a Preliminary Plat for the Abston Hills Subdivision.

This plat is comprised of two tracts of land owned by Petro Hunt, L.L.C., and contains approximately 113.17 acres within the Lavon ETJ and/or the "Ultimate Limits of Lavon" per the agreed upon boundary established by the Lavon and Nevada Councils.

453 lots are being proposed on the plat. Of those, 18 are proposed to be lots owned by the mandatory homeowners association. These include open space lots, lots accommodating drainage facilities (retention/detention facilities), and landscape buffer lots.

If you have any questions regarding the application, please do not hesitate to call me at 214.682.9415.

Sincerely,

A handwritten signature in black ink, appearing to read "Jerry Sylo".

Jerry Sylo, AICP

RECEIVED
MAY 20 2020
CITY OF LAVON



March 13, 2020
Response: May 20, 2020

Ms. Kim Dobbs City of Lavon PO Box 340
120 School Road
Lavon, TX 75166

RECEIVED
MAY 20 2020
CITY OF LAVON

Re: Abston Hills, 443 Lots, 18 HOA open space, 110.053 Acres DRAFT Preliminary Plat Review of Draft Response

Dear Ms. Dobbs

As requested, we have reviewed the DRAFT preliminary plat and DRAFT Preliminary Engineering Plans dated January 31, 2020 as prepared by JBI Partners, Inc, a DRAFT Preliminary Flood Study dated January 31, 2020 as prepared by HydroLink Engineering, LLC and DRAFT Preliminary Traffic Impact Analysis (TIA) dated January 16, 2020 as prepared by Kelly & Associates for the above referenced property. This "review of draft response" is provided in accordance with the Review and approval process agreement between MA Partners, LLC and the City of Lavon dated January 16, 2020. The property is south of FM 6 and east of LakePointe. Our comments are as follows:

GENERAL

1. The property being developed is entirely within the City of Lavon ETJ.
 - Noted
2. A portion of the northern portion of the overall property is outside of the City of Lavon ETJ and inside the City of Nevada ETJ.
 - Noted
3. The property is shown to be developed in 4 phases.
 - The property is shown to be developed in 3 phases.
4. The development is comprised of 40' and 50' lots.
 - Noted

PRELIMINARY PLAT

5. The City of Lavon and the City of Nevada concur that the "Ultimate Municipal Boundary" (UMB) east of the power lines is located 500' south of the centerline of FM 6 (east-west). The Plat should be updated accordingly.
 - The plat has been updated with the Ultimate Municipal Boundary that has been agreed upon by both the Lavon and Nevada Town Council.

TRAFFIC IMPACT ANALYSIS

6. The TIA concludes that improvements are needed on FM 6 and the FM6/SH 78 intersection. The recommended improvements will require TxDOT approval which may require further study. Improvements identified in the TIA consist of:
The TIA has been reviewed and signed off on by the City of Lavon and their engineering consultant.



- a. Upgrade FM 6 to 4-lane road.
 - The only upgrades to FM 6 to be done by the developer are right decel lanes into the subdivision and a traffic signal at FM 6 and Street Q.
- b. Install deceleration lanes on FM 6 at both entrances (eastbound).
 - Noted.
- c. Install left turn lane at east entrance (Street X per the Plat)
 - Noted.
- d. Future traffic signal at the eastern FM 6/Street X intersection.
 - Traffic signal will be at FM 6 and Street Q.
- e. Construct dual left run lane on FM6 to southbound SH 78.
 - The only upgrades to FM 6 to be done by the developer are right decel lanes into the subdivision and a traffic signal at FM 6 and Street Q.
- f. Construct additional traffic lanes each direction on SH 78.
 - The only upgrades to FM 6 to be done by the developer are right decel lanes into the subdivision and a traffic signal at FM 6 and Street Q.
7. The recommended improvements identified are based upon ultimate build out of the property, shown at 590 homes. The Preliminary Plat has 425 residential lots. We recommend that the TIA be updated to reflect the Platted lot count.
 - The TIA has been updated and draft version approved.
7. We recommend that the TIA identify the "trigger" points (e.g. lot count) for the recommended improvements to show when the improvements are needed as the development grows.
 - Noted.

