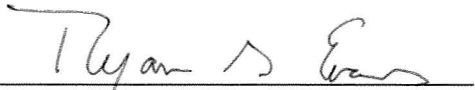
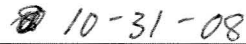


**NOVEMBER 5, 2008 CITY COUNCIL BRIEFING AGENDA  
CERTIFICATION**

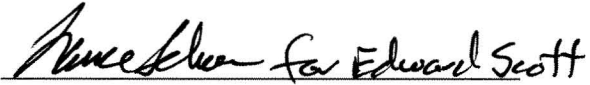
This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated November 5, 2008. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the City are required, that all of the money required for those contracts, agreements, and other obligations is in the City treasury to the credit of the fund or funds from which the money is to be drawn, as required and permitted by the City Charter, and that the money is not appropriated for any other purpose.



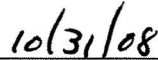
Mary K. Suhm  
City Manager



Date



Edward Scott  
City Controller



Date



RECEIVED

2008 OCT 31 PM 9: 33

CITY SECRETARY  
DALLAS, TEXAS



# COUNCIL BRIEFING AGENDA

November 5, 2008

---

DATE

(FOR GENERAL INFORMATION AND RULES OF COURTESY PLEASE SEE OPPOSITE SIDE.)

(LA INFORMACIÓN GENERAL Y REGLAS DE CORTESÍA QUE DEBEN OBSERVARSE

DURANTE LAS ASAMBLEAS DEL CONSEJO MUNICIPAL APARECEN EN EL LADO OPUESTO, FAVOR DE LEERLAS.)

## General Information

The Dallas City Council regularly meets on Wednesdays beginning at 9:00 a.m. in the Council Chambers, 6th floor, City Hall, 1500 Marilla. Council agenda meetings are broadcast live on WRR-FM radio (101.1 FM) and on AT&T CityCable Channel 6B. Briefing meetings are held the first and third Wednesdays of each month. Council agenda (voting) meetings are held on the second and fourth Wednesdays. Anyone wishing to speak at a meeting should sign up with the City Secretary's Office by calling (214) 670-3738 before 9:00 a.m. on the meeting date. Citizens can find out the name of their representative and their voting district by calling the City Secretary's Office.

Sign interpreters are available upon request with a 48-hour advance notice by calling (214) 670-5208 V/TDD. The City of Dallas is committed to compliance with the Americans with Disabilities Act. **The Council agenda is available in alternative formats upon request.**

If you have any questions about this agenda or comments or complaints about city services, call 311.

## Rules of Courtesy

City Council meetings bring together citizens of many varied interests and ideas. To insure fairness and orderly meetings, the Council has adopted rules of courtesy which apply to all members of the Council, administrative staff, news media, citizens and visitors. These procedures provide:

- That no one shall delay or interrupt the proceedings, or refuse to obey the orders of the presiding officer.
- All persons should refrain from private conversation, eating, drinking and smoking while in the Council Chamber.
- Posters or placards must remain outside the Council Chamber.
- No cellular phones or audible beepers allowed in Council Chamber while City Council is in session.

"Citizens and other visitors attending City Council meetings shall observe the same rules of propriety, decorum and good conduct applicable to members of the City Council. Any person making personal, impertinent, profane or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting shall be removed from the room if the sergeant-at-arms is so directed by the presiding officer, and the person shall be barred from further audience before the City Council during that session of the City Council. If the presiding officer fails to act, any member of the City Council may move to require enforcement of the rules, and the affirmative vote of a majority of the City Council shall require the presiding officer to act." Section 3.3(c) of the City Council Rules of Procedure.

## Informacion General

El Ayuntamiento de la Ciudad de Dallas se reúne regularmente los miércoles en la Cámara del Ayuntamiento en el sexto piso de la Alcaldía, 1500 Marilla, a las 9 de la mañana. Las reuniones informativas se llevan a cabo el primer y tercer miércoles del mes. Estas audiencias se transmiten en vivo por la estación de radio WRR-FM 101.1 y por cablevisión en la estación AT&T CityCable Canal 6B. El Ayuntamiento Municipal se reúne el segundo y cuarto miércoles del mes para tratar asuntos presentados de manera oficial en la agenda para su aprobación. Toda persona que desee hablar durante la asamblea del Ayuntamiento, debe inscribirse llamando a la Secretaría Municipal al teléfono (214) 670-3738, antes de las 9 de la mañana del día de la asamblea. Para enterarse del nombre de su representante en el Ayuntamiento Municipal y el distrito donde usted puede votar, favor de llamar a la Secretaría Municipal.

Intérpretes para personas con impedimentos auditivos están disponibles si lo solicita con 48 horas de anticipación llamando al (214) 670-5208 (aparato auditivo V/TDD). La Ciudad de Dallas se esfuerza por cumplir con el decreto que protege a las personas con impedimentos, *Americans with Disabilities Act*. **La agenda del Ayuntamiento está disponible en formatos alternos si lo solicita.**

Si tiene preguntas sobre esta agenda, o si desea hacer comentarios o presentar quejas con respecto a servicios de la Ciudad, llame al 311.

## Reglas de Cortesia

Las asambleas del Ayuntamiento Municipal reúnen a ciudadanos de diversos intereses e ideologías. Para asegurar la imparcialidad y el orden durante las asambleas, el Ayuntamiento ha adoptado ciertas reglas de cortesía que aplican a todos los miembros del Ayuntamiento, al personal administrativo, personal de los medios de comunicación, a los ciudadanos, y a visitantes. Estos reglamentos establecen lo siguiente:

- Ninguna persona retrasará o interrumpirá los procedimientos, o se negará a obedecer las órdenes del oficial que preside la asamblea.
- Todas las personas deben abstenerse de entablar conversaciones, comer, beber y fumar dentro de la cámara del Ayuntamiento.
- Anuncios y pancartas deben permanecer fuera de la cámara del Ayuntamiento.
- No se permite usar teléfonos celulares o enlaces electrónicos (*paggers*) audibles en la cámara del Ayuntamiento durante audiencias del Ayuntamiento Municipal.

"Los ciudadanos y visitantes presentes durante las asambleas del Ayuntamiento Municipal deben obedecer las mismas reglas de comportamiento, decoro y buena conducta que se aplican a los miembros del Ayuntamiento Municipal. Cualquier persona que haga comentarios impertinentes, utilice vocabulario obsceno o difamatorio, o que al dirigirse al Ayuntamiento lo haga en forma escandalosa, o si causa disturbio durante la asamblea del Ayuntamiento Municipal, será expulsada de la cámara si el oficial que esté presidiendo la asamblea así lo ordena. Además, se le prohibirá continuar participando en la audiencia ante el Ayuntamiento Municipal. Si el oficial que preside la asamblea no toma acción, cualquier otro miembro del Ayuntamiento Municipal puede tomar medidas para hacer cumplir las reglas establecidas, y el voto afirmativo de la mayoría del Ayuntamiento Municipal precisará al oficial que esté presidiendo la sesión a tomar acción." Según la sección 3.3(c) de las reglas de procedimientos del Ayuntamiento.

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, NOVEMBER 5, 2008  
CITY HALL  
1500 MARILLA  
DALLAS, TEXAS 75201  
9:00 A.M.

9:00 am      Invocation and Pledge of Allegiance      6ES

                 Special Presentations

                 Open Microphone Speakers

                 Briefing by Councilmembers Hill and Atkins on the Trade &  
                 Investment Fact Finding Mission to South Africa Fall 2008

VOTING AGENDA      6ES

1.      Approval of Minutes of the October 15, 2008 City Council Meeting
2.      Consideration of appointments to boards and commissions and the evaluation and duties of board and commission members (List of nominees is available in the City Secretary's Office)

ITEMS FOR INDIVIDUAL CONSIDERATION

**Office of Financial Services**

3.      An ordinance authorizing the issuance and sale of Combination Tax and Revenue Certificates of Obligation Series 2008A in an amount not to exceed \$5,500,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto - Not to exceed \$59,662 - Financing: 2008A Combination Tax and Revenue Certificates of Obligation - Interest Earnings
4.      An ordinance authorizing the issuance and sale of Equipment Acquisition Contractual Obligations Series 2008 in an amount not to exceed \$40,000,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto - Not to exceed \$121,415 - Financing: 2008 Equipment Acquisition Contractual Obligations - Interest Earnings
5.      An ordinance authorizing the issuance and sale of General Obligation Bonds Series 2008 in an amount not to exceed \$214,670,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto - Not to exceed \$519,263 - Financing: 2006 Bond Funds - Interest Earnings

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, NOVEMBER 5, 2008

Briefings

6ES

- A. Council Appointees Performance Plans
- Mary K. Suhm, City Manager
  - Thomas P. Perkins, Jr., City Attorney
  - Craig Daniel Kinton, City Auditor
  - Deborah A. Watkins, City Secretary

Lunch - *Passport to Health Diabetes Awareness Luncheon @ 11:30 a.m.*

- B. Discussion of Amendments to the Smoking Ordinance

Closed Session

6ES

Personnel Matters (Sec. 551.074 T.O.M.A.)

- Discussion regarding the performance review of City Manager Mary K. Suhm
- Discussion regarding the performance review of City Attorney Thomas P. Perkins, Jr.
- Discussion regarding the performance review of City Auditor Craig Daniel Kinton
- Discussion regarding the performance review of City Secretary Deborah A. Watkins

Open Microphone Speakers

6ES

The above schedule represents an estimate of the order for the indicated briefings and is subject to change at any time. Current agenda information may be obtained by calling (214) 670-3100 during working hours.

Note: An expression of preference or a preliminary vote may be taken by the Council on any of the briefing items.

A closed executive session may be held if the discussion of any of the above agenda items concerns one of the following:

1. Contemplated or pending litigation, or matters where legal advice is requested of the City Attorney. Section 551.071 of the Texas Open Meetings Act.
2. The purchase, exchange, lease or value of real property, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.072 of the Texas Open Meetings Act.
3. A contract for a prospective gift or donation to the City, if the deliberation in an open meeting would have a detrimental effect on the position of the City in negotiations with a third person. Section 551.073 of the Texas Open Meetings Act.
4. Personnel matters involving the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear a complaint against an officer or employee. Section 551.074 of the Texas Open Meetings Act.
5. The deployment, or specific occasions for implementation of security personnel or devices. Section 551.076 of the Texas Open Meetings Act.
6. Deliberations regarding economic development negotiations. Section 551.087 of the Texas Open Meetings Act.

**PUBLIC MEETINGS FOR NOVEMBER 1 - NOVEMBER 15, 2008**

**Thursday, November 6, 2008**

Civil Service Board

8:30 a.m.

City Hall, Suite 1C-South

Community Development Commission

6:00 p.m.

City Hall, Room 6ES







**AGENDA ITEM # 3**

**KEY FOCUS AREA:** Make Government More Efficient, Effective and Economical

**AGENDA DATE:** November 5, 2008

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Financial Services

**CMO:** Dave Cook, 670-7804

**MAPSCO:** N/A

---

**SUBJECT**

An ordinance authorizing the issuance and sale of Combination Tax and Revenue Certificates of Obligation Series 2008A in an amount not to exceed \$5,500,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto – Not to exceed \$59,662 - Financing: 2008A Combination Tax and Revenue Certificates of Obligation - Interest Earnings

**BACKGROUND**

The total amount of this proposed 2008A Combination Tax and Revenue Certificates of Obligation sale shall not exceed \$5,500,000 for the following purposes: City Hall Data Center Improvements.

All \$5,500,000 of the proceeds from the Combination Tax and Revenue Certificates of Obligation sale will go to the City Hall Data Center Improvements.

These will be negotiated sales. The City utilizes two syndicate teams designated Team "A" and Team "B". Team "A" and Team "B", rotating the negotiated issues between the two teams. Team "B" is assigned to underwrite these sales. The members of Team "B" that will be participating in the bond sales are as follows: Goldman, Sachs & Co. (Bookrunning Senior Manager), Walton Johnson & Co. (Co-Senior Manager); Morgan Stanley, JP Morgan Chase, RBC Dain Rauscher, SWS Securities, and Siebert Brandford Shank & Co., LLC (Co-Managers).

## **BACKGROUND** (Continued)

This ordinance will authorize, subject to parameters, city staff and financial advisors to:

(1) negotiate the sale and issuance of Combinations Tax and Revenue Certificates of Obligation, Series 2008A with the underwriting syndicate on any business day on and after November 5, 2008 and before May 5, 2009, and (2) establish the par amount (not to exceed \$5,500,000) of certificates to be issued. The ordinance will authorize the City Manager to award the Certificates if, and only if, the asking bid shall not be less than 95% of the aggregate principal amount, plus accrued interest. The Certificates shall not bear interest at a rate greater than 8% with a maximum Underwriter's discount of 1% of par. Maximum maturity for the Certificates shall not exceed 10 years.

## **ESTIMATED SCHEDULE OF PROJECT**

Authorize preparation for Issuance of Bonds – September 24, 2008  
Approval of parameters ordinance – November 5, 2008  
Execution of the Bond Purchase Agreement – November 7, 2008  
Pricing – Week of November 10, 2008  
Delivery of proceeds – November 25, 2008

## **PRIOR ACTION/REVIEW (COUNCIL, BOARD, COMMISSIONS)**

The Finance, Audit and Accountability Committee was briefed on September 22, 2008.

The City Council authorized preparation of plans for the issuance of Combination Tax and Revenue Certificates of Obligation Series 2008A, on September 24, 2008, by Resolution No. 08-2613.

## **FISCAL INFORMATION**

2008A Combination Tax and Revenue Certificates of Obligation - Interest Earnings – \$59,662

## **M/WBE INFORMATION**

Attachment I provides an estimate of bond issuance costs for the proposed Series 2008 bonds and the M/WBE participation.

