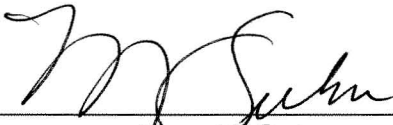
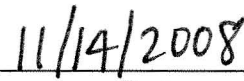


**NOVEMBER 19, 2008 CITY COUNCIL BRIEFING AGENDA  
CERTIFICATION**

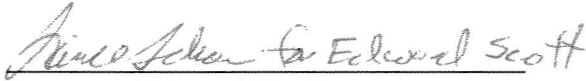
This certification is given pursuant to Chapter XI, Section 9 of the City Charter for the City Council Briefing Agenda dated November 19, 2008. We hereby certify, as to those contracts, agreements, or other obligations on this Agenda authorized by the City Council for which expenditures of money by the 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.



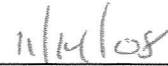
Mary K. Suhm  
City Manager



Date



Edward Scott  
City Controller



Date



RECEIVED

2008 NOV 14 PM 5:56

CITY SECRETARY  
DALLAS, TEXAS



# COUNCIL BRIEFING AGENDA

November 19, 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 19, 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

VOTING AGENDA      6ES

1.      Approval of Minutes of the November 5, 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

**Housing**

3.      Authorize adoption of the final FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the Neighborhood Stabilization Program in an estimated amount of \$7,932,555 - Financing: U.S. Department of Housing and Urban Development Grant Funds

**Office of Emergency Management**

4.      Authorize a Memorandum of Understanding by and between the City of Houston, Texas, a Texas Home Rule City located principally in Harris County and the City of Dallas, a Texas Home Rule City located principally in Dallas County to provide mutual aid between both parties in the form of personnel, supplies and equipment during disasters and/or civil emergencies as well as during cleanup periods - Financing: No cost consideration to the City

**Office of Financial Services**

5.      Authorize modifications to the two bond underwriting syndicates previously approved on June 26, 2002 by Council Resolution No. 02-1989 for negotiated bond financings - Financing: No cost consideration to the City

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, NOVEMBER 19, 2008

ITEMS FOR INDIVIDUAL CONSIDERATION (Continued)

**Office of Financial Services** (Continued)

6. An ordinance authorizing the issuance and sale of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2008 in an amount not to exceed \$325,000,000; 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 \$750,000 - Financing: 2008 Civic Center Convention Complex Revenue Refunding and Improvement Bond Funds

ITEMS FOR FURTHER CONSIDERATION

**Human Resources**

7. Authorize **(1)** the reappointment of the City Secretary Deborah Watkins for an additional two-year term, beginning November 19, 2008; and **(2)** ~~a lump sum payment~~ an adjustment in compensation to the City Secretary Deborah Watkins in an amount to be determined by City Council, ~~to be made in two equal payments on April 9, 2009 and September 10, 2009, in addition to her base pay of \$120,840, plus the associated pension contribution~~ effective October 1, 2008 - Financing: Current Funds

Briefings

6ES

- A. Annette Strauss Artist Square Sound Mitigation Plan
- B. The 2010 Census: An Overview
- C. The 2010 Census: City of Dallas

Lunch

AGENDA  
CITY COUNCIL BRIEFING MEETING  
WEDNESDAY, NOVEMBER 19, 2008

Closed Session

6ES

Attorney Briefings (Sec. 551.071 T.O.M.A.)

- Love Terminal Partners, L.P. et al. v. City of Dallas, Texas, et al., Appeal No. 07-11215; Love Terminal Partners, LP, et al. v. City of Dallas, et al., Appeal No. 05-07-00383; the acquisition of certain leasehold interests at Dallas Love Field with addresses of 7701 and 7777 Lemmon Avenue, including the exercise of eminent domain if necessary; and other legal issues regarding those leasehold interests
- Billy James Smith v. City of Dallas, et al., Civil Action No. 3:07-CV-2414-BH
- Jim Lowenberg, et al. v. City of Dallas, Texas Supreme Court No. 06-0310
- Legal issues regarding wholesale treated water service contracts with customers of Dallas Water Utilities
- Legal issues involving audit of Smirnoff Music Center Lease Payments

Real Property Deliberations (Sec. 551.072 T.O.M.A.)

- The acquisition of certain leasehold interests at Dallas Love Field with addresses of 7701 and 7777 Lemmon Avenue, including the exercise of eminent domain if necessary; and other legal issues regarding those leasehold interests

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 16 - NOVEMBER 31, 2008**

**Tuesday, November 18, 2008**

Municipal Library Board

4:00 p.m.

J. Erik Jonsson Central Library, Municipal Library Board Room



## AGENDA ITEM # 3

**KEY FOCUS AREA:** Economic Vibrancy  
**AGENDA DATE:** November 19, 2008  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Housing  
**CMO:** A. C. Gonzalez, 671-8925  
**MAPSCO:** N/A

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### **SUBJECT**

Authorize adoption of the final FY 2008-09 Consolidated Plan Reprogramming Budget #1 for the Neighborhood Stabilization Program in an estimated amount of \$7,932,555 – Financing: U.S. Department of Housing and Urban Development Grant Funds

### **BACKGROUND**

In July 2008, the Housing and Economic Recovery Act of 2008 (HERA) was enacted into law. HERA appropriated \$3.92 billion to assist states and localities in redevelopment efforts, particularly for foreclosed or abandoned housing properties. The Program is referred to as the Neighborhood Stabilization Program (NSP) and is considered a Special Allocation of 2008 Community Development Block Grant Funds.

On September 26, 2008, the City of Dallas was notified of its allocation of \$7,932,555 of NSP funds. Allocations to states and localities was based on percent and number of home foreclosures, homes financed by a subprime mortgage related loan, and homes in default or delinquency.

Localities who wish to accept the allocation of NSP funds must submit an amendment to their Consolidated Plan by December 1, 2008. The amendment will include identification of the areas of greatest need based upon greatest percentage of home foreclosures, highest percentage of homes financed by subprime mortgage loans, and areas identified as likely to face a significant rise in foreclosures. The NSP funds may benefit low, moderate and middle income persons up to 120% Area Median Family Income (AMFI) and 25% of the NSP funds must benefit low income persons up to 50% AMFI.

**BACKGROUND (continued)**

Notice of the allocation of NSP funds was provided to the public on October 23, 2008 and comments as to the use of funds were requested. On October 23, 2008, the Housing Committee of the Community Development Commission discussed the NSP funds but they did not receive any formal comments. On November 6, 2008, the Community Development Commission discussed the NSP funds and received any formal comments.

On November 17, 2008, the Housing Committee was briefed on the NSP and reviewed recommendations for the use of funds.

This action will authorize FY 2008-09 Consolidated Plan Reprogramming Budget #1 to approve the NSP funds as identified below:

**Source of Funds:**

FY 08-09	Neighborhood Stabilization Program (NSP)	\$7,932,555
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**Use of Funds:**

FY 08-09	Acquisition, Demolition, and Redevelopment of Foreclosed and Abandoned Properties (ADR)	\$2,500,000
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FY 08-09	Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR)	\$4,639,300
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FY 08-09	Program Administration	\$793,255
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**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

On June 25, 2008, the City Council approved the FY 2008-09 Consolidated Plan Budget in an estimated amount of \$33,124,448, by Resolution No. 08-1807.