FLOOD STUDY

9. The flood study shows that the improvements will not adversely impact the existing flood plain, and in most cases slightly reduces the flood elevation.
 - Noted.
10. The flood study should be used to establish finished floor elevations for all lots adjacent to the flood plain. These should be provided on the Final Plat.
 - The finished floor elevations will be added to the final plat.

PRELIMINARY ENGINEERING PLANS PAVING PLAN

11. Per discussion with the City of Nevada, they are in agreement that the 31' and 37' street widths per City of Lavon design standards, shall be maintained within the Nevada ETJ area. The transition to 27' B-B is not required.
 - All paving sections shown on the preliminary engineering plans are now 31' B-B for residential streets and 37' B-B for residential collector streets. There is no paving transition to 27' B-B when going from Lavon to Nevada ETJ.

OFFSITE WATER

12. Please provide correspondence that the BCSUD will supply water to this development.
 - A will serve letter from Bear Creek SUD was provided, but will be resubmitted.

OFFSITE SANITARY SEWER



13. The offsite sewer includes a new wastewater treatment plant to serve the development. Prior to approving the Plat, sewer service will have to be verified. This could be an agreement with the City of Lavon, a TPDES permit, or other verification that sanitary sewer service is being provided.

- This information will be provided prior to the final plat being approved.

14. Based upon preliminary discussions, the City is agreeable to providing wastewater treatment in the area shown on the offsite sewer plan.

- The sanitary sewer will be handled by the district. The district will have a wastewater treatment plant that it will own and maintain.

SANITARY SEWER PLAN

15. The sanitary sewer service of the portion of the development within the Nevada ETJ is flowing into the Lavon ETJ area through a meter.

- All sanitary sewer will now be provided via the district wastewater treatment facility. There will be no meter provided. The city of Nevada is not able to service the lots within their ETJ.

DRAINAGE CALCULATIONS

16. Please verify that basins A1-1 and OS-6 are to be open space upon full development.

- Area A1-1 is now being treated as residential. Area OS-6 will be open space upon full development. This is a heavily treed area that will remain.

17. Please justify the use of a $C=0.4$ for area within the ROW.

- The areas within the ROW will be changed to "C" factor of 0.9.

If you have any questions, or require additional information regarding this submittal, please contact me at (972) 738-0212.

Thank you,

A handwritten signature in blue ink, appearing to read "Chris Wall".

Chris Wall, PE
JBI Partners, Inc.

LOCATION MAP (N.T.S.)

MATCH LINE SEE SHEET 2



NOTES:

- 1) FLOOD STATEMENT: ACCORDING TO COMMUNITY PANEL NO. 4806500445, DATED 11/11/2019, THE SUBJECT TRACT IS WITHIN A SHADDED FLOOD ZONE "A" (AREAS DETERMINED TO BE WITHIN THE 1% ANNUAL CHANCE FLOOD (100-YEAR FLOOD), WITH NO BASE FLOOD ELEVATIONS DETERMINED). THE BASE OF BEARING IS BASED ON THE COORDINATE SYSTEM (NORTH CENTRAL ZONE 4322 STATE PLANE COORDINATES, NAD83).
- 2) THE SUBJECT TRACT HAS FRONTAGE TO FARM-TO-MARKET ROAD NO. 6.
- 3) SURVEY ABSTRACT LINES SHOWN HEREON ARE APPROXIMATE.
- 4) CITY ETL LINES SHOWN HEREON ARE APPROXIMATE.
- 5) PHASE LINES SHOWN ARE PRELIMINARY AND SUBJECT TO CHANGE.
- 6) PROPOSED LOTS SHOWN WITHIN THE EXISTING POND TO BE DENSE BUILDABLE UPON APPROVAL FROM THE APPROPRIATE AUTHORITY HAVING JURISDICTION.
- 7) ALL LOTS SHOWN HEREON ARE WITHIN COMMUNITY INDEPENDENT SCHOOL DISTRICT BOUNDARY.
- 8) ALL UTILITIES SHOWN ARE ONE HALF INCH IRON ROD WITH YELLOW CAP STAMPED "BI" UNLESS OTHERWISE NOTED.