**ATTACHMENT 1**

**\$5,500,000**

**Combination Tax and Revenue Certificates of Obligation, Series 2008A**

Estimate of Total Issuance Costs and M/WBE Participation

---

	<b>Cost</b>	<b>Percent</b>
<b>Co-Bond Counsel</b>		
Vinson and Elkins L.L.P. (Vendor #341246)	\$12,000	20.0%
West & Associates L.L.P. (Vendor #330805)*	5,000	8.4%
<b>Co-Financial Advisors</b>		
First Southwest Company (Vendor #193056)	15,000	25.0%
Estrada Hinojosa (Vendor #259910)*	10,000	16.8%
<b>Out-of-Pocket Expenses</b>		
First Southwest Company (Vendor #193056)	323	0.5%
<b>Official Statement Typing</b>		
First Southwest Company (Vendor #193056)	32	0.2%
<b>Official Statement Printing</b>		
TBD	500	0.8%
<b>Rating Agencies</b>		
Moody's Investors Service (Vendor #951236)	2,073	3.5%
Standard & Poor's (Vendor #954974)	8,200	13.7%
<b>Legal Notice</b>		
Dallas Morning News (Vendor #028774)	900	1.5%
<b>Auditor</b>		
Grant Thornton L.L.P. (Vendor #VS0000007921)	134	0.3%
<b>Filing Fee</b>		
Attorney General (Vendor #344989)	5,500	9.2%
<b>Total Issuance Costs</b>	<b>\$ 59,662</b>	<b>100.0%</b>

\*Total M/WBE Participation as % of Total Issuance Costs: 25.1%



---

**ORDINANCE**  
**AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS**  
**COMBINATION TAX AND REVENUE**  
**CERTIFICATES OF OBLIGATION**  
**SERIES 2008A**

**Adopted: November 5, 2008**

**TABLE OF CONTENTS**

Page

**ARTICLE I**

**DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions.....2  
Section 1.02. Other Definitions .....4  
Section 1.03. Findings.....4  
Section 1.04. Table of Contents, Titles and Headings .....4  
Section 1.05. Interpretation.....4

**ARTICLE II**

**SECURITY FOR THE CERTIFICATES**

Section 2.01. Tax Levy and Other Security for Payment of the Certificates.....5  
Section 2.02. Revenue Pledge.....6

**ARTICLE III**

**AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE  
CERTIFICATES**

Section 3.01. Authorization .....6  
Section 3.02. Date, Denomination, Maturities, Numbers and Interest .....6  
Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments.....7  
Section 3.04. Execution and Initial Registration .....8  
Section 3.05. Ownership.....9  
Section 3.06. Registration, Transfer and Exchange.....9  
Section 3.07. Cancellation and Authentication.....10  
Section 3.08. Temporary Certificates .....11  
Section 3.09. Replacement Certificates .....11  
Section 3.10. Book-Entry-Only System.....12  
Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.....13  
Section 3.12. Payments to Cede & Co.....13

**ARTICLE IV**

**REDEMPTION OF CERTIFICATES BEFORE MATURITY**

Section 4.01. Limitation on Redemption .....14

**ARTICLE V**

**PAYING AGENT/REGISTRAR**



Section 5.01.	Appointment of Initial Paying Agent/Registrar .....	14
Section 5.02.	Qualifications .....	14
Section 5.03.	Maintaining Paying Agent/Registrar .....	15
Section 5.04.	Termination.....	15
Section 5.05.	Notice of Change to Owners.....	15
Section 5.06.	Agreement to Perform Duties and Functions.....	15
Section 5.07.	Delivery of Records to Successor.....	15

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01.	Form Generally .....	15
Section 6.02.	Form of the Certificates .....	16
Section 6.03.	CUSIP Registration.....	21
Section 6.04.	Legal Opinion .....	22
Section 6.05.	Municipal Bond Insurance.....	22

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01.	Creation of Funds.....	22
Section 7.02.	Initial Deposits .....	22
Section 7.03.	Interest and Sinking Fund .....	22
Section 7.04.	Surplus Revenues Fund.....	23
Section 7.05.	Construction Fund.....	23
Section 7.06.	Excess Certificate Proceeds .....	23
Section 7.07.	Security of Funds .....	23

ARTICLE VIII

INVESTMENTS

Section 8.01.	Investments .....	23
Section 8.02.	Investment Income.....	24

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01.	Payment of the Certificates.....	24
Section 9.02.	Other Representations and Covenants .....	24
Section 9.03.	Federal Income Tax Exclusion .....	24

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default .....26  
Section 10.02. Remedies for Default .....26  
Section 10.03. Remedies Not Exclusive .....27

ARTICLE XI

DISCHARGE

Section 11.01. Discharge .....27

ARTICLE XII

SALE AND DELIVERY OF CERTIFICATES; APPROVAL OF OFFICIAL STATEMENT;  
CONTROL AND DELIVERY OF CERTIFICATES

Section 12.01. Sale and Delivery of Certificates; Approval of Official Statement. ....27  
Section 12.02. Control and Delivery of Certificates .....28

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms .....29  
Section 13.02. Annual Reports .....29  
Section 13.03. Material Event Notices .....30  
Section 13.04. Limitations, Disclaimers and Amendments .....30

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 14.01. Effectiveness .....32

EXHIBIT A - Description of Annual Disclosure of Financial Information  
EXHIBIT B – Sale Parameters

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2008A IN A PRINCIPAL AMOUNT NOT TO EXCEED \$5,500,000; LEVYING AND REQUIRING ASSESSMENT OF AND COLLECTION OF A CONTINUING DIRECT ANNUAL AD VALOREM TAX ON ALL TAXABLE PROPERTY WITHIN THE CITY TO PAY THE INTEREST ON SUCH CERTIFICATES AND TO CREATE A SINKING FUND FOR THE PAYMENT THEREOF AT MATURITY; APPROVING EXECUTION OF A PURCHASE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, under the provisions of Subchapter C of Chapter 271, Texas Local Government Code, as amended (the "Act"), the City of Dallas, Texas (the "City"), is authorized to issue certificates of obligation for the purposes specified in this Ordinance and for the payment of all or a portion of the costs of professional services, including that of engineers, attorneys, and financial advisors in connection therewith, and to sell the same for cash as herein provided; and

WHEREAS, the City is authorized to provide that such obligations will be payable from and secured by the levy of a direct and continuing ad valorem tax against all taxable property within the City, in combination with all or a part of any "Surplus Revenues" (as defined herein) of the City's Municipal Drainage Utility System remaining after payment of any obligations of the City payable in whole or in part from a lien or pledge of such revenues, pursuant to Section 402.041 et seq., Texas Local Government Code, such pledge of Surplus Revenues, however, being limited to \$1,000; and

WHEREAS, pursuant to a resolution passed by this governing body (the "City Council"), notice of intention to issue the Certificates was published in a newspaper of general circulation in the City at the times and in the manner required by the Act; and

WHEREAS, no petition of any kind has been filed with the City Secretary, any member of the City Council or any other official of the City, protesting the issuance of the Certificates; and

WHEREAS, the City Council is now authorized and empowered to proceed with the issuance and sale of the Certificates, and has found and determined that it is necessary and in the best interests of the City and its citizens that it authorize the issuance of the Certificates in accordance with the terms and provisions of this Ordinance at this time;

WHEREAS, the City Council desires to delegate, pursuant to Chapter 1371, Texas Government Code, as amended, and the parameters of this Ordinance, to the Authorized Officer, the authority to approve the amount, the interest rate, the price and terms of the Certificates authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the Certificates;

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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

## **ARTICLE I**

### **DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager of the City, and in her absence, any Assistant City Manager.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Certificate” means any of the Certificates.

“Certificates” means the City’s certificates of obligation entitled “City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2008A” authorized to be issued by Section 3.01 of this Ordinance.

“Charter” means the Home Rule Charter of the City, as amended.

“Closing Date” means the date of the initial delivery of and payment for the Certificates.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Construction Fund” means the construction fund established by Section 7.01 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in St. Paul, Minnesota, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” means any Event of Default as defined in Section 10.01 of this Ordinance.

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Certificate” means the Initial Certificate described in Section 3.04(d) and Section 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 7.01 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Certificates is scheduled to be paid until the maturity of the Certificates, such dates being February 15 and August 15 of each year, commencing the date set forth in the Pricing Certificate.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

“Paying Agent/Registrar” means U.S. Bank National Association, any successor thereto or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Project” means making improvements and upgrades to City Hall Data Center for electrical upgrade, HVAC improvements and replacement of the fire suppression system.

“Purchase Agreement” means the certificate purchase agreement approved in Section 12.01(b) of this Ordinance.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC.

“Representative” means the representative for the Underwriters named in the Purchase Agreement.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Surplus Revenues” means an amount not to exceed \$1,000, of the revenues of the System available after deduction of the reasonable expense of operation and maintenance of the System and payment of all debt service, reserve and other requirements with respect to all of the City’s revenue bonds and other obligations heretofore or hereafter issued that are payable from and secured by a lien on and pledge of all or part of the net revenues of the System.

“Surplus Revenues Fund” means the surplus revenues fund established by Section 7.01 of this Ordinance.

“System” means the City’s Municipal Drainage Utility System.

“Unclaimed Payments” means money deposited with the Paying Agent/ Registrar for the payment of principal of or interest on the Certificates as the same come due and payable and remaining unclaimed by the Owners of such Certificates for 90 days after the applicable payment date.

“Underwriters” means the underwriters named in the Purchase Agreement.

Section 1.02. Other Definitions. The terms “Act,” “City Council,” and “City” shall have the respective meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

## ARTICLE II

### SECURITY FOR THE CERTIFICATES

Section 2.01. Tax Levy and Other Security for Payment of the Certificates. (a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Certificates, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

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

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

(d) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Certificates when and as due and payable in accordance with their terms and this Ordinance.

(e) The amount of taxes to be provided annually for the payment of principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(i) the City's annual budget shall reflect (A) the amount of debt service to become due on the Certificates in the next succeeding Fiscal Year of the City, (B) the amount on deposit in the Surplus Revenues Fund available to pay the debt service on the Certificates and the Interest and Sinking Fund, as of the date the budget is prepared (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year), and (C) the amount of Surplus Revenues estimated to be collected and available for the payment of such debt service requirements on the Certificates during the succeeding Fiscal Year of the City;

(ii) the amount required to be provided in the succeeding Fiscal Year of the City from ad valorem taxes shall be the amount, if any, that the debt service requirements to be paid on the Certificates in the next succeeding Fiscal Year exceeds the sum of (A)

the amount shown to be on deposit in the Surplus Revenues Fund and the Interest and Sinking Fund (after giving effect to the payments required to be made during the remainder of the then current Fiscal Year) at the time the annual budget is prepared, and (B) the Surplus Revenues shown to be budgeted and available for payment of debt service on the Certificates.

(iii) Following the final approval of the annual budget of the City, the governing body of the City shall, by ordinance, levy an ad valorem tax at a rate sufficient to produce taxes in the amount determined in paragraph (ii) above, to be utilized for purposes of paying the principal of and interest on the Certificates in the next succeeding Fiscal Year of the City.

(f) If the liens and provisions of this Ordinance shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Certificates, there shall be subtracted the amount of any Certificates for which money has been deposited in accordance with Article XI herein.

Section 2.02. Revenue Pledge. The City hereby covenants and agrees that the Surplus Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates as the same become due.

### **ARTICLE III**

#### **AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES**

Section 3.01. Authorization. The City's certificates of obligation to be designated "City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2008A" (the "Certificates"), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Subchapter C, Chapter 271, Texas Local Government Code, as amended and Chapter 1371, Texas Government Code, as amended, and the Charter of the City. The Certificates shall be issued in the aggregate principal amount designated in the Pricing Certificate, such amount not to exceed \$5,500,000, for the public purpose of (i) paying the costs of the Project and (ii) paying for professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates, all as set forth in the preamble hereof, under and by virtue of the Act and pursuant to Chapter XXI of the Charter of the City.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest. (a) The Certificates shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar except the Initial Certificate, which shall be numbered T-1.



(b) The Certificates shall mature on February 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate provided that the maximum maturity for the Certificates shall not exceed ten years.

(c) Interest shall accrue and be paid on each Certificate respectively until its maturity or prior redemption, from the later of the Original Issue Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable semiannually on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments. (a) The principal of and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall 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 (the "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 Owner of a Certificate appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Certificates shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, first class United States mail, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Certificate shall be paid to the person in whose name such Certificate is registered on the due date thereof upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Certificate is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such 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.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Certificates to which the Unclaimed Payments pertain. Subject to the provisions of Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment date shall be applied to the next payment or payments on the Certificates thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Certificates, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to any applicable escheat law or similar law.

Section 3.04. Execution and Initial Registration. (a) The Certificates shall be executed on behalf of the City by the Mayor and countersigned by the City Secretary and the City Manager, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Any facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) 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 Certificate of Paying Agent/Registrar 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 Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar 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 of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, a single typewritten Certificate (the "Initial Certificate") representing the entire principal amount of the Certificates, payable in stated installments to the Representative or its designee, executed by manual or facsimile signature of the Mayor and countersigned by manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Representative 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 the Representative registered definitive Certificates as described in

Section 3.10(a). To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 3.05. Ownership. (a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Certificate is registered on the Record Date or on the Special Record Date, as applicable), and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Certificates remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) Registration of any Certificate may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Certificates, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Certificate or any portion thereof registered in the name of such assignee or assignees. No transfer of any Certificate shall be effective until entered in the Register. Upon assignment and transfer of any Certificate or portion thereof, a new Certificate or Certificates will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Certificate. To the extent possible the Paying Agent/Registrar will issue such new Certificate or Certificates within not more than three Business Days after receipt of the Certificate to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Certificate may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Certificate presented for exchange. To the extent possible, a new Certificate or Certificates shall be delivered by the Paying Agent/Registrar to the Owner of the Certificate or Certificates within not more than three Business Days after receipt of the Certificate to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Certificate issued in exchange for any Certificate or portion thereof assigned or transferred shall have the same principal maturity date and shall bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange the Certificates as provided herein, and each substitute Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such substitute Certificate or Certificates are delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Certificates, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Certificate. In addition, the City hereby covenants with the Owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Certificates as provided herein.

Section 3.07. Cancellation and Authentication. (a) All Certificates paid in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be canceled upon the making of proper records regarding such payment, exchange or replacement. Canceled Certificates shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Certificate issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Certificate or Certificates issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, manually sign and date such Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement 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 of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Certificates shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificate which was originally delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Certificates issued in exchange or replacement of any other Certificate or portion thereof, (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 be transferred and assigned, (iii) may be exchanged for other Certificates, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the Form of Certificate set forth in this Ordinance.

Section 3.08. Temporary Certificates. (a) Following the delivery and registration of the Initial Certificate and pending the preparation of definitive Certificates, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Certificates that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Certificates in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Certificates may determine, as evidenced by their signing of such temporary Certificates.

(b) Until exchanged for Certificates in definitive form, such Certificates in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Certificates in definitive form; thereupon, upon the presentation and surrender of the Certificate or Certificates in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Certificates in temporary form and authenticate and deliver in exchange therefor a Certificate or Certificates of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Certificate or Certificates in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Certificates. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, without the necessity of issuing a replacement Certificate, may pay such Certificate on the date on which such Certificate becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.10. Book-Entry-Only System. (a) The definitive Certificates 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 DTC, and except as provided in Section 3.11 hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City 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 an Owner, as shown on the Register, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such

Certificate for the purpose of payment of principal of and interest on the Certificates, for the purpose of giving notices of other matters with respect to such Certificate, for the purpose of registering transfer 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 respective Owners, as shown in the Register 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 City's obligations with respect to payment of principal and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due 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 or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby affirmed with respect to the Certificates.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, 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, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates shall no longer be restricted to being registered in the Register 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 Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the Representation Letter.

## ARTICLE IV

### REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Certificates are not subject to redemption prior to scheduled maturity.

## ARTICLE V

### PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar. (a) The City hereby appoints U.S. Bank National Association, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all exchanges and replacements of such Certificates, as provided in this Ordinance.

(c) Paying Agent/Registrar Contract. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Contract, effective as of August 1, 2005, as supplemented on May 1, 2008, outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after August 1, 2005 through April 30, 2010. Said Contract provides that the Paying Agent/Registrar accepts its appointment as Paying Agent/Registrar “in accordance with the terms of the . . . Bond Resolutions . . . In the event of conflict, the . . . respective Bond Resolutions shall be final and binding.” In that regard, by accepting the positions of paying agent and registrar, the Paying Agent agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent agrees that, so long as required by Texas law, a true and correct copy of the Register shall at all times be maintained in the State of Texas.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be (i) a commercial bank, trust company, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.



Section 5.03. Maintaining Paying Agent/Registrar. (a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar and to the City.

## ARTICLE VI

### FORM OF THE CERTIFICATES

Section 6.01. Form Generally. (a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Certificate, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Pricing Certificate and this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The Certificates (except for any temporary Certificates and the Initial Certificate) shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

Section 6.02. Form of the Certificates. The form of the Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) Form of Certificate.

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

**United States of America  
State of Texas  
CITY OF DALLAS, TEXAS  
(DALLAS, DENTON, COLLIN AND ROCKWALL COUNTIES)  
COMBINATION TAX AND REVENUE  
CERTIFICATE OF OBLIGATION  
SERIES 2008A**

INTEREST RATE: MATURITY DATE: ORIGINAL ISSUE DATE: CUSIP NO.  
\_\_\_\_\_% \_\_\_\_\_, \_\_\_\_\_<sup>1</sup> \_\_\_\_\_

The City of Dallas (the "City"), in the Counties of Dallas, Denton, Collin and Rockwall, State of Texas, for value received, hereby promises to pay to

\_\_\_\_\_

or registered assigns, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing \_\_\_\_\_<sup>2</sup>. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office") of U.S. Bank National Association, or with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Certificate is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the person to whom interest

<sup>1</sup> Information to be inserted from Pricing Certificate.