On October 23, 2008, the Housing Committee of the Community Development Commission was briefed and discussed the allocated NSP funds.

On September 2, 2008, the Housing Committee was briefed on the City of Dallas foreclosure activity.

On November 3, 2008, the Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending Neighborhood Stabilization Program (NSP) allocations.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)(continued)**

On November 6, 2008, the Community Development Commission was briefed and discussed the allocated NSP funds.

On November 17, 2008, the Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds.

**FISCAL INFORMATION**

\$7,932,555 - U.S. Department of Housing and Urban Development Grant Funds



November 19, 2008

**WHEREAS**, on June 25, 2008, the City Council approved the FY 2008-09 Consolidated Plan Budget in an estimated amount of \$33,124,448 by Resolution No. 08-1807; and

**WHEREAS**, on September 2, 2008, the City Council Housing Committee was briefed on the City of Dallas foreclosure activity; and

**WHEREAS**, on September 26, 2008, the City of Dallas was notified of its allocations of \$7,932,555 of Neighborhood Stabilization Program (NSP) funds; and

**WHEREAS**, on November 3, 2008, the City Council Housing Committee was briefed on Dallas Foreclosure and Code Compliance Updates which included information regarding the pending NSP allocations; and

**WHEREAS**, on November 17, 2008, the City Council Housing Committee was briefed on the NSP allocation and reviewed recommendations for the use of funds; and

**WHEREAS**, the City has solicited public comments on this amendment to the FY 2008-09 Consolidated Plan Reprogramming Budget #1; and

**WHEREAS**, the City desires to receive Neighborhood Stabilization Funds from the U.S. Department of Housing and Urban Development; **NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the final FY 2008-09 Consolidated Plan Reprogramming Budget #1 be approved as follows:

**Source of Funds:**

FY 08-09	Neighborhood Stabilization Program (NSP)	\$7,932,555
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**Use of Funds:**

FY 08-09	Acquisition, Demolition, and Redevelopment of Foreclosed and Abandoned Properties (ADR)	\$2,500,000
FY 08-09	Acquisition, Rehabilitation, and Sell or Rent Foreclosed Properties (ARSR)	\$4,639,300
FY 08-09	Program Administration	\$793,255

November 19, 2008

**SECTION 2.** That the City Manager be authorized to apply for, accept, and take actions to implement the NSP funds in the amount of \$7,932,555 and be authorized to execute the contracts and grant agreements with HUD and all documents related to the execution of the grants upon approval as to form by the City Attorney.

**SECTION 3.** That the City Manager be authorized to establish FY 2008-09 appropriations as noted in Section 1.

**SECTION 4.** That the City Controller be authorized to receive funds up to the amounts set forth in Section 1.

**SECTION 5.** That the City Controller be authorized to disburse funds up to the amounts set forth in Section 1.

**SECTION 6.** That the City Manager be authorized to take actions necessary to amend the FY 2008-09 Action Plan as submitted to HUD and to provide additional information, make adjustments, and take other actions necessary to satisfy HUD requirements.

**SECTION 7.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

**DISTRIBUTION:**

Housing Department  
City Attorney's Office  
Office of Financial Services/Community Development, 4FS



**AGENDA ITEM # 4**

**KEY FOCUS AREA:** Public Safety Improvements and Crime Reduction

**AGENDA DATE:** November 19, 2008

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Emergency Management

**CMO:** Ryan S. Evans, 670-3314

**MAPSCO:** N/A

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**SUBJECT**

Authorize a Memorandum of Understanding by and between the City of Houston, Texas, a Texas Home Rule City located principally in Harris County and the City of Dallas, a Texas Home Rule City located principally in Dallas County to provide mutual aid between both parties in the form of personnel, supplies and equipment during disasters and/or civil emergencies as well as during cleanup periods - Financing: No cost consideration to the City

**BACKGROUND**

This Memorandum of Understanding defines the working relationship between the City of Dallas and the City of Houston, which recognizes the vulnerability of the people and communities located within the Cities' territorial limits to damage, injury, and loss of life and property resulting from disasters and/or civil emergencies. It also recognizes that disasters and/or civil emergencies may present equipment and manpower requirements beyond the capacity of each individual City.

The disasters that the City of Dallas may respond to can be natural, such as flooding, hurricane, tornado or fire, or manmade, including domestic acts of terrorism or other incidents requiring emergency action.

In the past, mutual aid has been provided between the City of Dallas and the City of Houston in the form of personnel, supplies and equipment during incidents as well as during cleanup periods.

The Cities recognize that a formal agreement for mutual aid would allow for better coordination of effort, and would ensure that adequate equipment and manpower is available in the minimum time possible, and thus desire to enter into an agreement to provide mutual aid.

**BACKGROUND** (Continued)

This agreement is authorized by the State of Texas, pursuant to Chapter 791, Texas Government Code (Interlocal Cooperation Act), Chapter 418, Texas Government Code (Texas Disaster Act of 1975), and Executive Order No. RP-12 by the Governor of the State of Texas (April 3, 2002.)

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

This item has no prior action.

**FISCAL INFORMATION**

No cost consideration to the City

November 19, 2008

**WHEREAS**, the City of Dallas and the City of Houston recognize the vulnerability of the people and communities located within the Cities' territorial limits to damage, injury, and loss of life and property resulting from disasters and/or civil emergencies, and recognize that disasters and/or civil emergencies may present equipment and manpower requirements beyond the capacity of each individual City; and

**WHEREAS**, in the past, mutual aid has been provided between the City of Dallas and the City of Houston in the form of personnel, supplies and equipment during incidents as well as during cleanup periods; and

**WHEREAS**, The Cities recognize that a formal agreement for mutual aid would allow for better coordination of effort, and would ensure that adequate equipment and manpower is available in the minimum time possible;

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the City Manager be authorized to execute a Memorandum of Understanding by and between the City of Houston, Texas, a Texas Home Rule City located principally in Harris County and the City of Dallas, a Texas Home Rule City located principally in Dallas County to provide mutual aid between both parties in the form of personnel, supplies and equipment during disasters and/or civil emergencies as well as during cleanup periods be authorized.

**SECTION 2.** That the Judge of the County and Mayor of each city shall serve as the Emergency Management Director for his/her respective jurisdictions and may designate an Emergency Management Coordinator for emergency management purposes.

**SECTION 3.** That this agreement shall cover all services within the general governmental functions of local government that may be necessary for recovery from a disaster or emergency, excluding law enforcement.

**SECTION 4.** That all costs associated with the provision of mutual aid shall be reimbursed by the requesting Party out of current funds as set out in Section 13 of the Memorandum of Understanding (attached as Exhibit A).