LEGEND

- P.O.B. POINT OF BEGINNING
- REF. REFERENCE TO ADJACENT PLAT
- IRON ROD FOUND
- CONTR. CONTROL POINT
- CBS CONTROL POINT
- ACM CONTROL MONUMENT
- AC ACRES
- FOC FEDERAL CABLE
- FEU FEDERAL UTILITIES
- MANHOLE WATER
- WM WATER METER
- PH POWER POLE
- UTL UTILITY
- CONCRETE PIPE
- DRAINAGE EASEMENT
- USE UTILITY EASEMENT
- WATER EASEMENT
- STREET NAME CHANGE
- PRELIMINARY POSE LINE
- 100 YR. PRE-FULLY DEVELOPED
- 100 YR. P50-YEARLY DEVELOPED

GRAPHIC SCALE

1" = 100' (1" IN FOOT)

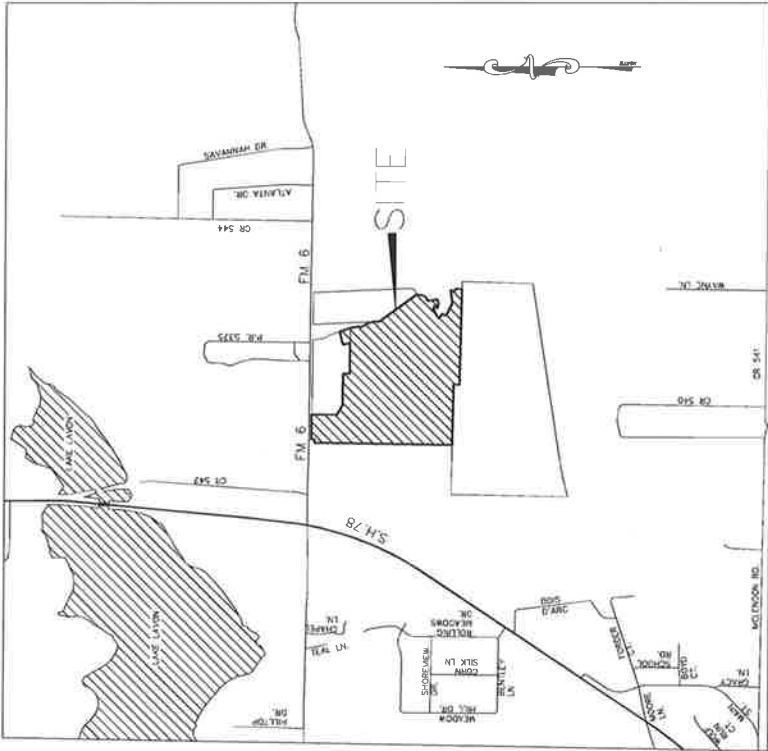
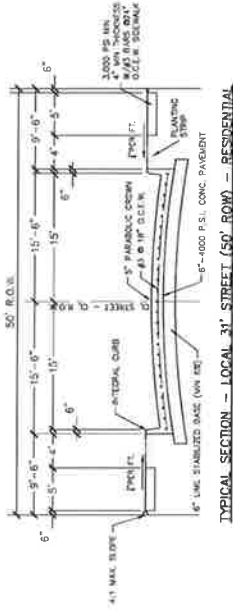
1" = 100'

DEVELOPER
 MA PARTNERS, LLC
 15443 Escal Trail, Suite 150
 Dallas, Texas 75248
 Contact: John Merfin

CURRENT OWNER
 PETRO HUNT, LLC
 2107 Cedar Springs Rd, Suite 600
 Dallas, Texas 75201
 Contact: Chris Wall, P.E.