<sup>2</sup> Information to be inserted from Pricing Certificate.

is to be paid. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest 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 (the "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 registered owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on this Certificate is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such 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 fully registered certificates specified in the title hereof issued in the aggregate principal amount of \$\_\_\_\_\_<sup>3</sup> (herein referred to as the "Certificates"), issued pursuant to a certain Ordinance of the City Council of the City (the "Ordinance") for the purpose of paying the costs of the Project as described in the Ordinance and (ii) for the payment of professional services of attorneys, financial advisors and other professionals in connection with the Project and the issuance of the Certificates.

The Certificates and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City and from a pledge of Surplus Revenues, derived by the City from the operation of the City's Municipal Drainage Utility System, limited to an amount not to exceed \$1,000, all as described and provided in the Ordinance.

The Certificates are not subject to redemption prior to scheduled maturity.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Certificate for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the Owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is

---

<sup>3</sup> Information to be inserted from Pricing Certificate.

registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Certificate be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice or knowledge to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Certificates have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Certificates within the limit prescribed by law; that in addition to said taxes, further provisions have been made for the payment of the debt service requirements of the Certificates by pledging to such purpose Surplus Revenues, as defined in the Ordinance, in an amount not to exceed \$1,000, of the City's Municipal Drainage Utility System; that when so collected, such taxes and Surplus Revenues shall be appropriated to such purposes; and that the total indebtedness of the City, including the Certificates, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Certificate to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary and the City Manager, and the official seal of the City has been duly impressed or placed in facsimile on this Certificate.

\_\_\_\_\_  
City Manager,  
City of Dallas, Texas

\_\_\_\_\_  
Mayor, City of Dallas, Texas

\_\_\_\_\_  
City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate is attached thereto.

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Certificate has been issued under the provisions of the Ordinance of the City; and that this Certificate has been issued in exchange for or replacement of a certificate of obligation, certificate of obligations or portion of a certificate of obligation or certificate of obligations of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

U.S. Bank National Association  
as Paying Agent/Registrar

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and Zip Code of transferee):

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By: \_\_\_\_\_

\_\_\_\_\_

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) 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 the heading "CUSIP NO." shall be deleted; and

(B) in the first paragraph of the Certificate, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “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:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
-------------	----------------------------------	----------------------

(Information to be inserted from the Pricing Certificate pursuant to Section 3.02 hereof.)

(e) Form of Comptroller’s Registration Certificate. The following Comptroller’s Registration Certificate of the Comptroller of Public Accounts shall appear on the Initial Certificate in lieu of the Certificate of Paying Agent/Registrar.

**REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO. _____
OF THE STATE OF TEXAS	§	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Certificate has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS,  
\_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor’s Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Legal Opinion. The approving legal opinions of Vinson & Elkins L.L.P. and West & Associates, L.L.P., Co-Bond Counsel, may be printed on the back of each Certificate over the certification of the City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Certificates, the Certificates, including the Initial Certificate, may bear an appropriate legend, as provided by the insurer.

## ARTICLE VII

### CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds. The City hereby establishes the following funds:

- (i) the City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2008A, Interest and Sinking Fund (the “Interest and Sinking Fund”);
- (ii) the City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2008A, Construction Fund (the “Construction Fund”); and
- (iii) the City of Dallas, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2008A, Surplus Revenues Fund (the “Surplus Revenues Fund”).

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Certificates to be deposited as follows:

- (i) first, an amount equal to all accrued interest on the Certificates from the Original Issue Date until the Closing Date, plus any additional amounts designated in the Pricing Certificate, shall be deposited to the credit of the Interest and Sinking Fund; and
- (ii) second, the remaining balance shall be deposited to the credit of the Construction Fund.

Section 7.03. Interest and Sinking Fund. (a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Certificates.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Certificates plus the aggregate amount of interest due and that will become due and payable on such Certificates, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Certificates as such become due and payable.



Section 7.04. Surplus Revenues Fund. All Surplus Revenues shall be paid over and deposited into the Surplus Revenues Fund. On or before each Interest Payment Date, the Surplus Revenues, if any, shall be appropriated and employed in the following order:

(a) First: For deposit to the Interest and Sinking Fund to provide for the payment of the debt service requirements of the Certificates in accordance with the terms and conditions of this Ordinance; and

(b) Second: After all the requirements of subparagraph (a) above have been provided for, whether by the collection of the ad valorem tax levied in this Ordinance or by the use of pledged Surplus Revenues, the Surplus Revenues may be used for any lawful purpose.

Section 7.05. Construction Fund. The Construction Fund shall be used for the purpose of making the permanent public improvements for which the Certificates were issued (as specified in the preamble of this Ordinance) and for paying expenses incurred in connection with the issuance and delivery of the Certificates.

Section 7.06. Excess Certificate Proceeds. Upon completion of the permanent public improvements financed with the Certificates any amount (exclusive of that amount retained for the payment of costs of such improvements not then due and payable) that remains in the Construction Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account to be used to pay principal of and interest on the Certificates on the next ensuing Interest Payment Date.

Section 7.07. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01. Investments. (a) Money in each fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) The money in an escrow account established under Section 7.06 of this Ordinance shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a “higher yield,” within the meaning of Section 148(f) of the Code, than the yield on the Certificates.

Section 8.02. Investment Income. (a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund and interest and income derived from investment of the Surplus Revenues Fund shall be credited to such Fund.

(b) Interest and income derived from investment of the Construction Fund shall be either deposited to the credit of the Interest and Sinking Fund or retained in the Construction Fund until the permanent improvements authorized by this Ordinance are completed.

## **ARTICLE IX**

### **PARTICULAR REPRESENTATIONS AND COVENANTS**

Section 9.01. Payment of the Certificates. On or before each Interest Payment Date for the Certificates, and while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Certificates as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants. (a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the City will promptly pay or cause to be paid the principal of and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion. (a) The City intends that the interest on the Certificates shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations (the "Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Certificates to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the City shall not be required to comply with any particular requirement of this Section 9.03 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Certificates or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Certificates including interest or other investment income derived from Certificate proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Certificates will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Certificates to be “federally guaranteed” within the meaning of section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The City covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Certificates to be “hedge bonds” within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

(e) No Arbitrage. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Certificates are delivered, the City will reasonably expect that the proceeds of the Certificates will not be used in a manner that would cause the Certificates to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Certificates including interest or other investment income derived from Certificate proceeds, regulate investments of proceeds of the Certificates, and take such other and further action as may be required so that the Certificates will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Certificates (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Certificates as may be required to calculate the amount earned on the investment of the gross proceeds of the Certificates separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issue of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Certificates which is required to

be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Certificates or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Certificates that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Certificates are issued, an information statement concerning the Certificates, all under and in accordance with section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Certificates.

## ARTICLE X

### DEFAULT AND REMEDIES

Section 10.01. 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," to-wit:

- (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 City, the failure to perform which materially, adversely affects the rights of the Owners, 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 Owner to the City.

Section 10.02. Remedies for Default. (a) Upon the happening of any Event of Default, then and in every case any 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 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 Owners hereunder or any combination of such remedies.

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

Section 10.03. Remedies Not Exclusive. (a) 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.

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

## **ARTICLE XI**

### **DISCHARGE**

Section 11.01. Discharge. The Certificates may be defeased, discharged, or refunded in any manner permitted by applicable law.

## **ARTICLE XII**

### **SALE AND DELIVERY OF CERTIFICATES; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF CERTIFICATES**

Section 12.01. Sale and Delivery of Certificates; Approval of Official Statement.

(a) The Certificates shall be sold at negotiated sale to the Underwriters in accordance with the terms of this Ordinance, including this Section 12.01(a) and Exhibit B hereto, provided that all of the conditions set forth in Exhibit B can be satisfied. As authorized by Chapter 1371, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit B can be satisfied, in selling and delivering the Certificates and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Certificates, the aggregate principal amount of the Certificates and price at which each of the Certificates will be sold, the number and designation of series of Certificates to be issued, the form in which the Certificates shall be issued, the years in which the Certificates will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, and all other matters relating to the issuance, sale and delivery of the Certificates, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01(a) shall expire at 5:00 p.m., May 5, 2009, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Certificates and the execution of the Purchase Agreement in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver a certificate purchase agreement (the "Purchase Agreement") which Purchase Agreement is hereby

accepted, approved and authorized in substantially the form submitted to the City and upon completion of the terms of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, the Authorized Officer is authorized and directed to execute such Purchase Agreement on behalf of the City and the Authorized Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates. The Certificates shall initially be registered in the name the Representative.

(c) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Authorized Officer and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Certificates, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriters. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters, may be used by the Underwriters in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Certificates by the Underwriters, is hereby ratified, approved and confirmed.

(d) All officers of the City are authorized to execute such documents, certificates and receipts as they may deem appropriate in order to consummate the delivery of the Certificates in accordance with the terms of sale therefor including, without limitation, the Purchase Agreement. Further, in connection with the submission of the record of proceedings for the Certificates to the Attorney General of the State of Texas for examination and approval of such Certificates, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Certificates or (ii) \$9,500).

(e) The obligation of the Underwriters to accept delivery of the Certificates is subject to the Underwriters being furnished with the final, approving opinions of Vinson & Elkins L.L.P. and West & Associates L.L.P., Co-Bond Counsel for the City, which opinions shall be dated and delivered the Closing Date.

Section 12.02. Control and Delivery of Certificates. (a) The City Manager, and in her absence, the Chief Financial Officer of the City, is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Initial Certificate shall be made to the Representative under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, any Assistant City Secretary and any Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem, the Assistant City Secretary and the Assistant City Manager shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor, City Secretary and City Manager, respectively.

### **ARTICLE XIII**

#### **CONTINUING DISCLOSURE UNDERTAKING**

Section 13.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“NRMSIR” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

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

“SEC” means the United States Securities and Exchange Commission.

“SID” means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

Section 13.02. Annual Reports. (a) The City shall provide annually to each NRMSIR and to any SID, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID. Thereafter, when and if audited financial statements become available, the City shall provide such audited financial statements as required to each NRMSIR and to any SID.

If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City 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 each NRMSIR and any SID or filed with the SEC.

Section 13.03. Material Event Notices. (a) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Certificates;
- (vii) modifications to rights of Owners;
- (viii) Certificate calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Certificates; and
- (xi) rating changes.

(b) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.02 of this Ordinance by the time required by such Section.

Section 13.04. Limitations, Disclaimers and Amendments. (a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XI that causes Certificates no longer to be Outstanding.



(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Certificates, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City 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.

(c) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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.

(d) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(e) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(f) The provisions of this Article may be amended by the City 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 City, but only if (1) the provisions of this Article, 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 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions 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 City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Certificates. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(g) Any filing required to be made pursuant to this Article XIII may be made through the facilities of DisclosureUSA or such other central post office as may be approved in writing by the SEC for such purpose. Any such filing made through such central post office will be

deemed to have been filed with each NRMSIR and SID or MSRB as if such filing had been made directly to such entity.

## **ARTICLE XIV**

### **MISCELLANEOUS MATTERS**

Section 14.01. Effectiveness. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.

APPROVED AND ADOPTED this 5th day of November, 2008.

APPROVED AS TO FORM:

Thomas P. Perkins, Jr.  
City Attorney  
City of Dallas, Texas

---

Gwendolyn W. Satterthwaite  
Assistant City Attorney  
City of Dallas, Texas

*Signature Page to Certificates of Obligation Ordinance*

## **EXHIBIT A**

### **DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION**

The following information is referred to in Article XIII of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with Section 13.02 are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The financial statements of the City, including but not limited to the portion thereof appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-13, inclusive.

#### **Accounting Principles**

The accounting principles referred to in such Section 13.02 are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

## **EXHIBIT B**

### **SALE PARAMETERS**

In accordance with Section 12.01(a) of the Ordinance, the following conditions with respect to the Certificates must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Certificates to the Underwriters:

(a) the price to be paid for the Certificates shall be not less than 95% of the aggregate principal amount of the Certificates;

(b) the Certificates shall not bear interest at a rate greater than 8% with a maximum Underwriters' discount of 1% of par;

(c) the aggregate principal amount of the Certificates shall produce proceeds in an amount sufficient, as determined by the Authorized Officer, to fund the purposes described in Section 3.01 and such aggregate principal amount shall not exceed the maximum amount authorized in Section 3.01;

(d) the maximum maturity for the Certificates shall not exceed ten years; and

(e) the Certificates to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.



**AGENDA ITEM # 4**

**KEY FOCUS AREA:** Make Government More Efficient, Effective and Economical

**AGENDA DATE:** November 5, 2008

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Financial Services

**CMO:** Dave Cook, 670-7804

**MAPSCO:** N/A

---

**SUBJECT**

An ordinance authorizing the issuance and sale of Equipment Acquisition Contractual Obligations Series 2008 in an amount not to exceed \$40,000,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto – Not to exceed \$121,415 - Financing: 2008 Equipment Acquisition Contractual Obligations - Interest Earnings

**BACKGROUND**

The total amount of this proposed 2008 Equipment Acquisition Contractual Obligations sale shall not exceed \$40,000,000 for the following purposes: vehicle acquisition, equipment and technology enhancements. Bond sale is consistent with the Fiscal Year 2008-09 Budget.

All \$35,540,000 of the Equipment Acquisition Contractual Obligations proceeds will be used for replacement and enhancements of vehicles and technology throughout the city. The proceeds from the Notes will be used in five different categories; fleet replacement, fire apparatus replacement, technology enhancements, code compliance equipment and street services equipment.

These will be negotiated sales. The City utilizes two syndicate teams designated Team "A" and Team "B". Team "A" and Team "B", rotating the negotiated issues between the two teams. Team "B" is assigned to underwrite these sales. The members of Team "B" that will be participating in the bond sales are as follows: Goldman, Sachs & Co. (Bookrunning Senior Manager), Walton Johnson & Co. (Co-Senior Manager); Morgan Stanley, JP Morgan Chase, RBC Dain Rauscher, SWS Securities, and Siebert Brandford Shank & Co., LLC (Co-Managers).

## **BACKGROUND** (Continued)

This ordinance will authorize, subject to parameters, city staff and financial advisors to:

(1) negotiate the sale and issuance of Equipment Acquisition Contractual Obligations, Series 2008 with the underwriting syndicate on any business day on and after November 5, 2008 and before May 5, 2009, and (2) establish the par amount (not to exceed \$40,000,000) of contractual obligations to be issued. The ordinance will authorize the City Manager to award the Contractual Obligations if, and only if, the asking bid shall not be less than 95% of the aggregate principal amount, plus accrued interest. The Contractual Obligations shall not bear interest at a rate greater than 8% with a maximum Underwriter's discount of 1% of par. Maximum maturity for the Contractual Obligations shall not exceed 10 years.

Due to recent market conditions, the Ordinance will revise the not to exceed amount as previously authorized pursuant to Resolution No. 08-2612.

## **ESTIMATED SCHEDULE OF PROJECT**

Authorize preparation for Issuance of Bonds – September 24, 2008  
Approval of parameters ordinance – November 5, 2008  
Execution of the Bond Purchase Agreement – November 7, 2008  
Pricing – Week of November 10, 2008  
Delivery of proceeds – November 25, 2008

## **PRIOR ACTION/REVIEW (COUNCIL, BOARD, COMMISSIONS)**

The Finance, Audit and Accountability Committee was briefed on September 22, 2008.

The City Council authorized preparation of plans for the issuance of Equipment Acquisition Contractual Obligations Series 2008, on September 24, 2008, by Resolution No. 08-2613.

## **FISCAL INFORMATION**

2008 Equipment Acquisition Contractual Obligations - Interest Earnings – Not to exceed \$121,415

## **M/WBE INFORMATION**

Attachment I provides an estimate of bond issuance costs for the proposed Series 2008 bonds and the M/WBE participation.