**SECTION 5.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.



**INTER-JURISDICTIONAL MUTUAL AID AGREEMENT  
BETWEEN THE CITY OF HOUSTON, TEXAS  
AND DALLAS, TEXAS**

State of Texas           §

County of Harris       §

This Mutual Aid Agreement ("Agreement") is entered into by and between the City of Houston, Texas, a Texas Home Rule City located principally in Harris County and the **City of Dallas**, a Texas Home Rule City located principally in County (jointly, "Parties"):

**RECITALS**

The Parties recognize the vulnerability of the people and communities located within the Parties' territorial limits to damage, injury, and loss of life and property resulting from disasters and/or civil emergencies and recognize that disasters and/or civil emergencies may present equipment and manpower requirements beyond the capacity of each individual Party.

The Parties recognize that, in the past, mutual aid has been provided between or among the Parties in the form of personnel, supplies and equipment during disasters and/or civil emergencies as well as during cleanup periods.

The governing officials of the Parties desire to secure for each Party the benefits of mutual aid and protection of life and property in the event of a disaster and/or civil emergency.

The Parties wish to make suitable arrangements for furnishing mutual aid in coping with disasters and/or civil emergencies and are so authorized and make this Agreement pursuant to Chapter 791, Texas Government Code (Interlocal Cooperation Act), Chapter 418, Texas Government Code (Texas Disaster Act of 1975), and Executive Order No. RP-12 by the Governor of the State of Texas (April 3, 2002.)

The Parties recognize that a formal agreement for mutual aid would allow for better coordination of effort, would provide that adequate equipment and manpower is available, and would help ensure that mutual aid is accomplished in the minimum time possible, and thus desire to enter into an agreement to provide mutual aid.

**NOW, THEREFORE**, the Parties agree as follows:

**TERMS**

1. Recitals and Exhibits. The recitals set forth above are true and correct; Exhibits "A through C" attached to this Agreement are incorporated for all purposes.

2. DEFINITIONS. For purposes of this Agreement, the terms listed below will have the following meanings:
- (a) "Civil emergency" means an unforeseen combination of circumstances or the resulting consequences thereof within the geographic limits of a given jurisdiction that calls for immediate action or for which there is an urgent need for assistance or relief to protect the general citizenry.
  - (b) "Disaster" means the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made cause, including fire, flood, earthquake, wind, storm, wave action, oil spill or other water contamination, volcanic activity, epidemic, air contamination, blight, drought, infestation, explosion, riot, hostile military or paramilitary action, energy emergency (as that term is defined in Chapter 418 of the Texas Government Code), acts of terrorism, and other public calamity requiring emergency action.
  - (c) "FEMA" means the Federal Emergency Management Agency or its successor agency.
  - (d) "Local government" means a county, municipality, special district, or any corporate/political entity organized under state law, of Texas or a state that borders Texas.
  - (e) "Mutual aid" includes, but is not limited to, provision of resources such as equipment, supplies, and personnel..
  - (f) "Political subdivision" means county or incorporated city.
3. Party's Emergency Management Plan. Each Party shall prepare and keep current an emergency management plan for its jurisdiction to provide for emergency/disaster mitigation, preparedness, response and recovery, in accordance with Chapter 418 of the Texas Government Code. The emergency management plan shall incorporate the use of available resources, including personnel, equipment and supplies, necessary to provide mutual aid. The emergency management plan shall be submitted to the Governor's Division of Emergency Management.
4. Emergency Management Director. The Judge of the County and the Mayor of each city participating in this Agreement shall each serve as the Emergency Management Director for his/her respective jurisdiction and shall take all steps necessary for the implementation of this Agreement. Each Emergency Management Director may designate an Emergency Management Coordinator who shall serve as an assistant to the presiding officer of the political subdivision for emergency management purposes.

5. Activation of Agreement. This Agreement shall be activated in the event of either:
  - (a) a declaration of a local state of disaster by a Party pursuant to Chapter 418 of the Texas Government Code; or (b) the finding of a state of civil emergency by the presiding officer of the governing body of a Party. The activation of the Agreement shall continue whether or not the local disaster declaration or state of civil emergency is still active, until the services of the Party rendering aid are no longer required or when the officer in charge of the forces of the Party rendering determines, in his sole discretion, that further assistance should not be provided.
  
6. Request for Mutual Aid.
  - (A) Local Disaster. In the event of a local disaster declaration, the Emergency Management Director or the designated Emergency Management Coordinator of a Party seeking mutual aid from the other Party shall request such aid the counterpart for the other Party. Such requests may be made orally or in writing, but shall be placed in a written document, such as a FEMA Form 213, approved by the Emergency Management Director or Coordinator within 30 days of the request.
  
  - (B) Civil Emergency. If the presiding officer of the governing body of a Party is of the opinion that a state of civil emergency exists that requires assistance from the other Party, the presiding officer of the Party requesting mutual aid shall make the request directly to the Party from which assistance is sought. Before the emergency assistance is provided, the governing body of the Party whose assistance has been requested shall authorize such assistance by resolution or other official action, in accordance with Chapter 791 of the Texas Government Code. In the event of a widespread civil emergency affecting either Party's ability to perform governmental functions, the County governments in which the Parties are located shall have the authority to coordinate the call-up and assignment of resources to the affected area, pursuant to Section 8 of this Agreement.
  
  - (C) Scope of Aid. The Party rendering aid may provide services as listed in Exhibit "A".
  
7. Conditions. Any furnishing of resources under this Agreement is subject to the following conditions:
  - (a) A request for aid shall specify the amount and type of resources being requested, the location to which the resources are to be dispatched, and the specific time by which such resources are needed;
  
  - (b) The Party rendering aid shall take such action as is necessary to provide and make available the resources requested, provided however, that the Party rendering aid, in its sole discretion, shall determine what resources are available to furnish the requested aid; and

- (c) The Party rendering aid shall report to the officer in charge of the requesting Party's forces at the location to which the resources are dispatched.
8. Coordinating Mutual Aid. The Parties shall maintain a current listing of all personnel to be contacted in each City, appropriate telephone and facsimile numbers, and other information that would be needed in order to contact each Party in the event of a disaster or civil emergency
9. Waiver of Claims against Parties; Immunity Retained. Each Party hereto waives all claims against the other Parties hereto for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement, except those caused in whole or in part by the negligence of an officer, employee, or agent of the other Party. Neither Party waives or relinquishes any immunity or defense on behalf of itself, its officers, employees and agents as a result of the foregoing sentence or its execution of this Agreement and the performance of the covenants contained herein.
10. Costs. All costs associated with the provision of mutual aid, such as damage to equipment and clothing, personnel and medical expenses, and expenses of travel, food, and lodging, with the exception of workers compensation insurance, shall be reimbursed by the requesting Party out of current funds as set out in Section 13 below. The Parties may amend the timing and allocation of costs in a mutually agreed writing, such as a pertinent FEMA Form 213.
11. Reimbursement. In order to receive reimbursement, the Party rendering aid must submit the forms and follow the procedures listed in Exhibit "B" to the City Controller of the Party receiving aid.
12. Equipment and Personnel. During the time mutual aid is being furnished, all equipment used by the Party rendering aid shall continue to be owned, leased, or rented by the Party rendering aid. At all times while equipment and personnel of a Party rendering aid are traveling to, from, or within the geographical limits of the requesting Party in accordance with the terms of this Agreement, such personnel and equipment shall be deemed to be employed or used, as the case may be, in the full line and cause of duty of the Party rendering aid. In addition, such personnel shall be deemed to be engaged in a governmental function of their entity.
13. Expending Funds. Each Party which performs services or furnishes aid pursuant to this Agreement shall do so with funds available from current revenues of the Party. No Party shall have any liability for the failure to expend funds to provide aid hereunder. The requesting Party shall advise the Party rendering aid of current funds available by the issuance of one or more Service Release Orders, in the form set out in Exhibit "C."
14. Termination. It is agreed that any Party hereto shall have the right to terminate its



participation in this Agreement upon ninety (90) days written notice to the other Parties hereto.