SURVEYOR/ENGINEER
 BEI PARTNERS, INC.
 1721 Nancy Rose Lane, Suite 300
 Carrollton, Texas 75006
 Contact: Chris Wall, P.E.
 Title No. F-1-08 TMC No. 1000000

Sheet 3 of 4
 May 14, 2020



LOCATION MAP

1" = 1000'

PRELIMINARY PLAT
ABSTON HILLS
 435 RESIDENTIAL LOTS
 18 1/2 ACRES
 143 TOTAL LOTS

BEING 113172 ACRES OUT OF
 THE SAMUEL W. HUBNER SURVEY, ABSTRACT NO. 740,
 CITY OF LAYON ETX,
 COLLIER COUNTY, TEXAS

MA PARTNERS, LLC 15443 Kroll Trail, Suite 130 Houston, Texas 77058 Contact: Alan Bah	DEVELOPER (972) 715-6448
PETRO HUNT, LLC 2101 Coates Springs Rd, Suite 600 Dallas, Texas 75201 Contact: Alan Bah	CURRENT OWNER (214) 880-8895
JBI PARTNERS, INC. 2121 Midway Road, Suite 300 Corinth, Texas 75006 Contact: Alan Bah Tel: 817-268-2200 Fax: 817-268-1000	SURVEYOR/ENGINEER (972) 248-7878

OWNER'S CERTIFICATE

STATE OF TEXAS
COUNTY OF COLLIN
WHEREAS, MA PARTNERS, LLC is the owner of a portion of land located in the City of Lorton, Collin County, Texas, a part of the Survey M,...

DEED STATEMENT
NOW THEREFORE, MA PARTNERS, LLC, agrees hereby to sell through its duly authorized officers, does hereby certify that this deed, substantially in the form...

DEDICATION STATEMENT
That PETRO HUNT, LLC, agrees hereby to sell through its duly authorized officers, does hereby certify that this deed, substantially in the form...

STATE OF TEXAS
COUNTY OF COLLIN
Before me, the undersigned authority, a Notary Public in and for the State of Texas, on this day of 2020, personally appeared...

Notary Public in and for the State of Texas
Approved For Preparation of Final Plat
Mayer, James
Collin County, Texas

PRELIMINARY PLAN FOR REVIEW PURPOSES ONLY
RECOMMENDED FOR APPROVAL
Chairman, Planning and Zoning Commission
City of Lorton, Texas