**ATTACHMENT 1**

**\$35,540,000**

**Equipment Acquisition Contractual Obligations, Series 2008**

Estimate of Total Contractual Obligation Issuance Costs and M/WBE Participation

	<b>Cost</b>	<b>Percent</b>
<b>Co-Bond Counsel</b>		
Vinson and Elkins L.L.P. (Vendor #341246)	\$27,000	22.2%
West & Associates L.L.P. (Vendor #330805)*	10,000	8.2%
<b>Co-Financial Advisors</b>		
First Southwest Company (Vendor #193056)	27,994	23.1%
Estrada Hinojosa (Vendor #259910)*	19,330	15.9%
<b>Out-of-Pocket Expenses</b>		
First Southwest Company (Vendor #193056)	2,084	1.7%
<b>Official Statement Typing</b>		
First Southwest Company (Vendor #193056)	208	0.2%
<b>Official Statement Printing</b>		
TBD	1,500	1.2%
<b>Rating Agencies</b>		
Moody's Investors Service (Vendor #951236)	7,930	6.5%
Standard & Poor's (Vendor #954974)	15,000	12.4%
<b>Auditor</b>		
Grant Thornton L.L.P. (Vendor #VS0000007921)	869	0.7%
<b>Filing Fee</b>		
Attorney General (Vendor #344989)	9,500	7.8%
<b>Total Issuance Costs</b>	<b>\$ 121,415</b>	<b>100.0%</b>

\*Total M/WBE Participation as % of Total Issuance Costs: 24.2%



---

**ORDINANCE  
AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS  
EQUIPMENT ACQUISITION CONTRACTUAL OBLIGATIONS  
SERIES 2008**

**Adopted: November 5, 2008**

**TABLE OF CONTENTS**

Page

**ARTICLE I**

**DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions.....2  
Section 1.02. Other Definitions .....4  
Section 1.03. Findings.....4  
Section 1.04. Table of Contents, Titles and Headings .....4  
Section 1.05. Interpretation.....4

**ARTICLE II**

**SECURITY FOR THE CONTRACTUAL OBLIGATIONS**

Section 2.01. Tax Levy for Payment of the Contractual Obligations.....4

**ARTICLE III**

**AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE  
CONTRACTUAL OBLIGATIONS**

Section 3.01. Authorization .....5  
Section 3.02. Date, Denomination, Maturities, Numbers and Interest .....5  
Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments.....6  
Section 3.04. Execution and Initial Registration .....7  
Section 3.05. Ownership.....8  
Section 3.06. Registration, Transfer and Exchange.....8  
Section 3.07. Cancellation and Authentication.....9  
Section 3.08. Temporary Contractual Obligations .....10  
Section 3.09. Replacement Contractual Obligations .....11  
Section 3.10. Book-Entry-Only System.....12  
Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.....12  
Section 3.12. Payments to Cede & Co.....13

**ARTICLE IV**

**REDEMPTION OF CONTRACTUAL OBLIGATIONS BEFORE MATURITY**

Section 4.01. Limitation on Redemption .....13

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar .....13  
Section 5.02. Paying Agent/Registrar Contract .....14  
Section 5.03. Qualifications .....14  
Section 5.04. Maintaining Paying Agent/Registrar .....14  
Section 5.05. Termination.....14  
Section 5.06. Notice of Change to Owners.....14  
Section 5.07. Agreement to Perform Duties and Functions.....14  
Section 5.08. Delivery of Records to Successor .....14

ARTICLE VI

FORM OF THE CONTRACTUAL OBLIGATIONS

Section 6.01. Form Generally .....15  
Section 6.02. Form of Contractual Obligations .....15  
Section 6.03. CUSIP Registration.....21  
Section 6.04. Legal Opinion .....21  
Section 6.05. Municipal Bond Insurance .....21

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS; INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds.....21  
Section 7.02. Initial Deposits .....21  
Section 7.03. Interest and Sinking Fund .....21  
Section 7.04. Acquisition Fund.....22  
Section 7.05. Excess Contractual Obligation Proceeds .....22  
Section 7.06. Security of Funds .....22

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments .....22  
Section 8.02. Investment Income.....22

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Contractual Obligations .....23  
Section 9.02. Other Representations and Covenants .....23  
Section 9.03. Federal Income Tax Exclusion .....23

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default .....25  
Section 10.02. Remedies for Default .....25  
Section 10.03. Remedies Not Exclusive .....26

ARTICLE XI

DISCHARGE

Section 11.01. Discharge .....26

ARTICLE XII

SALE AND DELIVERY OF THE CONTRACTUAL OBLIGATIONS; APPROVAL OF  
OFFICIAL STATEMENT; CONTROL AND DELIVERY OF CONTRACTUAL  
OBLIGATIONS

Section 12.01. Sale of Contractual Obligations; Official Statement .....26  
Section 12.02. Control and Delivery of Contractual Obligations .....27

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms .....28  
Section 13.02. Annual Reports .....28  
Section 13.03. Material Event Notices .....29  
Section 13.04. Limitations, Disclaimers and Amendments .....30

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 14.01. Effectiveness .....31

SCHEDULE I - Personal Property to be Acquired  
EXHIBIT A - Description of Annual Disclosure of Financial Information  
EXIHIBIT B – Sale Parameters

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, EQUIPMENT ACQUISITION CONTRACTUAL OBLIGATIONS, SERIES 2008 IN AN AMOUNT NOT TO EXCEED \$40,000,000; LEVYING AND REQUIRING ASSESSMENT AND COLLECTION OF A CONTINUING DIRECT ANNUAL AD VALOREM TAX ON ALL TAXABLE PROPERTY WITHIN THE CITY TO PAY THE INTEREST ON SUCH CONTRACTUAL OBLIGATIONS AND TO CREATE A SINKING FUND FOR THE PAYMENT THEREOF AT MATURITY; APPROVING EXECUTION OF A PURCHASE CONTRACT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, the Public Property Finance Act, Texas Local Government Code §§271.001 through 271.009, inclusive, as amended (the “Act”), authorizes cities to execute, perform, and make payments under contracts with any person for the use, acquisition or purchase of personal property as described in the Act;

WHEREAS, the governing body (the “City Council”) of the City of Dallas, Texas (the “City”) has found and determined that it is necessary, useful and appropriate for its public purposes to acquire or purchase the various types of capital equipment described in Schedule I (the “Property”);

WHEREAS, the Property will be used for authorized public purposes of the City, will be acquired in compliance with applicable laws relating to competitive bidding, and will not be attached or affixed to real property or any building thereon in any manner that would cause the Property to be considered real property or a fixture to real property under applicable state law, and shall remain personal property of a type and character authorized to be acquired by the City under the Act;

WHEREAS, the City Council has found and deems it necessary, useful and appropriate for its public purposes to acquire the Property and to adopt this Ordinance and authorize the issuance of the Contractual Obligations herein authorized as permitted by the Act;

WHEREAS, the City Council desires to delegate, pursuant to Chapter 1371, Texas Government Code, as amended, and the parameters of this Ordinance, to the Authorized Officer, the authority to approve the amount, the interest rate, the price and terms of the Contractual Obligations authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the Contractual Obligations;

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;



NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS:

## ARTICLE I

### DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Acquisition Fund” means the acquisition fund established by Section 7.01(b).

“Authorized Officer” means the City Manager of the City, and in her absence, any Assistant City Manager.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Charter” means the Home Rule Charter of the City, as amended.

“Closing Date” means the date of the initial delivery of and payment for the Contractual Obligations.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Contractual Obligation” means any of the Contractual Obligations.

“Contractual Obligations” means the City’s contractual obligations entitled “City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2008” authorized to be issued by Section 3.01 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in St. Paul, Minnesota, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” means any Event of Default as defined in Section 10.01 of this Ordinance.

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Contractual Obligation” means the Initial Contractual Obligation described in Section 3.04(d) and Section 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 7.01(a) of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Contractual Obligations is scheduled to be paid until the maturity of the Contractual Obligations, such dates being February 15 and August 15 of each year, commencing the date set forth in the Pricing Certificate.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Contractual Obligation or Contractual Obligations, as shown in the Register.

“Paying Agent/Registrar” means U.S. Bank National Association, any successor thereto or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Property” means the property described on Schedule I hereto.

“Purchase Contract” means the purchase contract approved in Section 12.01(b) of this Ordinance.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC.

“Representative” means the representative for the Underwriters named in the Purchase Contract.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Contractual Obligations as the same come due and payable and remaining unclaimed by the Owners of such Contractual Obligations for 90 days after the applicable payment date.

“Underwriters” means the Underwriters named in the Purchase Agreement.

Section 1.02. Other Definitions. The terms “Act,” “City Council” and “City” shall have the respective meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

## **ARTICLE II**

### **SECURITY FOR THE CONTRACTUAL OBLIGATIONS**

Section 2.01. Tax Levy for Payment of the Contractual Obligations. (a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Contractual Obligations, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

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

sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

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

(d) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Contractual Obligations when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Contractual Obligations, there shall be subtracted the amount of any Contractual Obligations for which money has been deposited in accordance with Article XI herein.

### **ARTICLE III**

#### **AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CONTRACTUAL OBLIGATIONS**

Section 3.01. Authorization. The City's contractual obligations to be designated "City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2008" (the "Contractual Obligations"), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, specifically Subchapter A, Chapter 271, Texas Local Government Code, as amended and 1371, Texas Government Code, as amended, and the Charter of the City. The Contractual Obligations shall be issued in the aggregate principal amount designated in the Pricing Certificate, such amount not to exceed \$40,000,000, for the public purpose of paying all or a portion of the City's contractual obligations to be incurred in connection with the acquisition or purchase of personal property for the City as described in Schedule I attached hereto, and for paying costs related to the issuance of the Contractual Obligations (including, without limitation, underwriters' discount), all as set forth in the preamble hereof, under and by virtue of the Act and pursuant to Chapter XXI of the Charter of the City.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest. (a) The Contractual Obligations shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Contractual Obligation, which shall be numbered T-1.

(b) The Contractual Obligations shall mature on August 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate provided that the maximum maturity for the Contractual Obligations shall not exceed ten years.

(c) Interest on each Contractual Obligation shall accrue from the later of the Original Issue Date or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments. (a) The principal of and interest on the Contractual Obligations shall be paid in lawful money of the United States of America.

(b) Interest on the Contractual Obligations shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall 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 (the "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 Owner of a Contractual Obligation appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Contractual Obligations shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, first class United States mail, postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Contractual Obligation shall be paid to the person in whose name such Contractual Obligation is registered on the due date thereof upon presentation and surrender of such Contractual Obligation at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Contractual Obligations is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such 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.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Contractual Obligations to which the Unclaimed Payments pertain. Subject to the provisions of Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment date shall be applied to the next payment or payments on the Contractual Obligations thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Contractual Obligations, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Contractual Obligations for any further payment of such unclaimed moneys or on account of any such Contractual Obligations, subject to any applicable escheat law or similar law.

Section 3.04. Execution and Initial Registration. (a) The Contractual Obligations shall be executed on behalf of the City by the Mayor and countersigned by the City Secretary and the City Manager, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Any facsimile signatures on the Contractual Obligations shall have the same effect as if each of the Contractual Obligations had been signed manually and in person by each of said officers, and such facsimile seal on the Contractual Obligations shall have the same effect as if the official seal of the City had been manually impressed upon each of the Contractual Obligations.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Contractual Obligations ceases to be such officer before the authentication of such Contractual Obligations or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Contractual Obligation 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 Certificate of Paying Agent/Registrar 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 Certificate of Paying Agent/Registrar on all of the Contractual Obligations. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Contractual Obligation 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 of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Contractual Obligation has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, a single typewritten Contractual Obligation (the "Initial Contractual Obligation") representing the entire principal amount of the Contractual Obligations, payable in stated installments to the Representative or its designee, executed by manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Representative

or its designee. Upon payment for the Initial Contractual Obligation, the Paying Agent/Registrar shall cancel the Initial Contractual Obligation and deliver to DTC on behalf of the Representative registered definitive Contractual Obligations as described in Section 3.10(a). To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Contractual Obligations in safekeeping for DTC.

Section 3.05. Ownership. (a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Contractual Obligation is registered as the absolute owner of such Contractual Obligation for the purpose of making and receiving payment of the principal thereof, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Contractual Obligation is registered on the Record Date or on the Special Record Date, as applicable), and for all other purposes, whether or not such Contractual Obligation is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Contractual Obligation in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Contractual Obligation to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Contractual Obligations remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Contractual Obligations in accordance with this Ordinance.

(b) Registration of any Contractual Obligation may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Contractual Obligations, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Contractual Obligation or any portion thereof registered in the name of such assignee or assignees. No transfer of any Contractual Obligation shall be effective until entered in the Register. Upon assignment and transfer of any Contractual Obligation or portion thereof, a new Contractual Obligation or Contractual Obligations will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Contractual Obligation. To the extent possible, the Paying Agent/Registrar will issue such new Contractual Obligation or Contractual Obligations within not more than three (3) Business Days after receipt of the Contractual Obligation to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Contractual Obligation may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly

authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Contractual Obligation or Contractual Obligations of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Contractual Obligation presented for exchange. To the extent possible, a new Contractual Obligation or Contractual Obligations shall be delivered by the Paying Agent/Registrar to the Owner of the Contractual Obligation or Contractual Obligations within not more than three Business Days after receipt of the Contractual Obligation to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Contractual Obligation issued in exchange for any Contractual Obligation or portion thereof assigned or transferred shall have the same principal maturity date and shall bear interest at the same rate as the Contractual Obligation for which it is being exchanged. Each substitute Contractual Obligation shall bear a letter and/or number to distinguish it from each other Contractual Obligation. The Paying Agent/Registrar shall exchange the Contractual Obligations as provided herein, and each substitute Contractual Obligation delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Contractual Obligation or Contractual Obligations in lieu of which such substitute Contractual Obligation or Contractual Obligations are delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Contractual Obligations, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Contractual Obligation. In addition, the City hereby covenants with the Owners of the Contractual Obligations that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Contractual Obligations, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Contractual Obligations as provided herein.

Section 3.07. Cancellation and Authentication. (a) All Contractual Obligations paid in accordance with this Ordinance, and all Contractual Obligations in lieu of which exchange Contractual Obligations or replacement Contractual Obligations are authenticated and delivered in accordance with this Ordinance, shall be canceled upon the making of proper records regarding such payment, exchange or replacement. Canceled Contractual Obligations shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Contractual Obligation issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Contractual Obligation or Contractual Obligations issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Contractual Obligation, manually sign and date such Certificate, and no such Contractual Obligation shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other



body or person so as to accomplish the foregoing exchange or replacement of any Contractual Obligation or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Contractual Obligations in the manner prescribed herein, and said Contractual Obligations shall be of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Contractual Obligations as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Contractual Obligations shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Contractual Obligation which was originally delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Contractual Obligations issued in exchange or replacement of any other Contractual Obligation or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Contractual Obligations to be payable only to the registered owners thereof, (ii) may be transferred and assigned, (iii) may be exchanged for other Contractual Obligations, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and interest, all as provided, and in the manner required or indicated, in the Form of Contractual Obligation set forth in this Ordinance.

Section 3.08. Temporary Contractual Obligations. (a) Following the delivery and registration of the Initial Contractual Obligation and pending the preparation of definitive Contractual Obligations, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Contractual Obligations that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Contractual Obligations in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Contractual Obligations may determine, as evidenced by their signing of such temporary Contractual Obligations.