15. Term. This Agreement shall become effective as to each Party when approved and executed by that Party. This Agreement shall continue in force and remain binding on both Parties until such time as the governing body of a Party terminates its participation in this Agreement pursuant to Section 14 of this Agreement.
16. Entirety. This Agreement contains all commitments and agreements of the Parties with respect to the mutual aid to be rendered hereunder during or in connection with a disaster and/or civil emergency. No other oral or written commitments of the Parties with respect to mutual aid under this Agreement shall have any force or effect if not contained herein, except as provided in Section 17 below.
17. Ratification. Each Party hereby ratifies the actions of its personnel taken prior to the date of this Agreement
18. Other Mutual Aid Agreements. The Parties agree to inform each other of all mutual aid agreements that each Party has with other municipalities, entities, counties, and state or federal agencies.

The existence of this Agreement shall not prevent a municipality, county, rural fire prevention district, emergency services district, fire protection agency, organized volunteer group, or other emergency services entity from providing mutual aid assistance on request from another municipality, county, rural fire prevention district, emergency services district, fire protection agency, organized volunteer group, or other emergency services entity, in accordance with the provisions in Section 418.109 of the Texas Government Code. Additionally, the existence of this Agreement shall not prevent either Party from providing emergency assistance to another Local Government which is not a party to this Agreement, in accordance with the provisions in Section 791.027 of the Texas Government Code.

19. Interlocal Cooperation Act. The Parties agree that mutual aid in the context contemplated herein is a "governmental function and service" and that the Parties are "local governments" as that term is defined herein and in the Interlocal Cooperation Act.
20. Severability. If a provision contained in this Agreement is held invalid for any reason, the invalidity does not affect other provisions of the Agreement that can be given effect without the invalid provision, and to this end the provisions of this Agreement are severable.
21. Validity and Enforceability. If any current or future legal limitations affect the

validity or enforceability of a provision of this Agreement, then the legal limitations are made a part of this Agreement and shall operate to amend this Agreement to the minimum extent necessary to bring this Agreement into conformity with the requirements of the limitations, and so modified, this Agreement shall continue in full force and effect

22. Amendment. This Agreement may be amended only by the mutual written consent of the Parties.
23. Third Parties. This Agreement is intended to inure only to the benefit of the Parties hereto. This Agreement is not intended to create, nor shall be deemed or construed to create, any rights in third parties.
24. Warranty. The Agreement has been officially authorized by the governing body of each Party hereto and each signatory to this Agreement guarantees and warrants that the signatory has full authority to execute this Agreement and to legally bind the respective Party to this Agreement.
25. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Texas. Venue for an action arising under this Agreement shall lie exclusively in the County of the Party which rendered aid, or, if neither Party rendered aid, in Harris County.
26. Headings. The headings at the beginning of the various provisions of this Agreement have been included only in order to make it easier to locate the subject covered by each provision and are not to be used in construing this Agreement.
27. FEMA Reimbursement: The Parties acknowledge that the Requesting Party will seek reimbursement of any costs incurred under this Agreement from FEMA and each Party agrees to cooperate fully with the other Party in taking all actions and executing all documents necessary to secure such reimbursement.

\* \*The Rest of this Page is Intentionally Left Blank\* \*

EXECUTED by the Parties hereto, each respective entity acting by and through its duly authorized official as required by law, on multiple counterparts each of which shall be deemed to be an original, on the date specified on the multiple counterpart executed by such entity.

**CITY OF HOUSTON**

**CITY OF DALLAS**

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Manager

**ATTEST/SEAL**

**ATTEST/SEAL**

\_\_\_\_\_  
City Secretary

\_\_\_\_\_  
Name  
Title\_\_\_\_\_

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Houston Assistant City Attorney  
L.D. No.

\_\_\_\_\_  
Dallas \_\_\_\_\_ City Attorney

**COUNTERSIGNED BY:**

\_\_\_\_\_  
Houston City Controller

**DATE COUNTERSIGNED:**

\_\_\_\_\_

EXHIBIT "A"

SCOPE OF AID

1. **General Purpose:** This Agreement shall cover all services within the general governmental functions of local government that may be necessary for recovery from a disaster or emergency, excluding law enforcement functions. Requests for law enforcement services shall be made pursuant to a separate agreement.
2. **Requests for Aid:** Individual requests for aid shall be made in accordance with Section 6 (A) of this Agreement.
  - 2.1 **Request Form:** The Parties shall endeavor to send requests through FEMA Forms 213 containing the signature of the Emergency Management Director or Coordinator.
  - 2.2 **Requests Binding:** A Party requesting assistance shall be bound to reimburse the Party providing aid for services pursuant to a Party's request, regardless of whether the Party requesting aid receives aid, grants, or reimbursement from any source.

## EXHIBIT “B”

## REIMURSEMENT FORMS AND PROCEDURES

1. **General Requirements:** The Party rendering aid shall provide the forms listed in this Exhibit to the City Controller or Director of Finance of the Party requesting aid after aid has ceased and prior to receiving reimbursement.
  - 1.1 Request Documents: The Party rendering aid shall submit a copy of this Agreement, purchase order, FEMA Forms 13, or any other document the Party rendering aid relied on to provide aid.
  - 1.2 Party’s Standard Invoice: The Party rendering aid shall submit a standard invoice detailing with reasonable specificity all pertinent dates, hours, rates, costs, descriptions, quantities, and measures.
  - 1.3 FEMA Documents: The Party rendering aid shall submit all pertinent FEMA forms and worksheets as specified in Section 2 of this Exhibit.
2. **FEMA Documents:**
  - 2.3 Labor: For labor costs, the Party rendering aid shall submit a completed FEMA Form 90-123 Force Account Labor Summary Record, which may be found at the following web address:  
[http://www.dola.state.co.us/dem/recovery/fema\\_force\\_account\\_labor\\_summary.doc](http://www.dola.state.co.us/dem/recovery/fema_force_account_labor_summary.doc).
  - 2.4 Equipment: For reimbursement for Equipment costs, the Party rendering aid shall submit a completed FEMA Form 90-127 Force Account Equipment Summary Record, which may be found at the following web address:  
[http://www.dola.state.co.us/dem/recovery/fema\\_force\\_account\\_equipment\\_summary.doc](http://www.dola.state.co.us/dem/recovery/fema_force_account_equipment_summary.doc)
  - 2.5 Rented or Leased Equipment: For reimbursement for equipment rented or leased by the Party rendering aid from another entity, the Party rendering aid shall submit a Force Account Rented/Leased Equipment Worksheet, which may be found at the following web address:  
<http://www.nd.gov/des/documents/docs/guide/a10aforceaccountrentedleasedequipment.pdf>
  - 2.6 Materials and Other Costs: For reimbursement for materials and other costs not included on , the Party rendering aid shall submit a completed Force Account Activity Worksheet as described at the following web address:  
[http://www.pema.state.pa.us/pema/lib/pema/SAMPLE\\_ForceAccount-Contracted-SummaryCosts.pdf](http://www.pema.state.pa.us/pema/lib/pema/SAMPLE_ForceAccount-Contracted-SummaryCosts.pdf)