PRELIMINARY PLAN
ABSTON HILLS
435 RESIDENTIAL LOTS
16 HIGH DENSITY LOTS
453 TOTAL LOTS

BEING 113,172 ACRES OUT OF THE SAMUEL W. HANER SURVEY, ABSTRACT NO. 740, COLLIN COUNTY, TEXAS

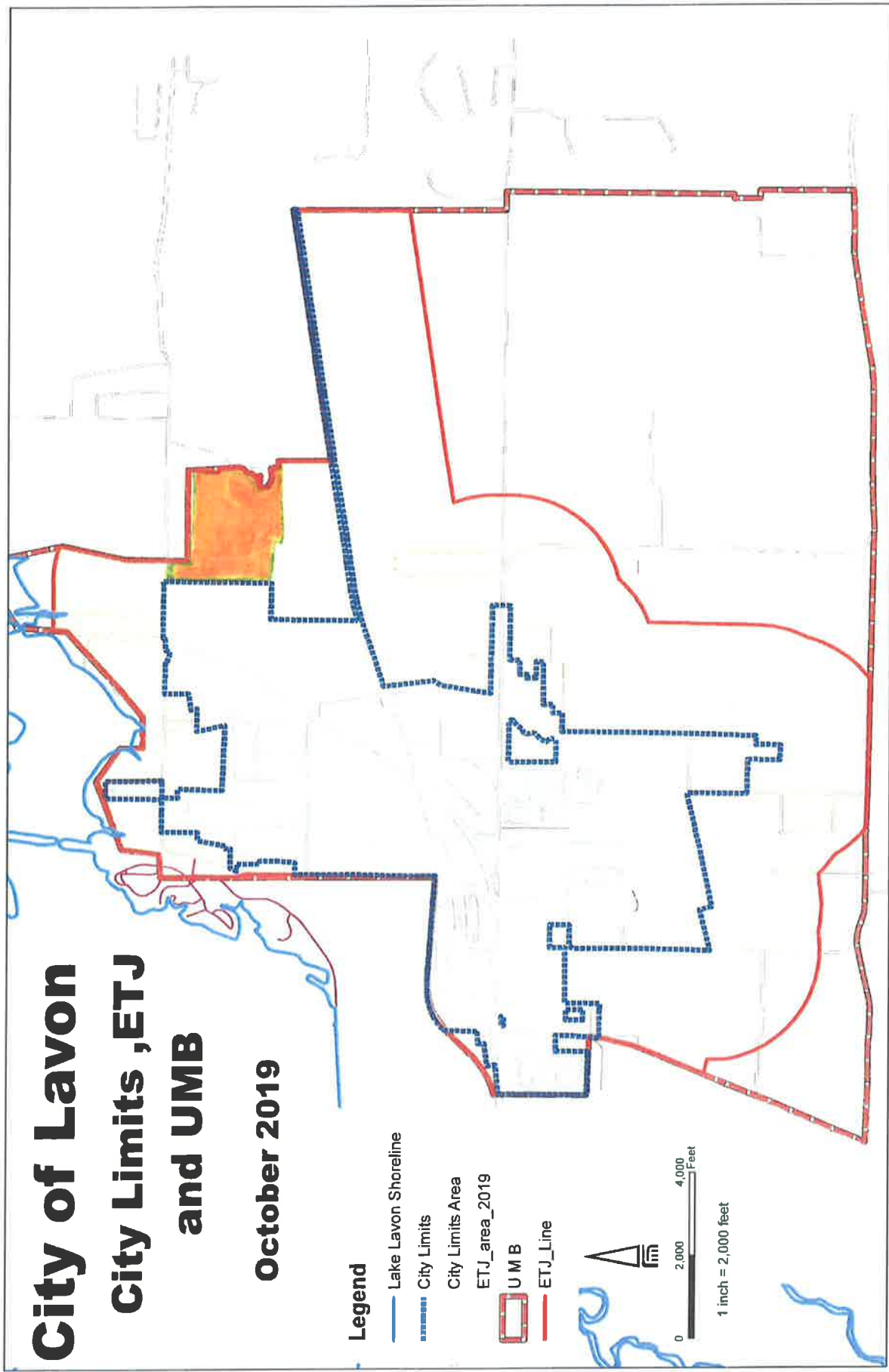
DEVELOPER
MA PARTNERS, LLC
15443 Knoll Trail, Suite 130
Lorton, Texas 75098
Contact: Alan Babin

CURRENT OWNER
PETRO HUNT, LLC
2101 Cedar Springs Road, Suite 600
Dallas, Texas 75201
Contact: Alan Babin

SURVEYOR/ENGINEER
JBI PARTNERS, INC.
2121 Midway Road, Suite 300
Carrollton, Texas 75006
Contact: Alan Babin
(972) 248-7876