(b) Until exchanged for Contractual Obligations in definitive form, such Contractual Obligations in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Contractual Obligations in definitive form; thereupon, upon the presentation and surrender of the Contractual Obligation or Contractual Obligations in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Contractual Obligations in temporary form and authenticate and deliver in exchange therefor a Contractual Obligation or Contractual Obligations of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Contractual Obligation or Contractual Obligations in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Contractual Obligations. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Contractual Obligation, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Contractual Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Contractual Obligation to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Contractual Obligation is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Contractual Obligation has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Contractual Obligation of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Contractual Obligation;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Contractual Obligation, a bona fide purchaser of the original additional Contractual Obligation in lieu of which such replacement Contractual Obligation was issued presents for payment such original Contractual Obligation, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Contractual Obligation from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Contractual Obligation has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, without the necessity of issuing a replacement Contractual Obligation, may pay such Contractual Obligation on the date on which such Contractual Obligation becomes due and payable.

(e) Each replacement Contractual Obligation delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Contractual

Obligation or Contractual Obligations in lieu of which such replacement Contractual Obligation is delivered.

Section 3.10. Book-Entry-Only System. (a) The definitive Contractual Obligations shall be initially issued in the form of a separate single fully registered Contractual Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each such Contractual Obligation shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Contractual Obligations shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Contractual Obligations registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Contractual Obligations, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City 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 Contractual Obligations, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Contractual Obligations, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Contractual Obligations. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Contractual Obligation is registered in the Register as the absolute Owner of such Contractual Obligation for the purpose of payment of principal of and interest on the Contractual Obligations, for the purpose of giving notices of other matters with respect to such Contractual Obligation, for the purpose of registering transfer with respect to such Contractual Obligation, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Contractual Obligations only to or upon the order of the respective Owners, as shown in the Register 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 City's obligations with respect to payment of principal and interest on the Contractual Obligations to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due 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 or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby affirmed with respect to the Contractual Obligations.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter,

and that it is in the best interest of the beneficial owners of the Contractual Obligations that they be able to obtain certificated Contractual Obligations, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Contractual Obligations to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Contractual Obligations and transfer one or more separate Contractual Obligations to DTC Participants having Contractual Obligations credited to their DTC accounts, as identified by DTC. In such event, the Contractual Obligations shall no longer be restricted to being registered in the Register 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 Owners transferring or exchanging Contractual Obligations shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Contractual Obligations are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Contractual Obligations, and all notices with respect to such Contractual Obligations, shall be made and given, respectively, in the manner provided in the Representation Letter.

#### **ARTICLE IV**

#### **REDEMPTION OF CONTRACTUAL OBLIGATIONS BEFORE MATURITY**

Section 4.01. Limitation on Redemption. The Contractual Obligations are not subject to redemption prior to their scheduled maturity.

#### **ARTICLE V**

#### **PAYING AGENT/REGISTRAR**

Section 5.01. Appointment of Initial Paying Agent/Registrar. (a) The City hereby appoints U.S. Bank National Association, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Contractual Obligation to which payments with respect to the Contractual Obligations shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Contractual Obligations. The Paying

Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Contractual Obligations, and of all exchanges and replacements of such Contractual Obligations, as provided in this Ordinance.

Section 5.02. Paying Agent/Registrar Contract. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Contract, effective as of August 1, 2005, as supplemented on May 1, 2008, outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after April 30, 2008 through April 30, 2010. Said Contract provides that the Paying Agent/Registrar accepts its appointment as Paying Agent/Registrar “in accordance with the terms of the . . . Bond Resolutions . . . In the event of conflict, the . . . respective Bond Resolutions shall be final and binding.” In that regard, by accepting the positions of paying agent and registrar, the Paying Agent agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent agrees that, so long as required by Texas law, a true and correct copy of the Register shall at all times be maintained in the State of Texas.

Section 5.03. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.04. Maintaining Paying Agent/Registrar. (a) At all times while any Contractual Obligations are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.05. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.06. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.07. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.08. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the

Register (or a copy thereof) and all other pertinent books and records relating to the Contractual Obligations to the successor Paying Agent/Registrar and to the City.

## ARTICLE VI

### FORM OF THE CONTRACTUAL OBLIGATIONS

Section 6.01. Form Generally. (a) The Contractual Obligations, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Contractual Obligation, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Contractual Obligations, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Contractual Obligations, as evidenced by their execution thereof.

(b) Any portion of the text of any Contractual Obligations may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Contractual Obligations.

(c) The Contractual Obligations (except for any temporary Contractual Obligations and the Initial Contractual Obligation) shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Contractual Obligations, as evidenced by their execution thereof.

Section 6.02. Form of Contractual Obligations. The form of Contractual Obligations, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Contractual Obligations, shall be substantially as follows:

(a) Form of Contractual Obligation.

REGISTERED

REGISTERED

No. \_\_\_\_\_

\$ \_\_\_\_\_

**United States of America  
State of Texas  
COUNTIES OF DALLAS, DENTON, COLLIN AND ROCKWALL  
CITY OF DALLAS, TEXAS  
EQUIPMENT ACQUISITION CONTRACTUAL OBLIGATION  
SERIES 2008**

INTEREST RATE:    MATURITY DATE:    ORIGINAL ISSUE DATE:    CUSIP NO.:

\_\_\_\_\_ % \_\_\_\_\_, \_\_\_\_\_ \_\_\_\_\_<sup>1</sup> \_\_\_\_\_

The City of Dallas (the “City”), in the Counties of Dallas, Denton, Collin and Rockwall, State of Texas, for value received, hereby promises to pay to

\_\_\_\_\_ or registered assigns, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing \_\_\_\_\_<sup>2</sup>. All capitalized terms used herein but not defined shall have the meaning assigned to them in the Ordinance (defined below).

The principal of this Contractual Obligation shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Contractual Obligation at the corporate trust office in St. Paul, Minnesota (the “Designated Payment/Transfer Office”), of U.S. Bank National Association, or, with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Contractual Obligation is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Contractual Obligation, the registered owner shall be the person in whose name this Contractual Obligation is registered at the close of business on the “Record Date,” which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest 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 (the “Special Payment Date,” 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 of a Contractual Obligation appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Contractual Obligations is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close,

<sup>1</sup> Information to be inserted from the Pricing Certificate.

<sup>2</sup> Information to be inserted from the Pricing Certificate.

then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such 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 Contractual Obligation is one of a series of fully registered contractual obligations specified in the title hereof issued in the aggregate principal amount of \$ \_\_\_\_\_<sup>3</sup> (herein referred to as the “Contractual Obligations”), issued pursuant to a certain Ordinance of the City Council of the City (the “Ordinance”) for the purpose of paying all or a portion of the City’s contractual obligations to be incurred in connection with the acquisition or purchase of personal property for the City and to pay the costs incurred in connection with the issuance of the Contractual Obligations.

The Contractual Obligations and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City.

The Contractual Obligations are not subject to redemption prior to scheduled maturity.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Contractual Obligation is transferable upon surrender of this Contractual Obligation for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Contractual Obligations of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Contractual Obligation is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Contractual Obligation is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Contractual Obligation be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice or knowledge to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Contractual Obligation and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Contractual Obligations have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Contractual Obligations within the limit prescribed by law; and that the total indebtedness of the City, including the Contractual Obligations, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Contractual Obligation to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary and the City Manager,

---

<sup>3</sup> Information to be inserted from the Pricing Certificate.



and the official seal of the City has been duly impressed or placed in facsimile on this Contractual Obligation.

---

City Manager,  
City of Dallas, Texas

---

Mayor, City of Dallas, Texas

---

City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Contractual Obligation if the Comptroller's Registration Certificate is attached thereto.

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Contractual Obligation has been issued under the provisions of the Ordinance of the City; and that this Contractual Obligation has been issued in exchange for or replacement of a contractual obligation, contractual obligations or portion of a contractual obligation or contractual obligations of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

U.S. Bank National Association  
as Paying Agent/Registrar

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Contractual Obligation and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Contractual Obligation on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed By: \_\_\_\_\_

\_\_\_\_\_

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Contractual Obligation in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) Initial Contractual Obligation Insertions. (i) The Initial Contractual Obligation shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Contractual Obligation the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted; and

(B) in the first paragraph of the Contractual Obligation the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
-------------	------------------------------	----------------------

(Information to be inserted from the Pricing Certificate pursuant to Section 3.02 hereof.)

(e) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Contractual Obligation in lieu of the Certificate of Paying Agent/Registrar.

**REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER §	
OF PUBLIC ACCOUNTS §	REGISTER NO. _____
OF THE STATE OF TEXAS §	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Contractual Obligation has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Contractual Obligation has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS,  
\_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Contractual Obligations. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Contractual Obligations shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys approving said Contractual Obligations as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Contractual Obligations.

Section 6.04. Legal Opinion. The approving legal opinions of Vinson & Elkins L.L.P. and West & Associates L.L.P., Co-Bond Counsel, may be printed on the back of each Contractual Obligation over the certification of the City Secretary or any Assistant City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Contractual Obligations, the Contractual Obligations, including the Initial Contractual Obligation, may bear an appropriate legend, as provided by the insurer.

## ARTICLE VII

### CREATION OF FUNDS AND ACCOUNTS; INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds. The City hereby establishes the following funds:

- (a) the City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2008, Interest and Sinking Fund (the "Interest and Sinking Fund"); and
- (b) the City of Dallas, Texas, Equipment Acquisition Contractual Obligations, Series 2008, Acquisition Fund (the "Acquisition Fund").

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Contractual Obligations to be deposited as follows:

- (a) first, an amount equal to all accrued interest on the Contractual Obligations from the Original Issue Date until the Closing Date plus any additional amounts designated in the Pricing Certificate shall be deposited to the credit of the Interest and Sinking Fund; and
- (b) second, the remaining balance shall be deposited to the credit of the Acquisition Fund.

Section 7.03. Interest and Sinking Fund. (a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Contractual Obligations.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Contractual Obligations plus the aggregate

amount of interest due and that will become due and payable on such Contractual Obligations, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Contractual Obligations as such become due and payable.

Section 7.04. Acquisition Fund. Money on deposit in the Acquisition Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

Section 7.05. Excess Contractual Obligation Proceeds. Upon completion of the purchase of personal property financed with the Contractual Obligations any amount (exclusive of that amount retained for the payment of costs of such personal property not then due and payable) that remains in the Acquisition Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account to be used to pay principal of and interest on the Contractual Obligations on the next ensuing Interest Payment Date.

Section 7.06. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01. Investments. (a) Money in each fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) The money in an escrow account established under Section 7.05 of this Ordinance shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a "higher yield," within the meaning of Section 148(f) of the Code, than the yield on the Contractual Obligations.

Section 8.02. Investment Income. (a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

(b) Interest and income derived from investment of the Acquisition Fund shall be either deposited to the credit of the Interest and Sinking Fund or retained in the Acquisition Fund until the purchase of personal property authorized by this Ordinance is completed.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Contractual Obligations. On or before each Interest Payment Date and while any of the Contractual Obligations are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Contractual Obligations as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants. (a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Contractual Obligation; the City will promptly pay or cause to be paid the principal of and interest on each Contractual Obligation on the dates and at the places and manner prescribed in such Contractual Obligation; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Contractual Obligations; all action on its part for the creation and issuance of the Contractual Obligations has been duly and effectively taken; and the Contractual Obligations in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

(c) The City Council may make any changes in the description of the Property listed on Schedule I to this Order or of any component thereof whenever the City Council deems such changes to be necessary and appropriate and provided that the nature of the Property after such changes will constitute qualified property eligible for financing under the Act and such changes shall not adversely affect the tax-exempt status of the Contractual Obligations.

Section 9.03. Federal Income Tax Exclusion. (a) The City intends that the interest on the Contractual Obligations shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Contractual Obligations to be includable in gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the City shall not be required to comply with any particular requirement of this Section 9.03 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Contractual Obligations or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Contractual Obligations are delivered, that the proceeds of the Contractual Obligations will not be used in a manner that would cause the Contractual Obligations to be “private activity bonds” within the meaning of section 141 of the Code and the Regulations. The City covenants and agrees that it will make such use of the proceeds of the Contractual Obligations including interest or other investment income derived from Contractual Obligation proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Contractual Obligations will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Contractual Obligations to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

(d) No Hedge Bonds. The City covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Contractual Obligations to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

(e) No Arbitrage. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Contractual Obligations are delivered, the City will reasonably expect that the proceeds of the Contractual Obligations will not be used in a manner that would cause the Contractual Obligations to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Contractual Obligations including interest or other investment income derived from Contractual Obligation proceeds, regulate investments of proceeds of the Contractual Obligations, and take such other and further action as may be required so that the Contractual Obligations will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Contractual Obligations (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Contractual Obligations as may be required to calculate the amount earned on the investment of the gross proceeds of the Contractual Obligations separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Contractual Obligations which is required to be rebated to the federal government, and (iii) pay,

not less often than every fifth anniversary date of the delivery of the Contractual Obligations or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Contractual Obligations that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Contractual Obligations are issued, an information statement concerning the Contractual Obligations, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Contractual Obligations.

## **ARTICLE X**

### **DEFAULT AND REMEDIES**

Section 10.01. 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," to-wit:

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

(b) 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 Owners, 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 Owner to the City.

Section 10.02. Remedies for Default. (a) Upon the happening of any Event of Default, then and in every case any 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 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 Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Contractual Obligations then outstanding.



Section 10.03. Remedies Not Exclusive. (a) 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 Contractual Obligations 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 Contractual Obligations shall not be available as a remedy under this Ordinance.

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

## **ARTICLE XI**

### **DISCHARGE**

Section 11.01. Discharge. The Contractual Obligations may be defeased, discharged or refunded in any manner permitted by applicable law.

## **ARTICLE XII**

### **SALE AND DELIVERY OF THE CONTRACTUAL OBLIGATIONS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF CONTRACTUAL OBLIGATIONS**

Section 12.01. Sale of Contractual Obligations; Official Statement.

(a) The Contractual Obligations shall be sold at negotiated sale to the Underwriters in accordance with the terms of this Ordinance, including this Section 12.01(a) and Exhibit B hereto, provided that all of the conditions set forth in Exhibit B can be satisfied. As authorized by Chapter 1371, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit B can be satisfied, in selling and delivering the Contractual Obligations and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Contractual Obligations, the aggregate principal amount of the Contractual Obligations and price at which each of the Contractual Obligations will be sold, the number and designation of series of Contractual Obligations to be issued, the form in which the Contractual Obligations shall be issued, the years in which the Contractual Obligations will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, and all other matters relating to the issuance, sale and delivery of the Contractual Obligations, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01(a) shall expire at 5:00 p.m., May 5, 2009, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Contractual Obligations and the execution of the Purchase Contract in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver, a contractual obligation purchase agreement (the "Purchase Agreement") which Purchase Agreement is hereby accepted, approved and authorized in substantially the form submitted to the City and upon completion of the terms of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, the Authorized Officer is authorized and directed to execute such Purchase Agreement on behalf of the City and the Authorized Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Contractual Obligations. The Contractual Obligations shall initially be registered in the name of the Representative.

(c) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Authorized Officer and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Contractual Obligations, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriters. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters, may be used by the Underwriters in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Contractual Obligations by the Underwriters, is hereby ratified, approved and confirmed.

(d) All officers of the City are authorized to take such actions and execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Contractual Obligations in accordance with the terms of sale therefor including, without limitation, the Purchase Agreement. Further, in connection with the submission of the record of proceedings for the Contractual Obligations to the Attorney General of the State of Texas for examination and approval of such Contractual Obligations, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Contractual Obligations or (ii) \$9,500).

(e) The obligation of the Underwriters identified in subsection (a) of this Section to accept delivery of the Contractual Obligations is subject to the Underwriters being furnished with the final, approving opinion of Vinson & Elkins L.L.P. and West & Associates, L.L.P., co-bond counsel for the City, which opinion shall be dated and delivered the Closing Date.