EXHIBIT "C"  
SERVICE RELEASE ORDER

**AGENDA ITEM # 5**

<b>KEY FOCUS AREA:</b>	Make Government More Efficient, Effective and Economical
<b>AGENDA DATE:</b>	November 19, 2008
<b>COUNCIL DISTRICT(S):</b>	N/A
<b>DEPARTMENT:</b>	Office of Financial Services
<b>CMO:</b>	Dave Cook, 670-7804
<b>MAPSCO:</b>	N/A

---

**SUBJECT**

Authorize modifications to the two bond underwriting syndicates previously approved on June 26, 2002 by Council Resolution No. 02-1989 for negotiated bond financings – Financing: No cost consideration to the City

**BACKGROUND**

The City has historically used underwriting syndicates to handle its negotiated bond financings. On May 12, 1999 the City Council approved two bond underwriting syndicates each comprised of ten firms, and designated co-senior managers for each syndicate, Team A and Team B.

Since the last change in 2002, additional industry consolidations have occurred that have resulted in a need to modify the bond underwriting syndicates.

Team A

- Merrill Lynch was acquired by Banc of America Securities LLC;
- Apex Pryor Securities had a name change and is now Rice Financial;
- Bear Stearns & Co., Inc was acquired by J. P. Morgan Chase & Co.;
- J. P. Morgan Chase & Co., Inc. is now J. P. Morgan;
- UBS PaineWebber Inc, exited the municipal bond business; and
- Salomon Smith Barney is no longer in business.

Team B

- Lehman Brothers declared bankruptcy, and their municipal bond business was purchased by Barclays Capital. The City's Financial Advisors recommend including Barclays Capital in the B syndicate to provide additional underwriter participation in the marketing of the bonds;
- Morgan Stanley Dean Witter is now Morgan Stanley
- Banc One Capital Markets, Inc is no longer in business; and
- The Chapman Company is no longer in business.

The attachment shows the modified composition of the two syndicates.

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

On January 27, 1999, the City Council approved selection criteria for Syndicate Members, by Resolution No. 99-0319.

On May 12, 1999, the City Council approved two underwriting syndicates and designation of co-senior managers for each, by Resolution No. 99-1619.

On June 26, 2002, the City Council approved modifications to the two underwriting syndicates, by Resolution No. 02-1989.

**FISCAL INFORMATION**

No cost consideration to the City.



November 19, 2008

**WHEREAS**, in May 1999, the City Council approved the creation and structure of two bond underwriting syndicates for future negotiated bond transactions; and

**WHEREAS**, in June 2002, the City Council approved a modification to the existing syndicates because one firm in each syndicate merged into other firms; and

**WHEREAS**, it is necessary to modify Team B of the existing syndicates because Lehman Brothers' municipal bond business was purchased by Barclays Capital; and

**WHEREAS**, staff recommends the modified syndicate replacement of this national firm with Barclays Capital;

**NOW, THEREFORE, BE IT RESOLVED THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That Barclays Capital replace Lehman Brothers as a national firm and a member of the Team B underwriting syndicate, as modified in the Attachment.

**Section 2.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas and it is accordingly so resolved.

**DISTRIBUTION:**

Business Development and Procurement Services, 3FS  
Office of Financial Services, 4FS

## ATTACHMENT

### Underwriting Syndicates as Approved by City Council May 12, 1999

#### Team A

1. Merrill Lynch
2. Ramirez & Co., Inc.
3. Apex Securities, Inc.
4. Bear Stearns & Co., Inc.
5. Chase Securities of Texas, Inc.
6. Morgan Keegan & Company, Inc.
7. NationsBanc Montgomery Securities
8. PaineWebber, Inc.
9. Pryor, McClendon, Counts & Co., Inc.
10. Salomon Smith Barney

#### Team B

- Lehman Brothers
- Siebert Brandford Shank & Co., LLC
- Banc One Capital Markets, Inc.
- Dain Rauscher Incorporated
- Goldman Sachs & Co.
- J.P. Morgan Securities Inc.
- Morgan Stanley Dean Witter
- Southwest Securities, Inc.
- The Chapman Company
- Walton Johnson & Company

### Modified Underwriting Syndicates as Approved by City Council June 26, 2002

#### Team A

1. Merrill Lynch
2. Ramirez & Co., Inc.
3. Apex Pryor Securities
4. Bear Stearns & Co., Inc.
5. J.P. Morgan Chase & Co
6. Morgan Keegan & Company, Inc.
7. Bank of America Securities LLC
8. UBS PaineWebber Inc.
9. Salomon Smith Barney

#### Team B

- Lehman Brothers
- Siebert Brandford Shank & Co., LLC
- Banc One Capital Markets, Inc.
- RBC Dain Rauscher
- Goldman Sachs & Co.
- Morgan Stanley Dean Witter
- SWS Securities
- The Chapman Company
- Walton Johnson & Company

### Underwriting Syndicates as Modified

#### Team A

1. Banc of America Securities LLC
2. Citigroup
3. J. P. Morgan Chase
4. Morgan Keegan & Company, Inc.
5. Ramirez & Co., Inc.
6. Rice Financial
- 7.

#### Team B

- Barclays Capital
- Goldman Sachs & Co.
- Morgan Stanley
- RBC Dain Rauscher
- Siebert Brandford Shank & Co., LLC
- SWS Securities
- Walton Johnson & Company

**AGENDA ITEM # 6**

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

**AGENDA DATE:** November 19, 2008

**COUNCIL DISTRICT(S):** All

**DEPARTMENT:** Office of Financial Services  
Convention and Event Services

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

**MAPSCO:** N/A

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**SUBJECT**

An ordinance authorizing the issuance and sale of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2008 in an amount not to exceed \$325,000,000; 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 \$750,000 - Financing: 2008 Civic Center Convention Complex Revenue Refunding and Improvement Bond Funds

**BACKGROUND**

The total amount of this proposed revenue bond sale shall not exceed \$325,000,000, and is for the following purpose: 1) refunding of all outstanding Civic Center Convention Complex debt, and 2) improvements and renovations of the existing structure.

Approximately \$306,000,000 of the proceeds from this proposed issue will be used for refunding and restructuring of the Civic Center Convention Complex debt. The bonds to be refunded constitute the entire amount outstanding.

Additionally, the new money proceeds from the bond sale will be used to finance various capital improvement to the Convention Center facilities such as additional meeting space; ballroom and lobby upgrades; roof repairs; CCTV security upgrades; and electrical service upgrades.