DATE: 05/14/2020
PRELIMINARY PLAN FOR REVIEW PURPOSES ONLY
Sheet 3 of 5

Abston Hills Preliminary Plat – Location Exhibit



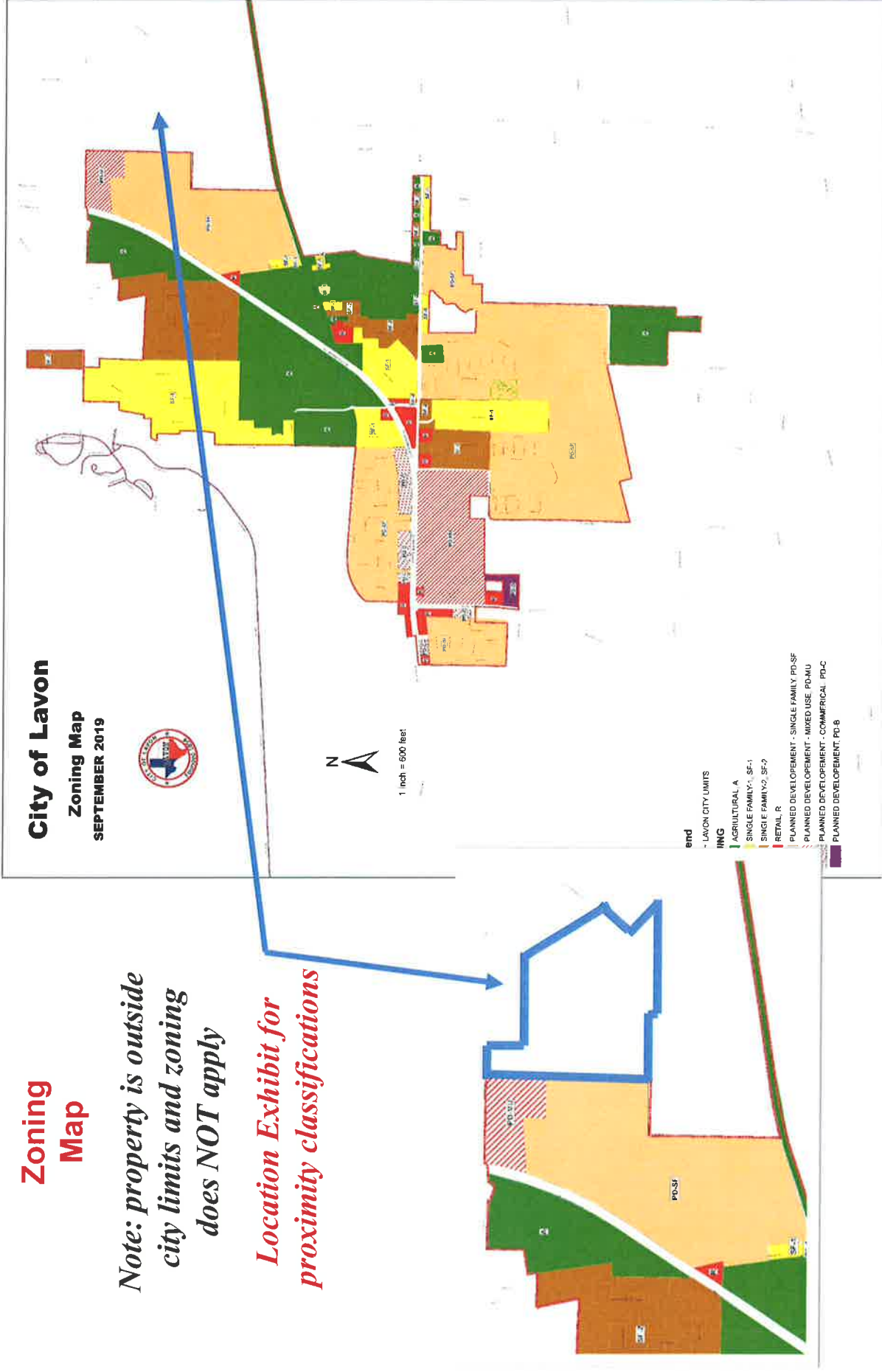
Abston Hills – Preliminary Plat

Zoning Map

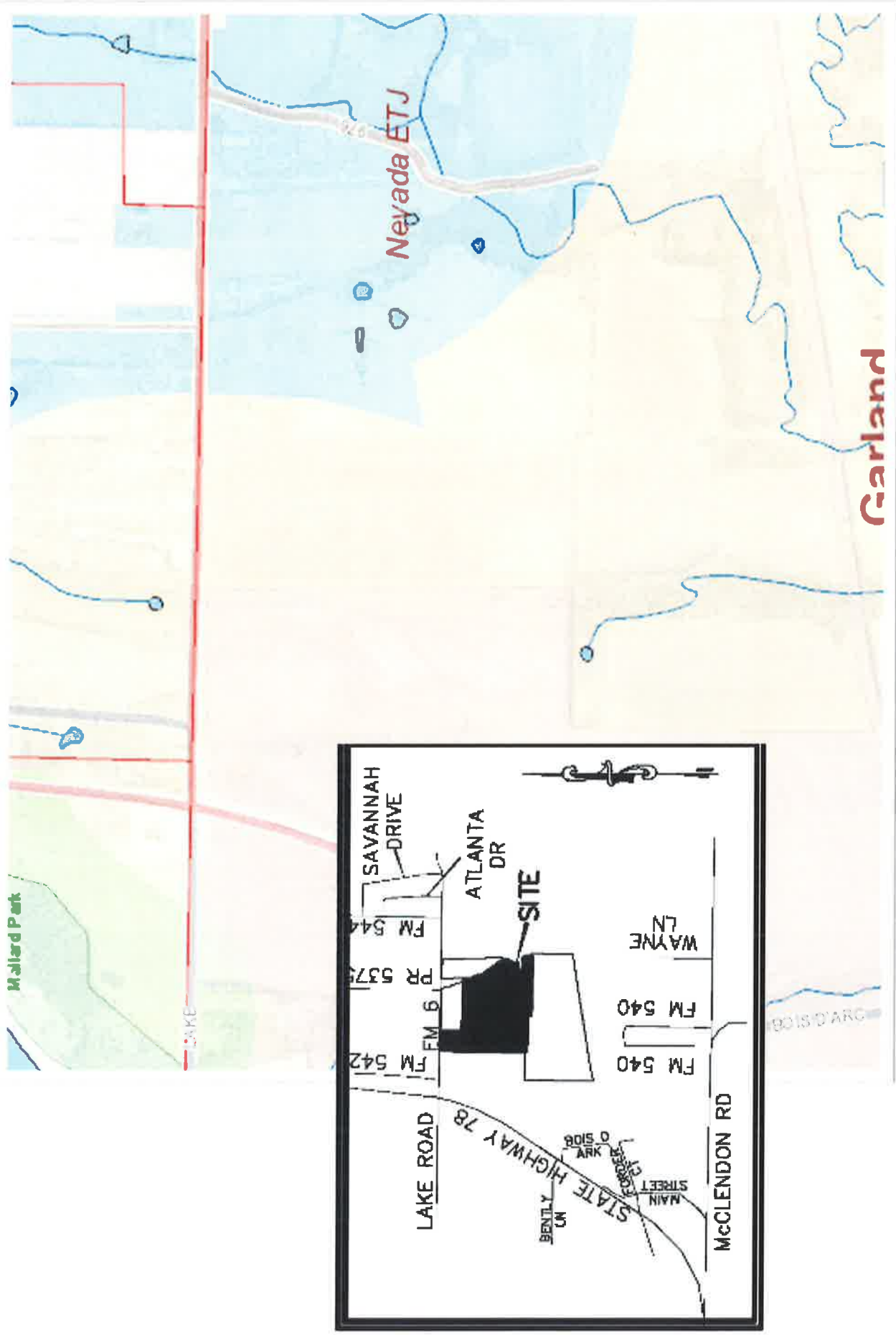
City of Lavon
Zoning Map
SEPTEMBER 2019

Note: property is outside city limits and zoning does NOT apply

Location Exhibit for proximity classifications



Abston Hills – Location Exhibit



March 22, 2020

Ms. Kim Dobbs
City of Lavon
PO Box 340
120 School Road
Lavon, TX 75166

Re: Abston Hills, 435 Lots, 18 HOA open space, 113.172 Acres
Preliminary Plat

Dear Ms. Dobbs:

As requested, we have reviewed the revised preliminary plat dated May 14, 2020 as prepared by JBI Partners, Inc, for the above referenced property. In addition the Preliminary Engineering Plans, Traffic Impact Analysis and Flood Study have been submitted. Review of the additional items will be provided prior to issuing a recommendation to the City Council. This review is for the Preliminary Plat only to be considered by the Planning & Zoning Commission. The property is south of FM 6 and east of LakePointe. Our comments are as follows:

GENERAL

1. The property being developed is entirely within the City of Lavon ETJ.
2. A portion of the northern portion of the overall property is outside of the City of Lavon ETJ and inside the City of Nevada ETJ.
3. The property is shown to be developed in 3 phases.
4. The Phase 1 section includes the portion of the overall property within the City of Nevada ETJ.
5. The development is comprised of 40' and 50' lots.

PRELIMINARY PLAT

6. Access to the development includes two (2) streets connecting to FM 6. Both of these are within the City of Nevada ETJ area.
7. Per discussion with the City of Nevada, the proposed street sections will conform to City of Lavon standards (31' B-B in 50' ROW).
8. The ETJ boundary has been adjusted to reflect the agreement between the City of Lavon and the City of Nevada.
9. There are three (3) lots with a portion shown to be in the existing 100-year floodplain limits (per FEMA). The flood study has shown that these can be removed from the floodplain without impacting the flood levels and/or adversely impacting adjacent properties.

Ms. Kim Dobbs
Abston Hills, Preliminary Plat
May 22, 2020
Page 2 of 2

10. A temporary turnaround easement will be required at the end of Street L prior to Final Platting of that section.

This concludes our review of the above referenced Preliminary Plat. **We recommend Approval of the Preliminary Plat by the P&Z.**

The review conducted by FMI was for the limited purpose of code and ordinance compliance review for the exclusive benefit of the City of Lavon.

If there are any questions, please contact me at 214-503-0555 x115 or by email at mdhill@fmi-dallas.com.

Sincerely,
FREEMAN-MILLICAN, INC.



Mark D. Hill, P.E.
Consulting City Engineer

Cc: Mike Jones, Danny Anthony

F:\17024 - LAV General Servies\9 - Review\Abston Hills (Marlin)\Abston Hills - Preliminary Plat - Rev 1.docx



CITY OF LAVON Agenda Brief

MEETING: June 2, 2020

ITEM: 7 - J

Item:

Discussion and action regarding orders and regulations, programming, city facilities and operations related to COVID-19.

Background:

This item is scheduled to allow for the staff to provide and the City Council to discuss any updates relating to COVID-19 orders and regulations. There are presently eight reported positive cases in the 75166 zip code, three of whom have recovered.

The City Attorney has reviewed the Orders and commentaries and determined that the City regulations in the form of Ordinance No. 2020-04-01 and Ordinance No. 2020-04-05 are sufficient and appropriate. There may be certain provisions that are precluded by the recent Orders but the ordinances contemplate that and provide for such occurrences in the severability clauses.

City Hall and the Police Department continue regular operations while the buildings remain closed for public entry. Minor building modifications and purchases have been made in anticipation of re-opening. The Municipal Court has prepared a required plan in anticipation of reopening within the coming months and has Municipal Court proceedings scheduled for June 6, 2020.

The Economic Development Corporation Board has initiated two programs to assist economic recovery.

On Friday, May 29, 2020, the City received the CARES funds distributed by Collin County. A message of thanks was provided to Commissioner Cheryl Williams last week. The staff is preparing a plan to present to the City Council to outline the expenditures to date and potential future funding needs.

This item is posted to allow the City Council to discuss city issues and, if necessary, take action relating to COVID-19.