#### Section 12.02. Control and Delivery of Contractual Obligations.

(a) The City Manager is hereby authorized to have control of the Initial Contractual Obligations and all necessary records and proceedings pertaining thereto pending investigation,

examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Contractual Obligations shall be made to the Representative thereof under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, any Assistant City Secretary and any Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor Pro Tem, the Assistant City Secretary and the Assistant City Manager shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor, City Secretary and City Manager, respectively.

### **ARTICLE XIII**

#### **CONTINUING DISCLOSURE UNDERTAKING**

Section 13.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“NRMSIR” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

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

“SEC” means the United States Securities and Exchange Commission.

“SID” means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

Section 13.02. Annual Reports. (a) The City shall provide annually to each NRMSIR and to any SID, within six (6) months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID. Thereafter, when and if audited

financial statements become available, the City shall provide such audited financial statements as required to each NRMSIR and to any SID.

(b) If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) 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 each NRMSIR and any SID or filed with the SEC.

Section 13.03. Material Event Notices. (a) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Contractual Obligations, if such event is material within the meaning of the federal securities laws:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax exempt status of the Contractual Obligations;
- (vii) modifications to rights of Owners;
- (viii) Contractual Obligation calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Contractual Obligations; and
- (xi) rating changes.

(b) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.02 of this Ordinance by the time required by such Section.

Section 13.04. Limitations, Disclaimers and Amendments. (a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Contractual Obligations within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XI that causes Contractual Obligations no longer to be Outstanding.

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

(c) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY CONTRACTUAL OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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.

(d) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(e) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(f) The provisions of this Article may be amended by the City 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 City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Contractual Obligations in the primary offering of the Contractual Obligations in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions of this Ordinance that authorizes such an amendment) of the Outstanding Contractual 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 interests of the Owners and beneficial owners of the Contractual Obligations. If the City so

amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(g) Any filing required to be made pursuant to this Article XIII may be made through the facilities of DisclosureUSA or such other central post office as may be approved in writing by the SEC for such purpose. Any such filing made through such central post office will be deemed to have been filed with each NRMSIR and SID or MSRB as if such filing had been made directly to such entity.

## **ARTICLE XIV**

### **MISCELLANEOUS MATTERS**

Section 14.01. Effectiveness. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.

APPROVED AND ADOPTED this 5<sup>th</sup> day of November, 2008.

APPROVED AS TO FORM:

Thomas P. Perkins, Jr.  
City Attorney  
City of Dallas, Texas

---

Gwendolyn W. Satterthwaite  
Assistant City Attorney  
City of Dallas, Texas

*Signature Page to Ordinance*

**Schedule I**  
Personal Property to be Acquired

**Fire & Rescue Department**

Fleet Replacement including:

- Engines
- Trucks
- Cars
- Sports Utility Vehicles
- Vans

**Code Compliance**

Fleet Replacement including:

- Cars
- Vans
- Roto-booms
- Trucks
- Trailers
- Mowers
- Wood Chipper Truck and Container

**Police Department**

Fleet Replacement including:

- Sports Utility Vehicles
- Motorcycles

**Equipment & Building Services**

Fleet Replacement

**Environmental & Health Services**

Fleet Replacement

**Housing Department**

Fleet Replacement

**Library**

Fleet Replacement

**Park and Recreation**

Fleet Replacement

**Sanitation Services**

Fleet Replacement including:

- Refuse Collection
- Brush Collection



- Disposal
- Recycling

### **Street Services**

Fleet Replacement  
Sanders  
Asphalt Paver

### **Public Works & Transportation**

Fleet Replacement

### **Communication & Information Services**

Acquisition, replacement, implementation and installation of equipment in connection with the City's Computer Aided Dispatch (CAD) project including mobile computers and related equipment in Dallas Police Department and Dallas Fire Department vehicles and related software, fire station amplifier systems, server and personal computer upgrades and other infrastructure upgrades needed in connection with the CAD project.

## **EXHIBIT A**

### **DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION**

The following information is referred to in Article XIII of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with Section 13.02 are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The financial statements of the City, including but not limited to the portion thereof appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-13, inclusive.

#### **Accounting Principles**

The accounting principles referred to in such Section 13.02 are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

Exhibit A

## EXHIBIT B

### SALE PARAMETERS

In accordance with Section 12.01(a) of the Ordinance, the following conditions with respect to the Contractual Obligations must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Contractual Obligations to the Underwriters:

(a) the price to be paid for the Contractual Obligations shall be not less than 95% of the aggregate principal amount of the Contractual Obligations;

(b) the Contractual Obligations shall not bear interest at a rate greater than 8% with a maximum Underwriters' discount of 1% of par;

(c) the aggregate principal amount of the Contractual Obligations shall produce proceeds in an amount sufficient, as determined by the Authorized Officer, to fund the purposes described in Section 3.01 and such aggregate principal amount shall not exceed the maximum amount authorized in Section 3.01;

(d) the maximum maturity for the Contractual Obligations shall not exceed ten years;  
and

(e) the Contractual Obligations to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.

Exhibit B



**AGENDA ITEM # 5**

**KEY FOCUS AREA:** Make Government More Efficient, Effective and Economical

**AGENDA DATE:** November 5, 2008

**COUNCIL DISTRICT(S):** N/A

**DEPARTMENT:** Office of Financial Services

**CMO:** Dave Cook, 670-7804

**MAPSCO:** N/A

---

**SUBJECT**

An ordinance authorizing the issuance and sale of General Obligation Bonds Series 2008 in an amount not to exceed \$214,670,000; establishing parameters regarding the sale of the Bonds; approving the execution of the Bond Purchase Contract and an Escrow Agreement; and all other matters related thereto – Not to exceed \$519,263 - Financing: 2006 Bond Funds - Interest Earnings

**BACKGROUND**

On November 7, 2006 voters approved a \$1,353,520,000 bond program. The adopted FY 2008-09 budget includes the second issuance of bonds under this program in the amount of \$214,670,000. City Council authorization to begin preparations for the sale of these general obligation bonds on November 5, 2008 has been approved.

All \$214,670,000 of the General Obligation Bonds proceeds from this part of the Capital Bond Program will be used for capital improvement programs throughout the City of Dallas. Ten of the twelve propositions in the 2006 Capital Bond Program will be funded with Series 2008 G.O. Bond proceeds.

These will be negotiated sales. The City utilizes two syndicate teams designated Team "A" and Team "B". Team "A" and Team "B", rotating the negotiated issues between the two teams. Team "B" is assigned to underwrite these sales. The members of Team "B" that will be participating in the bond sales are as follows: Goldman, Sachs & Co. (Bookrunning Senior Manager), Walton Johnson & Co. (Co-Senior Manager); Morgan Stanley, JP Morgan Chase, RBC Dain Rauscher, SWS Securities, and Siebert Brandford Shank & Co., LLC (Co-Managers).

**BACKGROUND** (Continued)

This ordinance will authorize, subject to parameters, city staff and financial advisors to:

(1) negotiate the sale and issuance of General Obligation Bonds, Series 2008 with the underwriting syndicate on any business day on and after November 5, 2008 and before May 5, 2009, and (2) establish the par amount (not to exceed \$214,670,000) of bonds to be issued. The ordinance will authorize the City Manager to award the Bonds if, and only if, the asking bid shall not be less than 95% of the aggregate principal amount, plus accrued interest. The Bonds shall not bear interest at a rate greater than 8% with a maximum Underwriter's discount of 1% of par. Maximum maturity for the Bonds shall not exceed 20 years.

**ESTIMATED SCHEDULE OF PROJECT**

Authorize preparation for Issuance of Bonds – September 24, 2008  
Approval of parameters ordinance – November 5, 2008  
Execution of the Bond Purchase Agreement – November 7, 2008  
Pricing – Week of November 10, 2008  
Delivery of proceeds – November 25, 2008

**PRIOR ACTION/REVIEW (COUNCIL, BOARD, COMMISSIONS)**

The Finance, Audit and Accountability Committee was briefed on September 22, 2008.

The City Council authorized preparation of plans for the issuance of General Obligation Bonds Sr. 2008 by Resolution No. 08-2613.

**FISCAL INFORMATION**

2006 Bond Funds - Interest Earnings – \$519,263

**M/WBE INFORMATION**

Attachment I provides an estimate of bond issuance costs for the proposed Series 2008 bonds and the M/WBE participation.

**ATTACHMENT 1**

**\$214,670,000  
General Obligation Bonds, Series 2008**

Estimate of Total Bond Issuance Costs and M/WBE Participation

---

	<b>Cost</b>	<b>Percent</b>
<b>Co-Bond Counsel</b>		
Vinson and Elkins L.L.P. (Vendor #341246)	\$162,000	31.2%
West & Associates L.L.P. (Vendor #330805)*	77,000	14.8%
<b>Co-Financial Advisors</b>		
First Southwest Company (Vendor #193056)	92,481	17.9%
Estrada Hinojosa (Vendor #259910)*	62,321	12.0%
<b>Out-of-Pocket Expenses</b>		
First Southwest Company (Vendor #193056)	12,593	2.4%
<b>Official Statement Typing</b>		
First Southwest Company (Vendor #193056)	1,260	0.2%
<b>Official Statement Printing</b>		
TBD	8,000	1.5%
<b>Rating Agencies</b>		
Moody's Investors Service (Vendor #951236)	42,861	8.3%
Standard & Poor's (Vendor #954974)	46,000	8.9%
<b>Auditor</b>		
Grant Thornton L.L.P. (Vendor #VS0000007921)	5,247	0.9%
<b>Filing Fee</b>		
Attorney General (Vendor #344989)	9,500	1.8%
<b>Total Issuance Costs</b>	<b>\$ 519,263</b>	<b>100.0%</b>
*Total M/WBE Participation as % of Total Issuance Costs:	26.8%	





---

**ORDINANCE  
AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS  
GENERAL OBLIGATION BONDS, SERIES 2008**

**Adopted: November 5, 2008**

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.....5  
Section 1.02. Other Definitions .....7  
Section 1.03. Findings.....7  
Section 1.04. Table of Contents, Titles and Headings .....7  
Section 1.05. Interpretation.....7

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy for Payment of the Bonds .....7

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization .....8  
Section 3.02. Date, Denomination, Maturities, Numbers and Interest .....8  
Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments.....9  
Section 3.04. Execution and Initial Registration .....9  
Section 3.05. Ownership .....10  
Section 3.06. Registration, Transfer and Exchange.....11  
Section 3.07. Cancellation and Authentication.....12  
Section 3.08. Temporary Bonds.....13  
Section 3.09. Replacement Bonds .....13  
Section 3.10. Book-Entry-Only System.....14  
Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System.....15  
Section 3.12. Payments to Cede & Co.....15

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption .....15  
Section 4.02. Optional Redemption .....15  
Section 4.03. Mandatory Sinking Fund Redemption.....16  
Section 4.04. Partial Redemption.....16  
Section 4.05. Notice of Redemption to Owners .....17  
Section 4.06. Payment Upon Redemption .....17  
Section 4.07. Effect of Redemption.....17

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar .....17  
Section 5.02. Paying Agent/Registrar Contract .....18  
Section 5.03. Qualifications .....18  
Section 5.04. Maintaining Paying Agent/Registrar .....18  
Section 5.05. Termination.....18  
Section 5.06. Notice of Change to Owners.....18  
Section 5.07. Agreement to Perform Duties and Functions.....19  
Section 5.08. Delivery of Records to Successor .....19

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Form Generally .....19  
Section 6.02. Form of the Bonds .....19  
Section 6.03. CUSIP Registration.....25  
Section 6.04. Legal Opinion .....26  
Section 6.05. Municipal Bond Insurance.....26

ARTICLE VII

CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds.....26  
Section 7.02. Initial Deposits .....26  
Section 7.03. Interest and Sinking Fund .....26  
Section 7.04. Construction Fund.....27  
Section 7.05. Excess Bond Proceeds .....27  
Section 7.06. Security of Funds .....27

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments .....27  
Section 8.02. Investment Income.....27

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds .....28  
Section 9.02. Other Representations and Covenants .....28

Section 9.03. Federal Income Tax Exclusion .....	28
--	----

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default .....	30
Section 10.02. Remedies for Default .....	30
Section 10.03. Remedies Not Exclusive .....	30

ARTICLE XI

DISCHARGE

Section 11.01. Discharge .....	31
--------------------------------	----

ARTICLE XII

SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

Section 12.01. Sale of Bonds; Delivery of Official Statement. ....	31
Section 12.02. Control and Delivery of Bonds .....	32

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms .....	33
Section 13.02. Annual Reports .....	33
Section 13.03. Material Event Notices .....	34
Section 13.04. Limitations, Disclaimers and Amendments .....	34

ARTICLE XIV

MISCELLANEOUS MATTERS

Section 14.01. Effectiveness .....	36
------------------------------------	----

EXHIBIT A - Description of Annual Disclosure of Financial Information

EXHIBIT B – Sale Parameters

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS, AUTHORIZING THE ISSUANCE OF CITY OF DALLAS, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2008, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$\_\_\_\_\_; LEVYING AND REQUIRING ASSESSMENT AND COLLECTION OF A CONTINUING DIRECT ANNUAL AD VALOREM TAX ON ALL TAXABLE PROPERTY WITHIN THE CITY TO PAY THE INTEREST ON SUCH BONDS AND TO CREATE A SINKING FUND FOR THE PAYMENT THEREOF AT MATURITY; APPROVING EXECUTION OF A PURCHASE AGREEMENT; APPROVING THE OFFICIAL STATEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, pursuant to special elections held in the City of Dallas (the "City") on May 2, 1998 and November 7, 2006, a majority of the duly qualified resident electors of the City voting at such elections sustained propositions authorizing the City Council to issue general obligation bonds of the City for the purpose of providing funds for permanent public improvements and public purposes, to-wit:

- \$246,000,000 for developing, constructing, and acquiring the Trinity River Corridor Project, including floodway extension and flood reduction and control improvements, levees and related street and road improvements, including the City's share of the costs of the Trinity Parkway, lakes, waterways, open space and recreational facilities, and other facilities, improvements, and equipment necessary and incidental thereto;
- \$390,420,000 planning, designing, constructing, reconstructing, improving, extending, and expanding streets, thoroughfares, freeways, alleys, sidewalks, bridges, pedestrianways, trolleyways and other multi-modal transportation facilities, including related storm drainage facilities and improvements, signalization, signage, video roadside cameras, and other traffic and signal controls, street lighting, landscaping, streetscape and median improvements, and the acquisition of land therefor;
- \$334,315,000 planning, designing, constructing, renovating, repairing, replacing, and expanding flood protection and storm drainage facilities and improvements, including erosion control, flood management and storm drainage relief improvements, including the relocation of utilities and the acquisition of land therefor;

\$343,230,000	planning, designing, constructing, improving, renovating, repairing, replacing, expanding, equipping, and acquiring land for park and recreation facilities, including neighborhood parks, downtown parks, aquatic facilities, municipal golf facilities, trails, open space, playgrounds, park service and maintenance facilities, and facilities located at Fair Park, the Dallas Arboretum and the City Zoo;
\$46,200,000	planning, designing, constructing, renovating, repairing, replacing, expanding, equipping, and furnishing library facilities and the acquisition of land or interests in land therefor;
\$60,855,000	planning, designing, constructing, renovating, repairing, replacing, expanding, equipping, furnishing and acquiring land for cultural arts facilities, including a performing arts theater in the Downtown Arts District;
\$34,750,000	planning, designing, constructing, renovating, replacing, repairing, expanding, equipping and furnishing city hall, city service and city maintenance facilities, including the acquisition of land therefor;
\$1,500,000	acquiring land under the land bank program for the development of low or moderate income single family homes;
\$41,495,000	promoting economic development in the Southern area of the city, and promoting economic development in other areas of the city in connection with transit-oriented development, through planning, designing, constructing, improving, extending and expanding public street, utility and other infrastructure facilities, including the acquisition of land therefor, and through funding the city's programs for economic development including the acquisition of improved and unimproved properties, the demolition of existing structures, making loans and grants of bond proceeds and otherwise providing assistance for private commercial, industrial, retail, residential and mixed-use development;
\$6,635,000	planning, designing, reconstructing, improving, renovating, repairing, replacing, expanding and equipping facilities located at the Farmers Market, including the acquisition of land, relocation of utilities, street infrastructure improvements, sidewalks, storm drainage facilities and controls, street lighting, streetscape and median improvements in connection therewith;
\$22,550,000	acquiring land in the area known as Cadillac Heights for the future location of police academy related facilities and/or city service and maintenance facilities;