This will be a negotiated sale. The City utilizes two syndicate teams. Team "A" and Team "B", rotating the negotiated issues between the two teams. Team "B" is assigned to underwrite this sale.

## **BACKGROUND** (Continued)

The members of Team "B" that will be participating in the bond sale are as follows: JP Morgan Chase (Bookrunning senior manager); Siebert Brandford and Shank (Co-Senior Managers); Goldman Sachs; Morgan Stanley; Barclays Capital, pending approval of Council Resolution; RBC Dain Rauscher; SWS Securities; and Walton Johnson (Co-Managers).

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

(1) negotiate the sale and issuance of Revenue Refunding and Improvement Bonds, Series 2008 with the underwriting syndicate on any business day on and after November 19, 2008 and before May 19, 2009, and (2) establish the par amount (not to exceed \$325,000,000) 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 total interest cost will not exceed 6.25% with a maximum Underwriter's discount of 1.25%. Maximum maturity of the Bonds shall not exceed 30 years.

## **ESTIMATED SCHEDULE OF PROJECT**

Authorize preparation for Issuance of Bonds – October 22, 2008

Approval of parameters ordinance – November 19, 2008

Pricing – Week of December 1, 2008

Execution of the Bond Purchase Agreement – Week of December 1, 2008

Delivery of proceeds – December 23, 2008

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

The City Council authorized preparation of plans for the issuance of Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2008 on October 22, 2008, by Resolution No. 08-2914

The Economic Development Committee was briefed on October 20, 2008.

The Economic Development Committee was briefed on February 19, 2008 on the Contention Center Hotel land acquisition, which includes the debt restructuring.

The City Council authorized a professional services contract to conduct a feasibility study for potential restructuring of Convention and Event Services' debt on February 13, 2008, by Resolution No. 08-0448.

The Economic Development Committee was briefed on February 13, 2008, on the feasibility study for the potential debt restructuring.

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

The Economic Development Committee was briefed on October 23, 2007, on the Convention Center development update which includes the potential debt restructuring.

**FISCAL INFORMATION**

2008 Civic Center Convention Complex Revenue Refunding and Improvement Bond Funds – \$750,000

**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**

**\$325,000,000**

**Civic Center Complex Revenue Refunding and Improvement Bonds, Series 2008**

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)	\$180,000	23.9%
West & Associates L.L.P. (Vendor #330805)*	70,000	9.3%
<b>Co-Financial Advisors</b>		
First Southwest Company (Vendor #193056)	130,200	17.3%
Estrada Hinojosa (Vendor #259910)*	86,800	11.6%
<b>Out-of-Pocket Expenses</b>		
First Southwest Company (Vendor #193056)	10,000	1.3%
<b>Structuring Fee</b>		
First Southwest Company (Vendor #193056)	125,000	16.8%
<b>Official Statement Printing</b>		
TBD	9,350	1.2%
<b>Rating Agencies</b>		
Moody's Investors Service (Vendor #951236)	66,150	8.8%
Standard & Poor's (Vendor #954974)	56,000	7.5%
Grant Thornton, L.L.P. (Vendor #VS0000007921)	7,000	0.9%
<b>Filing Fee</b>		
Attorney General (Vendor #344989)	<u>9,500</u>	<u>1.3%</u>
<b>Total Issuance Costs</b>	<b><u>\$ 750,000</u></b>	<b><u>100%</u></b>

\*Total M/WBE Participation as % of Total Issuance Costs: 20.9%

Information concerning the M/WBE component of the syndicate is not known at this time.

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**ORDINANCE  
AUTHORIZING THE ISSUANCE OF**

**CITY OF DALLAS, TEXAS,  
CIVIC CENTER CONVENTION COMPLEX  
REVENUE REFUNDING AND IMPROVEMENT BONDS  
SERIES 2008**

**Adopted: November 19, 2008**





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

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF DALLAS, TEXAS AUTHORIZING THE ISSUANCE AND SALE OF CITY OF DALLAS, TEXAS, CIVIC CENTER CONVENTION COMPLEX REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2008, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$325,000,000; PROVIDING FOR THE AWARD AND SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; PLEDGING TO THE PAYMENT THEREOF THE PLEDGED REVENUES AS DEFINED HEREIN; APPROVING THE OFFICIAL STATEMENT; APPROVING EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND A BOND PURCHASE AGREEMENT; ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EFFECTIVE DATE

WHEREAS, there are presently outstanding certain obligations of the City described on Schedule I herein which the City now desires to refund (such refunded obligations to be hereinafter referred to as the “Refunded Bonds”);

WHEREAS, the City Council hereby finds and determines that it is in the best interests of the City to refund the Refunded Bonds in order to (i) restructure and lower the annual debt service requirements of the City relating to the Civic Center Convention Complex (as herein defined), (ii) redefine the properties included as part of the Civic Center Convention Complex and (iii) exclude from the Pledged Revenues (as herein defined) hotel occupancy taxes in connection with the City’s proposed convention center hotel;

WHEREAS, the City Council hereby finds, determines and declares that the refunding of the Refunded Bonds will likely result in a debt service loss, and the manner in which the refunding is being executed does not make it practicable to make the determination required by Section 1207.008, Texas Government Code, as amended, at this time, but such debt service loss shall be set forth in the Pricing Certificate;

WHEREAS, Chapter 1207, Texas Government Code, as amended (“Chapter 1207”), authorizes the City to issue refunding obligations and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with the paying agent for any of the Refunded Bonds, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds;

WHEREAS, Chapter 1207 further authorizes the City to enter into an escrow agreement with the paying agent for any of the Refunded Bonds with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit;

WHEREAS, U.S. Bank National Association is the paying agent for all of the Refunded Bonds and the Escrow Agreement hereinafter authorized constitutes an escrow agreement of the kind authorized and permitted by said Chapter 1207;

WHEREAS, in addition to refunding the Refunded Bonds, the City Council has determined that it is necessary, desirable and in the public interest at this time to acquire, construct and equip additions and improvements to the “Civic Center Convention Complex” (as hereinafter defined) and that the City should issue its revenue bonds for the purposes of refunding the Refunded Bonds and financing such additions all in a single series;

WHEREAS, the City Council, pursuant to Chapter 351, Texas Tax Code, as amended (“Chapter 351”), has imposed a hotel occupancy tax in the City, certain of the receipts from which are available to secure the payment of debt obligations with respect to the Civic Center Convention Complex;

WHEREAS, the City Council of the City deems it appropriate to adopt this Ordinance and issue the bonds herein authorized for the purposes hereinabove stated and to pledge the “Pledged Revenues” (as herein defined); and

WHEREAS, the City Council desires to delegate, pursuant to Chapter 1207 and Chapter 1371, Texas Government Code, as amended (“Chapter 1371”), 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 the refunding of the Refunded Bonds;

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:

“Additional Bonds” means the additional parity revenue bonds permitted to be issued pursuant to Section 7.06.

“Annual Debt Service Requirement” means, for each Fiscal Year, the sum of (i) the interest payable during such Fiscal Year on the Bonds and any Additional Bonds which are Outstanding, and (ii) the principal payable during such Fiscal Year on the Bonds and any

Additional Bonds which are Outstanding. For purposes of such calculation it should be assumed that interest on the Bonds and Additional Bonds is paid in accordance with their terms and that principal, whether at maturity or by virtue of mandatory sinking fund redemption, is paid when due.

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

“Average Annual Debt Service Requirement” means, as of the date of calculation, the sum of the Annual Debt Service Requirement for each subsequent Fiscal Year in which there are Bonds or Additional Bonds Outstanding divided by the number of such Fiscal Years.

“Bond” means any of the Bonds.

“Bond Fund” means the special fund created and established on the books of the City pursuant to Section 7.02 for payment of the principal of, premium, if any, and interest on the Bonds.

“Bond Insurer” means the bond insurer named in the Pricing Certificate, if any, and its successors or assigns.

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

“Bond Reserve Fund” means the reserve fund created and established pursuant to Section 7.04.

“Bond Reserve Fund Requirement” means an amount equal to the Average Annual Debt Service Requirement.

“Bond Reserve Fund Surety Policy” or “Surety Policy” means a surety bond, insurance policy, letter of credit or other similar instrument issued by a financial institution to the City or to the Paying Agent/Registrar for the benefit of the Bondholders to satisfy in whole or in part the Bond Reserve Fund Requirement, provided that the claims paying ability of such issuer has a rating by each rating agency then rating the Bonds at least equal to the rating then on the Bonds by each such rating agency.

“Bonds” means the City’s revenue bonds, entitled “City of Dallas, Texas, Civic Center Convention Complex Revenue Refunding and Improvement 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.

“City” means the City of Dallas, Texas.

“City Council” means the governing body of the City.

“Civic Center Convention Complex” or “Civic Center” means and includes (i) those existing buildings, structures, facilities and improvements known as the Dallas Convention Center, including the Arena Building, Theater Building, Exhibit Halls, meeting rooms, ballrooms and support facilities and any additions or improvements thereto and made a part thereof, (ii) the Park Plaza Parking Garage, (iii) Union Station, and (iv) all other buildings and improvements which by action of the City Council are devoted to and made a part thereof. The Civic Center specifically excludes the facilities known as “Reunion Arena,” the “Reunion Arena Parking Garage” and those surface parking lots located adjacent to Reunion Arena and known as “Lots A, B, E, F, G, H and J” and the approximately 170 auto surface parking lot located north of and adjacent to the Dallas Convention Center and known as “Lot C.”

“Civic Center Revenues” means the gross revenues and income received by the City as a result of renting, leasing or otherwise operating the business and affairs of the Civic Center, or any part thereof.

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

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

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in St. Paul, Minnesota, or at such other location designated by the Paying Agent/Registrar 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” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means 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.

“Escrow Agent” means U.S. Bank National Association, or its successors or assigns.

“Escrow Agreement” means the escrow agreement relating to the Refunded Bonds by and between the City and the Escrow Agent.

“Escrow Fund” means the fund by that means established in the Escrow Agreement.

“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 on September 30 of the following year.



“Improvement Bonds” means Additional Bonds authorized under the provisions of Section 7.07.

“Improvement Project” or “Project” means the additions and improvements to the Civic Center consisting generally of renovations and improvements to existing facilities.

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

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

“Junior Lien Bonds” means bonds issued for the purpose of financing additions and improvements to the Civic Center or refunding bonds which, under the provisions of Section 7.09 may be issued and secured by a subordinate lien on and pledge of Pledged Revenues.

“Municipal Bond Guaranty Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer, if any, insuring the payment when due of the principal of and interest on the Bonds as provided herein.

“Operation and Maintenance Expenses” means the expenses of operation and maintenance of the Civic Center, including all salaries, labor, materials and repairs necessary to render efficient service; provided, however, that only such repairs and extensions as, in the judgment of the City Council, reasonably and fairly exercised, are necessary to keep the Civic Center in operation and render adequate service to the City and the inhabitants thereof, or might be necessary to prevent some physical accident or condition that would otherwise impair the Bonds or any Additional Bonds shall be included as Operation and Maintenance Expenses.

“Ordinance” means this Ordinance.

“Original Issue Date” means the date designated as such in the Pricing Certificate.

“Outstanding” means, when used in connection with the Bonds or any Additional Bonds, all Bonds and any Additional Bonds which as of such date of determination have been authenticated and delivered under this Ordinance or any Supplemental Ordinances, except:

(i) Bonds and any Additional Bonds cancelled or delivered to the Paying Agent/Registrar for cancellation in connection with the exchange or transfer of such obligations;

(ii) Bonds and any Additional Bonds paid or deemed to be paid in accordance with the provisions of Article XI hereof; and

(iii) Bonds and any Additional Bonds that have been mutilated, destroyed, lost, or stolen and replacement bonds have been registered and delivered in lieu thereof.

“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, St. Paul, Minnesota, or any successor thereto or any entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

“Pledged Hotel Occupancy Tax” means the gross revenues due and owing to, or received by the City, from those taxes imposed by the City under authority of Chapter 351 representing 4.718% of the consideration paid by a person who, under a lease, concession, permit, right of access, license, contract or agreement, pays for the use or possession or for the right to the use or possession of a room that is in a hotel, costs more than \$2 each day, and is ordinarily used for sleeping, less any amounts withheld to pay the costs of collecting such taxes as permitted by ordinances of the City and applicable State law; provided that the revenue derived from a hotel project that is owned by or located on land owned by the City or by a nonprofit corporation acting on behalf of the City and that is located within 1,000 feet of a convention center facility owned by the City, including the Civic Center, shall not constitute part of the Pledged Hotel Occupancy Tax.

“Pledged Revenues” means collectively (i) the Pledged Hotel Occupancy Tax, (ii) the Civic Center Revenues, (iii) all income received by the City from investment of funds deposited to the Bond Reserve Fund and the Bond Fund, and (iv) such other money, income, revenues or other property as may be specifically included in such term in a Supplemental Ordinance.

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

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

“Refunded Bonds” means the obligations described on Schedule I hereto.

“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 Bond Purchase Agreement.

“Revenue Fund” means the special fund created and established on the books of the City pursuant to the provisions of Section 2.03.

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

“State” means the State of Texas.

“Supplemental Ordinance” means any ordinance of the City supplementing this Ordinance for the purpose of authorizing and providing the terms and provisions of Additional Bonds or Junior Lien Bonds, or supplementing or amending this Ordinance for any other purpose.

“Term Bonds” means the Bonds maturing in the years as designated in the Pricing Certificate.

“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 Bond Purchase Agreement.

Section 1.02 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 1.03 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 1.04 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) Any action required to be taken on a date which is not a Business Day shall be done on the next succeeding Business Day and have the same effect as if done on the date so required.

(c) 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.

(d) Article and Section references mean references to articles and sections of this Ordinance unless designated otherwise.

## **ARTICLE II**

### **SECURITY FOR THE BONDS**

Section 2.01 Security for the Bonds. The Bonds and any Additional Bonds are and shall be equally and ratably secured by and payable from an irrevocable first lien on and pledge of the Pledged Revenues.