\$7,945,000 planning, designing, constructing, renovating, repairing, replacing, expanding equipping, and furnishing court facilities and the acquisition of land therefor;

\$63,625,000 planning, designing, constructing, renovating, repairing, replacing, expanding, equipping, and furnishing public safety facilities including police substations, a police academy and related facilities, fire stations, fire training and related facilities and emergency warning systems, and the acquisition of land therefor;

WHEREAS, the City Council has determined to issue for their respective purposes such of the aforesaid authorized but unissued bonds as are hereinafter provided to be issued, a tabulation showing the amount of bonds authorized, the amounts previously issued, the amounts authorized to be issued pursuant to this Ordinance for the purposes indicated, and the balance remaining for future bond issues, as follows:

May 2, 1998 Election:

<u>Purpose</u>	<u>Amount Voted</u>	<u>Amount Previously Issued</u>	<u>Amount Being Issued*</u>	<u>Unissued Balance</u>
Trinity River Corridor Project	\$246,000,000	\$205,762,400	\$-0-	\$40,237,600

November 7, 2006 Election:

Street and Transportation Improvements	390,420,000	114,869,000	53,018,000	222,533,000
Flood Protection and Storm Drainage Facilities	334,315,000	124,419,000	12,000,000	197,896,000
Park and Recreation Facilities	343,230,000	123,910,000	67,087,000	152,233,000
Library Facilities	46,200,000	14,656,000	16,828,000	14,716,000
Cultural Arts Facilities	60,855,000	21,003,000	33,171,000	6,681,000
City Hall, City Service and City Maintenance Facilities	34,750,000	6,498,000	5,804,000	22,448,000
Land Acquisition for Development of Low and Moderate Income Single Family Homes	1,500,000	-0-	-0-	1,500,000

---

\* Includes premium allocated against voted authorization.

<u>Purpose</u>	<u>Amount Voted</u>	<u>Amount Previously Issued</u>	<u>Amount Being Issued*</u>	<u>Unissued Balance</u>
Economic Development in the Southern Area of the City and in Other Areas in Connection with Transit-Oriented Development	41,495,000	10,216,000	5,045,000	26,234,000
Farmers Market Improvements	6,635,000	2,996,000	-0-	3,639,000
Cadillac Heights Land Acquisition for City Facilities	22,550,000	1,509,000	5,607,000	15,434,000
Court Facilities	7,945,000	-0-	1,192,000	6,753,000
Public Safety Facilities	63,625,000	19,819,000	14,918,000	28,888,000
<b>TOTALS</b>	<b>\$1,599,520,000</b>	<b>\$645,657,400</b>	<b>\$214,670,000*</b>	<b>\$739,192,600</b>

---

\*Includes premium allocated against voted authorization.

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the City and its citizens that it authorize by this Ordinance the issuance and delivery of an amount of bonds at this time, the proceeds of which will be sufficient to (i) pay costs of issuance of such bonds (including, without limitation, underwriters' discount) and (ii) fund the amounts listed in the table above under "Amount Being Issued" for the related projects;

WHEREAS, the City Council desires to delegate, pursuant to Chapter 1371, Texas Government Code, as amended, and the parameters of this Ordinance, to the Authorized Officer, the authority to approve the amount, the interest rate, the price and terms of the bonds authorized hereby and to otherwise take such actions as are necessary and appropriate to effect the sale of the bonds; and

WHEREAS, the meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place, and purpose of said meeting was given as required by Chapter 551, Texas Government Code, as amended;

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



## **ARTICLE I**

### **DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Ordinance, the following terms shall have the meanings specified below:

“Authorized Officer” means the City Manager of the City, and in her absence, any Assistant City Manager.

“Bond” means any of the Bonds.

“Bonds” means the City’s bonds entitled “City of Dallas, Texas, General Obligation Bonds, Series 2008” authorized to be issued by Section 3.01 of this Ordinance.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Charter” means the Home Rule Charter of the City, as amended.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Construction Fund” means the construction fund established by Section 7.01 of this Ordinance.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in St. Paul, Minnesota, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

“DTC” shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Event of Default” means any Event of Default as defined in Section 10.01 of this Ordinance.

“Fiscal Year” means such fiscal year as shall be prescribed by the Charter and which under the existing Charter commences October 1 and ends September 30 of the following year.

“Initial Bond” means the Initial Bond described in Section 3.04(d) and Section 6.02(d) of this Ordinance.

“Interest and Sinking Fund” means the interest and sinking fund established by Section 7.01 of this Ordinance.

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity of the Bonds, such dates being February 15 and August 15 of each year, commencing on the date set forth in the Pricing Certificate.

“Original Issue Date” means the date designated as such in Section 3.02(a) of this Ordinance.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means U.S. Bank National Association, any successor thereto or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer.

“Purchase Agreement” means the purchase agreement approved in Section 12.01(b) of this Ordinance.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Register” means the Register specified in Section 3.06(a) of this Ordinance.

“Representation Letter” means the Blanket Letter of Representations between the City and DTC applicable to the Bonds.

“Representative” means the representative for the Underwriters named in the Purchase Agreement.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b).

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b).

“Term Bonds” has the meaning set forth in Section 4.03 hereof.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of principal of or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity, and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means the underwriters named in the Purchase Agreement.

Section 1.02. Other Definitions. The terms “City Council” and “City” shall have the respective meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings. The table of contents, titles and headings of the Articles and Sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Ordinance.

(c) Article and section references shall mean references to articles and sections of this Ordinance unless designated otherwise.

## ARTICLE II

### SECURITY FOR THE BONDS

Section 2.01. Tax Levy for Payment of the Bonds. (a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Bonds, it having been determined that the existing and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

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

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

(d) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Ordinance.

(e) If the liens and provisions of this Ordinance shall be discharged in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited in accordance with Article XI herein.

### **ARTICLE III**

#### **AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS**

Section 3.01. Authorization. The City's general obligation bonds to be designated "City of Dallas, Texas, General Obligation Bonds, Series 2008" (the "Bonds"), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas and the Charter of the City. The Bonds shall be issued in the aggregate principal amount designated in the Pricing Certificate, such amount not to exceed \$214,670,000, for the public purpose of providing funds for various permanent public improvements and public purposes, all as set forth in the preamble hereof, and to pay the costs incurred in connection with the issuance of the Bonds (including, without limitation, underwriters' discount), under and by virtue of Chapters 1331 and 1371, Texas Government Code, as amended, and pursuant to Chapter XXI of the Charter of the City.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest. (a) The Bonds shall have the Original Issue Date set forth in the Pricing Certificate, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar, except the Initial Bond, which shall be numbered T-1.

(b) The Bonds shall mature on February 15 in the years, at the interest rates and in the principal amounts set forth in the Pricing Certificate, provided that the maximum maturity for the Bonds shall not exceed twenty years.

(c) Interest on each Bond shall accrue from later of the Original Issue Date or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date until the principal amount shall have been paid or provision for such payment shall have been made, and shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment; Unclaimed Payments. (a) The principal of and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, in the event of nonpayment of interest on a scheduled Interest Payment Date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") shall 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 (the "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 Owner of a Bond appearing on the Register at the close of business on the last Business Day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, first class United States mail, postage prepaid, to the address of such person as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person in whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the Designated Payment/Transfer Office.

(e) If the date for the payment of the principal of or interest on any Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such 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.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to the provisions of Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the City to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to any applicable escheat law or similar law.

Section 3.04. Execution and Initial Registration. (a) The Bonds shall be executed on behalf of the City by the Mayor and countersigned by the City Secretary and the City Manager,

by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Any facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond 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 Certificate of Paying Agent/Registrar 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 Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond 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 of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, a single typewritten Bond (the "Initial Bond") representing the entire principal amount of the Bonds, payable in stated installments to the Representative or its designee, executed by manual or facsimile signature of the Mayor and countersigned by manual or facsimile signatures of the City Secretary and the City Manager, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts will be delivered to the Representative 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 the Representative registered definitive Bonds as described in Section 3.10(a). To the extent the Paying Agent/Registrar is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 3.05. Ownership. (a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date or on the Special Record Date, as applicable), and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Bonds remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Ordinance.

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000 for any one maturity, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds within not more than three Business Days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its schedule maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 of any one maturity at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the Owner of the Bond or Bonds within not more than three Business Days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned or transferred shall have the same principal maturity date and shall bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such substitute Bond or Bonds are delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer or exchange of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. In addition, the City hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration and exchange of Bonds as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 3.07. Cancellation and Authentication. (a) All Bonds paid in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Ordinance, shall be cancelled upon the making of proper records regarding such payment, redemption, exchange or replacement. Cancelled Bonds shall be disposed of in accordance with the requirements of the Securities and Exchange Act of 1934 and the regulations promulgated thereunder.

(b) Each substitute Bond issued pursuant to the provisions of Sections 3.06 and 3.09 of this Ordinance, in exchange for or replacement of any Bond or Bonds issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing exchange or replacement 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, and said Bonds shall be of customary type and composition and printed, typewritten, lithographed, mimeographed or otherwise produced. Pursuant to Chapter 1201, Texas Government Code, the duty of exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which originally was delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in exchange or replacement of any other Bond or portion thereof, (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 be transferred and assigned, (iii) may be exchanged for other Bonds, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) shall be payable as to principal and



interest, all as provided, and in the manner required or indicated, in the Form of Bond set forth in this Ordinance.

Section 3.08. Temporary Bonds. (a) Following the delivery and registration of the Initial Bond and pending the preparation of definitive Bonds, the proper officers of the City may execute and, upon the City's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the City executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Ordinance.

(c) The City, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, without the necessity of issuing a replacement Bond, may pay such Bond on the date on which such Bond becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.10. Book-Entry-Only System. (a) The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City 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 an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer 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 respective Owners, as shown in the Register 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 City's obligations with respect to payment of,

principal and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a certificate evidencing the obligation of the City to make payments of amounts due 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 or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The Representation Letter between the City and DTC applicable to the City's obligations delivered in book-entry-only form to DTC as securities depository for said obligations, is hereby affirmed.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, 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, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register 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 Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

## **ARTICLE IV**

### **REDEMPTION OF BONDS BEFORE MATURITY**

Section 4.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption. (a) The City reserves the option to redeem Bonds in the manner provided in the Form of Bond set forth in Section 6.02 of this Ordinance with such changes as are required by the Pricing Certificate.

(b) The City, at least 45 days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Bonds to be redeemed.

**Section 4.03. Mandatory Sinking Fund Redemption.**

(a) Bonds designated as “Term Bonds,” if any, in the Pricing Certificate are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the City, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

**Section 4.04. Partial Redemption.** (a) If less than all of the Bonds are to be redeemed pursuant to Section 4.02, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity or maturities and in such principal amounts, for redemption.

(b) A portion of a single Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of the Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Ordinance, shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Bond as to which only a portion thereof is to be redeemed.

Section 4.05. Notice of Redemption to Owners. (a) The City shall give notice of any redemption of Bonds by sending or causing the Paying Agent/Registrar to send notice of such redemption by first class United States mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.06. Payment Upon Redemption. (a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the principal of and accrued interest on such Bonds.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of and accrued interest on such Bond to the date of redemption from the money set aside for such purpose.

Section 4.07. Effect of Redemption. (a) Notice of redemption having been given as provided in Section 4.05 of this Ordinance, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the principal thereof, premium, if any, or accrued interest thereon, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If any Bond or portion thereof called for redemption is not so paid upon presentation and surrender of such Bond for redemption, such Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

## **ARTICLE V**

### **PAYING AGENT/REGISTRAR**

Section 5.01. Appointment of Initial Paying Agent/Registrar. (a) The City hereby appoints U.S. Bank National Association, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of the Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The City or its

designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of, premium, if any, and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges and replacements of such Bonds, as provided in this Ordinance.

Section 5.02. Paying Agent/Registrar Contract. The City and the Paying Agent/Registrar have entered into a Paying Agent/Registrar Contract, effective as of August 1, 2005, as supplemented on May 1, 2008, outlining the services to be provided by the Paying Agent/Registrar with respect to certain obligations issued by the City after August 1, 2005 through April 30, 2010. Said Contract provides that the Paying Agent/Registrar accepts its appointment as Paying Agent/Registrar “in accordance with the terms of the . . . Bond Resolutions . . . In the event of conflict, the . . . respective Bond Resolutions shall be final and binding.” In that regard, by accepting the positions of paying agent and registrar, the Paying Agent agrees that in the event that it shall resign its position as Paying Agent/Registrar, it will continue to serve in such capacity until such time as a successor assumes such duties under this Ordinance. In addition, the Paying Agent agrees that, so long as required by Texas law, a true and correct copy of the Register shall at all times be maintained in the State of Texas.

Section 5.03. Qualifications. Each Paying Agent/Registrar shall be (i) a bank, trust company, financial institution, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.04. Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.05. Termination. The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of any contractual agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.06. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.07. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.08. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar and to the City.

## **ARTICLE VI**

### **FORM OF THE BONDS**

Section 6.01. Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bond, and the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and the Pricing Certificate, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The Bonds (except for any temporary Bonds and the Initial Bond) shall be typewritten, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof.

Section 6.02. Form of the Bonds. The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be substantially as follows:

(a) Form of Bond.

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

United States of America  
State of Texas  
CITY OF DALLAS, TEXAS,  
(DALLAS, DENTON, COLLIN AND ROCKWALL COUNTIES)  
GENERAL OBLIGATION BONDS, SERIES 2008

INTEREST RATE:    MATURITY DATE:    ORIGINAL ISSUE DATE:    CUSIP NO.:  
\_\_\_\_\_ %                      \_\_\_\_\_, \_\_\_\_\_                      \_\_\_\_\_, \_\_\_\_\_<sup>1</sup>                      \_\_\_\_\_

The City of Dallas (the "City"), in the Counties of Dallas, Denton, Collin and Rockwall, State of Texas, for value received, hereby promises to pay to

\_\_\_\_\_

or registered assigns, on the Maturity Date specified above, the principal sum of

\_\_\_\_\_ DOLLARS

unless this Bond shall have been duly called for prior redemption as provided herein and payment of the principal hereof and accrued but unpaid interest hereon shall have been paid or provided for, and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent Interest Payment Date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the interest rate per annum specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on February 15 and August 15 of each year, commencing \_\_\_\_\_.<sup>2</sup> All capitalized terms used herein but not defined shall have the meaning assigned to them in the Bond Ordinance (defined below).

The principal of this Bond shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Bond at the corporate trust office in St. Paul, Minnesota (the "Designated Payment/Transfer Office") of U.S. Bank National Association, or with respect to a successor Paying Agent/Registrar, at the designated payment/transfer office of such successor. Interest on this Bond is payable by check dated as of the Interest Payment Date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this

<sup>1</sup> Information to be inserted from the Pricing Certificate.

<sup>2</sup> Information to be inserted from the Pricing Certificate.



Bond is registered at the close of business on the "Record Date," which shall be the last Business Day of the month next preceding such Interest Payment Date; provided, however, that in the event of nonpayment 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 (the "Special Payment Date" which date 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 books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing of such notice.

If a date for the payment of the principal of or interest on this Bond is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such 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 fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$\_\_\_\_\_<sup>3</sup> (herein referred to as the "Bonds"), issued pursuant to a certain Ordinance of the City Council of the City (the "Bond Ordinance") for the purpose of providing funds for various permanent public improvements and public purposes and to pay the costs incurred in connection with the issuance of the Bonds.

The Bonds and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City.

[The City has reserved the option to redeem the Bonds maturing on or after \_\_\_\_\_, before their respective scheduled maturities in whole or in part in integral multiples of \$5,000 on \_\_\_\_\_, or on any date thereafter, at a redemption price of par, plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof within such maturity or maturities and in such amounts, for redemption.

Bonds maturing on February 15 in each of the years \_\_\_\_ through \_\_\_\_, inclusive (the "Term Bonds"), are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

---

<sup>3</sup> Information to be inserted from the Pricing Certificate.

Redemption Date

Principal Amount

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of such redemption or redemptions shall be given by first class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the registered Owner of each of the Bonds to be redeemed in whole or in part. Upon the provision of funds for the payment of the principal of, premium, if any, and accrued interest on the Bonds being redeemed and notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice, and from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.]<sup>4</sup>

As provided in the Bond Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the registered Owner of the uncalled principal balance of a Bond.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the Owner hereof for the purpose of receiving payment as herein

---

<sup>4</sup> Insert redemption provisions, if any, and conform as necessary to the Pricing Certificate.

provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice or knowledge to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form and manner, as required by law; that ad valorem taxes upon all taxable property in the City have been levied for and pledged to the payment of the debt service requirements of the Bonds within the limit prescribed by law; and that the total indebtedness of the City, including the Bonds, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Secretary and the City Manager, and the official seal of the City has been duly impressed or placed in facsimile on this Bond.

\_\_\_\_\_  
City Manager,  
City of Dallas, Texas

\_\_\_\_\_  
Mayor, City of Dallas, Texas

\_\_\_\_\_  
City Secretary, City of Dallas, Texas

[SEAL]

(b) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Bond if the Comptroller's Registration Certificate is attached thereto.

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Bond has been issued under the provisions of the Bond Ordinance of the City; and that this Bond has been issued in exchange for or replacement of a bond, bonds or portion of a bond or bonds of an issue which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

U.S. Bank National Association  
as Paying Agent/Registrar

Dated: \_\_\_\_\_  
Authorized Signatory

By: \_\_\_\_\_

(c) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address and zip code of transferee):

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Bond and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature Guaranteed By:

\_\_\_\_\_  
\_\_\_\_\_  
Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

(d) 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 the heading “CUSIP NO.” shall be deleted; and

(B) in the first paragraph of the Bond, the words “on the Maturity Date specified above” shall be deleted and the following will be inserted: “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:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
-------------	------------------------------	----------------------

(Information to be inserted from the Pricing Certificate as provided in Section 3.02 hereof.)

(ii) Form of Comptroller’s Registration Certificate. The following Comptroller’s Registration Certificate of the Comptroller of Public Accounts shall appear on the Initial Bond in lieu of the Certificate of Paying Agent/Registrar.

REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §	
OF PUBLIC ACCOUNTS §	REGISTER NO. _____
OF THE STATE OF TEXAS §	

I hereby certify that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding general obligation of the City of Dallas, Texas, and that this Bond has this day been registered by me.

WITNESS MY HAND AND SEAL OF OFFICE AT AUSTIN, TEXAS,  
\_\_\_\_\_.

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

[SEAL]

Section 6.03. CUSIP Registration. The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor’s Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect in regard to the legality thereof and neither the City nor the attorneys

approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.04. Legal Opinion. The approving legal opinions of Vinson & Elkins L.L.P. and West & Associates L.L.P., Co-Bond Counsel, may be printed on the back of each Bond over the certification of the City Secretary, which may be executed in facsimile.

Section 6.05. Municipal Bond Insurance. If municipal bond guaranty insurance is obtained with respect to the Bonds, the Bonds, including the Initial Bond, may bear an appropriate legend, as provided by the insurer.

## ARTICLE VII

### CREATION OF FUNDS AND ACCOUNTS, INITIAL DEPOSITS AND APPLICATION OF MONEY

Section 7.01. Creation of Funds. The City hereby establishes the following funds:

- (i) the City of Dallas, Texas, General Obligation Bonds, Series 2008, Interest and Sinking Fund (the “Interest and Sinking Fund”); and
- (ii) the City of Dallas, Texas, General Obligation Bonds, Series 2008, Construction Fund (the “Construction Fund”).

Section 7.02. Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited as follows:

- (i) first, an amount equal to all accrued interest on the Bonds from the Original Issue Date until the Closing Date, plus any additional amounts designated in the Pricing Certificate, shall be deposited to the credit of the Interest and Sinking Fund; and
- (ii) second, the remaining balance shall be deposited to the Construction Fund.

Section 7.03. Interest and Sinking Fund. (a) The taxes levied under Section 2.01 of this Ordinance shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Bonds.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Bonds plus the aggregate amount of interest due and that will become due and payable on such Bonds, no further deposits to that fund need be made. In determining the aggregate principal amount of outstanding Bonds, there shall be subtracted the amount of any Bonds that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Bonds as such become due and payable.

Section 7.04. Construction Fund. The Construction Fund shall be used for the purpose of making the permanent public improvements and accomplishing the public purposes for which the Bonds were issued (as specified in the preamble of this Ordinance) and for paying expenses incurred in connection with the issuance and delivery of the Bonds.

Section 7.05. Excess Bond Proceeds. (a) Upon completion of the permanent public improvements and public purposes financed with the Bonds any amount (exclusive of that amount retained for the payment of costs of such improvements not then due and payable) that remains in the Construction Fund shall be transferred to the credit of the Interest and Sinking Fund and segregated in a special escrow account.

(b) The money in such special escrow account shall be used for the payment of principal of and interest on the Bonds, on the respective due dates thereof or dates as of which Bonds have been called for redemption.

Section 7.06. Security of Funds. All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01. Investments. (a) Money in each fund created by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

(c) The money in an escrow account established under Section 7.05 of this Ordinance shall be invested in (i) tax-exempt obligations or (ii) securities or obligations that do not have a “higher yield,” within the meaning of Section 148(f) of the Code, than the yield on the Bonds.

Section 8.02. Investment Income. (a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such Fund.

(b) Interest and income derived from investment of the Construction Fund shall be either deposited to the credit of the Interest and Sinking Fund or retained in the Construction Fund until the permanent improvements and public purposes authorized by this Ordinance are completed.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each Interest Payment Date for the Bonds, and while any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on, premium, if any, and principal of the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 9.02. Other Representations and Covenants. (a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Bond; the City will promptly pay or cause to be paid the principal of and premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable general obligations of the City in accordance with their terms.

Section 9.03. Federal Income Tax Exclusion. (a) The City intends that the interest on the Bonds shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable regulations promulgated thereunder (the "Regulations"). The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Bonds to be includable in gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the City covenants and agrees to comply with each requirement of this Section 9.03; provided, however, that the City shall not be required to comply with any particular requirement of this Section 9.03 if the City has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 9.03 will satisfy the applicable requirements of the Code, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 9.03.

(b) No Private Use or Payment and No Private Loan Financing. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations. The City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate the use of property financed,



directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Bonds will not be “private activity bonds” within the meaning of section 141 of the Code and the Regulations.

(c) No Federal Guarantee. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b)(3) of the Code and the Regulations.

(d) No Hedge Bonds. The City covenants and agrees that it has not and will not to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code and the Regulations.

(e) No Arbitrage. The City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Bonds are delivered, the City will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations. Moreover, the City covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code and the Regulations.

(f) Arbitrage Rebate. If the City does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issue of the City or moneys which do not represent gross proceeds of any bonds of the City, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) Information Reporting. The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Bonds are issued, an information statement concerning the Bonds, all under and in accordance with section 149(e) of the Code and the Regulations.

(h) Continuing Obligation. Notwithstanding any other provision of this Ordinance, the City's obligations under the covenants and provisions of this Section 9.03 shall survive the defeasance and discharge of the Bonds.

## ARTICLE X

### DEFAULT AND REMEDIES

Section 10.01. 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," to-wit:

(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 Owners, 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 Owner to the City.

Section 10.02. Remedies for Default. (a) Upon the happening of any Event of Default, then and in every case any 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 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 Owners hereunder or any combination of such remedies.

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

Section 10.03. Remedies Not Exclusive. (a) 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.

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

## ARTICLE XI

### DISCHARGE

Section 11.01. Discharge. The Bonds may be defeased, discharged or refunded in any manner permitted by applicable law.

## ARTICLE XII

### SALE AND DELIVERY OF BONDS; APPROVAL OF OFFICIAL STATEMENT; CONTROL AND DELIVERY OF BONDS

#### Section 12.01. Sale of Bonds; Delivery of Official Statement.

(a) The Bonds shall be sold at negotiated sale to the Underwriters in accordance with the terms of this Ordinance, including this Section 12.01(a) and Exhibit B hereto, provided that all of the conditions set forth in Exhibit B can be satisfied. As authorized by Chapter 1371, Texas Government Code, as amended, the Authorized Officer is authorized to act on behalf of the City upon determining that the conditions set forth in Exhibit B can be satisfied, in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including determining whether to acquire bond insurance for the Bonds, the aggregate principal amount of the Bonds and price at which each of the Bonds will be sold, the number and designation of series of Bonds to be issued, the form in which the Bonds shall be issued, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City and shall be subject to mandatory sinking fund redemption, and all other matters relating to the issuance, sale and delivery of the Bonds, all of which shall be specified in the Pricing Certificate.

The authority granted to the Authorized Officer under this Section 12.01(a) shall expire at 5:00 p.m., May 5, 2009, unless otherwise extended by the City Council by separate action.

Any finding or determination made by the Authorized Officer relating to the issuance and sale of the Bonds and the execution of the Purchase Agreement in connection therewith shall have the same force and effect as a finding or determination made by the City Council.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver a bond purchase agreement (the "Purchase Agreement") which Purchase Agreement is hereby accepted, approved and authorized in substantially the form submitted to the City and upon completion of the terms of the Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, the Authorized Officer is authorized and directed to execute such Purchase Agreement on behalf of the City and the Authorized Officer and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Bonds shall initially be registered in the name of the Representative.

(c) The form and substance of the Preliminary Official Statement and any addenda, supplement or amendment thereto, are hereby in all respects approved and adopted and is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Authorized Officer and City Secretary are hereby authorized and directed to cause to be prepared a final Official Statement (the "Official Statement") incorporating applicable pricing information pertaining to the Bonds, and to execute the same by manual or facsimile signature and deliver appropriate numbers of executed copies thereof to the Underwriters. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters, may be used by the Underwriters in the public offering and sale thereof. The City Secretary is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement, and the preliminary public offering of the Bonds by the Underwriters, is hereby ratified, approved and confirmed.

(d) All officers of the City are authorized to take such actions and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds in accordance with the terms of sale therefore including, without limitation, the Purchase Agreement. Further, in connection with the submission of the record of proceedings for the Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the City is hereby authorized and directed to issue a check of the City payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount to be the lesser of (i) 1/10th of 1% of the principal amount of the Bonds or (ii) \$9,500).

(e) The obligation of the Underwriters to accept delivery of the Bonds is subject to the Underwriters being furnished with the final, approving opinions of Vinson & Elkins L.L.P. and West & Associates L.L.P., Co-Bond Counsel for the City, which opinions shall be dated as of and delivered on the Closing Date.

Section 12.02. Control and Delivery of Bonds. (a) The City Manager is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Initial Bond shall be made to the Representative under and subject to the general supervision and direction of the City Manager, against receipt by the City of all amounts due to the City under the terms of sale.

(c) In the event the Mayor, City Secretary or City Manager is absent or otherwise unable to execute any document or take any action authorized herein, the Mayor Pro Tem, any Assistant City Secretary and any Assistant City Manager, respectively, shall be authorized to execute such documents and take such actions, and the performance of such duties by the Mayor

Pro Tem, the Assistant City Secretary and the Assistant City Manager shall for the purposes of this Ordinance have the same force and effect as if such duties were performed by the Mayor, City Secretary and City Manager, respectively.

### ARTICLE XIII

#### CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“NRMSIR” means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

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

“SEC” means the United States Securities and Exchange Commission.

“SID” means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

Section 13.02. Annual Reports. (a) The City shall provide annually to each NRMSIR and to any SID, within six (6) months after the end of each fiscal year ending in or after 2008, financial information and operating data with respect to the City of the general type included in the final Official Statement, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit A hereto, and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide notice that audited financial statements are not available and shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID. Thereafter, when and if audited financial statements become available, the City shall provide such audited financial statements as required to each NRMSIR and to any SID.

(b) If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) 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 each NRMSIR and any SID or filed with the SEC.

Section 13.03. Material Event Notices. (a) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- (i) principal and interest payment delinquencies;
  - (ii) nonpayment related defaults;
  - (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
  - (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
  - (v) substitution of credit or liquidity providers, or their failure to perform;
  - (vi) adverse tax opinions or events affecting the tax exempt status of the Bonds;
  - (vii) modifications to rights of Owners;
  - (viii) Bond calls;
  - (ix) defeasances;
  - (x) release, substitution, or sale of property securing repayment of the Bonds;
- and
- (xi) rating changes.

(b) The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with Section 13.02 of this Ordinance by the time required by such Section.

Section 13.04. Limitations, Disclaimers and Amendments. (a) The City shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Article XI that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The City 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.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE 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 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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.

(c) No default by the City in observing or performing its obligations under this Article shall comprise a breach of or default under the Ordinance for purposes of any other provisions of this Ordinance.

(d) Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(e) The provisions of this Article may be amended by the City 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 City, but only if (1) the provisions of this Article, 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 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions 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 City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 13.02 an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(f) Any filing required to be made pursuant to this Article XIII may be made through the facilities of DisclosureUSA or such other central post office as may be approved in writing by the SEC for such purpose. Any such filing made through such central post office will be deemed to have been filed with each NRMSIR and SID or MSRB as if such filing had been made directly to such entity.

**ARTICLE XIV**

**MISCELLANEOUS MATTERS**

Section 14.01. Effectiveness. This Ordinance shall take effect immediately from and after its passage and publication in accordance with the provisions of the Charter of the City of Dallas, Texas, pertaining thereto, and it is accordingly so ordained.



APPROVED AND ADOPTED this 5th day of November, 2008.

APPROVED AS TO FORM:

Thomas P. Perkins, Jr.  
City Attorney  
City of Dallas, Texas

---

Gwendolyn W. Satterthwaite  
Assistant City Attorney  
City of Dallas, Texas

*Signature Page for the General Obligation Bonds Ordinance*

## EXHIBIT A

### DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article XIII of this Ordinance.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the City to be provided annually in accordance with Section 13.02 are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The financial statements of the City, including but not limited to the portion thereof appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1-13, inclusive.

#### **Accounting Principles**

The accounting principles referred to in such Section 13.02 are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

## EXHIBIT B

### SALE PARAMETERS

In accordance with Section 12.01(a) of the Ordinance, the following conditions with respect to the Bonds must be satisfied in order for the Authorized Officer to act on behalf of the City in selling and delivering the Bonds to the Underwriters:

(a) the price to be paid for the Bonds shall be not less than 95% of the aggregate principal amount of the Bonds;

(b) the Bonds shall not bear interest at a rate greater than 8% with a maximum Underwriters' discount of 1% of par;

(c) the aggregate principal amount of the Bonds shall produce proceeds in an amount sufficient, as determined by the Authorized Officer, to fund the purposes described in Section 3.01 and such aggregate principal amount shall not exceed the maximum amount authorized in Section 3.01;

(d) the maximum maturity for the Bonds shall not exceed twenty years; and

(e) the Bonds to be issued, prior to delivery, must have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations.