Section 2.02 Limited Obligations. The Bonds and any Additional Bonds are special obligations of the City, payable solely from the Pledged Revenues and do not constitute a prohibited indebtedness of the City. The Bonds shall never be payable out of funds raised or to be raised by taxation, except for the Pledged Hotel Occupancy Tax.

Section 2.03 Civic Center Revenue Fund. A special fund designated “Civic Center Revenue Fund” (the “Revenue Fund”) is hereby created and established on the books of the City. All Pledged Revenues shall be credited to the Revenue Fund upon receipt except any investment earnings on the funds in the Bond Fund which shall be credited to such Fund.

Section 2.04 Flow of Revenue Fund. (a) The Pledged Revenues to be credited to the Revenue Fund under the provisions of Section 2.03 are hereby irrevocably pledged to the Bonds and any Additional Bonds and shall be appropriated and employed in the following order:

First: In satisfaction of the requirements of the Bond Fund in accordance with the terms and conditions of Section 7.02.

Second: In satisfaction of the requirements of the Bond Reserve Fund in accordance with the terms and conditions of Section 7.04.

Third: In satisfaction of the requirements of the ordinance(s) authorizing Junior Lien Bonds.

Fourth: To pay Operation and Maintenance Expenses. To further assure efficient and proper operation and maintenance of the Civic Center and to the full extent required for those purposes, the City hereby pledges those moneys received by it from the State Mixed Beverage Tax Clearance Fund under the provisions of Chapter 183, Tax Code, or any successor law thereto, being funds allocated to the City by the State of Texas from State taxes levied on gross receipts on the sale of mixed beverages. The City hereby covenants that should the amounts available to pay Operation and Maintenance Expenses be insufficient for properly and efficiently operating and maintaining the Civic Center, it will promptly provide moneys sufficient for such purposes out of other funds on hand and to be on hand lawfully available for use in that respect and unappropriated to any other purpose. Additionally, the City shall include moneys sufficient therefor in its General Fund budget for each Fiscal Year in which the City anticipates insufficient funds to serve fully such purposes in that year.

(b) Should there be any Pledged Revenues in the Revenue Fund at the end of any Fiscal Year after all requirements or deficiencies, if any, relating to the requirements of subparagraph (a) of this Section 2.04 have been satisfied and after all other lawfully incurred obligations payable from said Pledged Revenues have been provided for, such amounts may be employed by the City (i) to retire Bonds or Additional Bonds in advance of maturity according to the provisions made for their prior redemption or for the purchase of any Bonds or Additional Bonds in the open market at a price not exceeding the par value thereof, or (ii) for any other

lawful purpose. Pending the need thereof for the purposes aforementioned, the City shall invest and reinvest Pledged Revenues in such securities or obligations as permitted under applicable law. All earnings realized from such investments shall remain in the Revenue Fund, but are not part of the Pledged Revenues.

### **ARTICLE III**

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

Section 3.01 Authorization. The City's revenue bonds to be designated "City of Dallas, Texas, Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 2008", or such other designation as is set forth in the Pricing Certificate, (the "Bonds") are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly Chapter 351, Chapter 1207, Chapter 1371, Chapter 1504, Texas Government Code, as amended ("Chapter 1504") and the Charter. The Bonds shall be issued in the aggregate principal amount set forth in the Pricing Certificate, such amount not to exceed \$325,000,000, for the purpose of (i) paying the costs of issuance of the Bonds, (ii) refunding the Refunded Bonds, (iii) providing funds to finance the Improvement Project and (iv) funding the Bond Reserve Fund. The costs incurred in connection with the issuance of the Bonds are expected to be in the amounts listed on Attachment I--Estimate of Total Issuance Costs hereto, and the costs on such Attachment I are hereby approved and the resolution of the City adopted October 22, 2008, approving the costs of issuance is superseded hereby with regard to the costs of issuance.

Section 3.02 Date, Denomination, Maturities, Numbers and Interest. (a) The Bonds shall have the Original Issue Date set forth in the Pricing Certificate.

(b) The Bonds 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.

(c) The Bonds shall mature on August 15 in the years and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) 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, premium, if any, 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, premium, if any, 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, premium, if any, 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, premium, if any, 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, premium, if any, 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 forty-five (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 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 Bond 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.

(c) 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 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 (in principal amount) 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 such \$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 hereof, 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 received by the Paying Agent/Registrar from the City sufficient to pay the principal of, premium, if any, 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 applicable redemption price on such Bond 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 hereof, 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 redemption price thereof, such Bonds or portions thereof shall cease to accrue 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 same rate stated on such 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 conversions and 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, 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 5.03 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 (CUSIP ) 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)  
CIVIC CENTER CONVENTION COMPLEX  
REVENUE REFUNDING AND IMPROVEMENT BOND  
SERIES 2008

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

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 (as defined herein) 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 made or provision made therefor.

If the date for the payment of the principal, interest or redemption price on this Bond shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the City of Dallas or in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or 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 and no additional interest shall be due by reason of nonpayment on the date on which such payment is otherwise stated to be due and payable.

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 the U.S. Bank National Association, or with respect to a successor Paying Agent/Registrar, at the

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

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 register kept by the Paying Agent/Registrar (the "Register"). For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this 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. However, in the event that interest is not paid on a scheduled payment date and remains unpaid 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 (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 Register at the close of business on the last Business Day preceding the date of mailing of such notice.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$\_\_\_\_\_ (herein referred to as the "Bonds").<sup>2</sup> The Bonds are issued for the purpose of providing funds to (i) refund certain outstanding obligations of the City, (ii) construct additions and improvements to the City's Civic Center Convention Complex, (iii) pay and discharge the costs and expenses incurred in and incident to the issuance of the Bonds, and (iv) fund a bond reserve fund, all pursuant to and consistent with the Constitution and applicable laws of the State of Texas, particularly Chapters 1207, 1371 and 1504, Texas Government Code, as amended, Chapter 351, Texas Tax Code, as amended, the Charter of the City and the Ordinance duly passed by the City Council of the City and duly recorded in the Minutes of the City Council (the "Ordinance").

[The City has reserved the option to redeem 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 the prices (expressed as a percentage of the principal amount to be redeemed), plus interest accrued on such principal amount to the redemption date, as follows:

The Term Bonds maturing on \_\_\_\_, are subject to mandatory redemption prior to their scheduled maturities, and will be redeemed by the City, in part at a redemption price equal to the principal amount thereof plus accrued interest to the date of redemption, on the dates and in the principal amounts, respectively, as shown in the following schedules:

Term Bonds Maturing August 15, \_\_\_\_\_

<u>Redemption Dates</u>	<u>Principal Amount</u>
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<sup>2</sup> Information to be inserted from the Pricing Certificate.

Terms Bonds Maturity August 15, \_\_\_\_\_

<u>Redemption Dates</u>	<u>Principal Amount</u>
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Terms Bonds Maturity August 15, \_\_\_\_\_

<u>Redemption Dates</u>	<u>Principal Amount</u>
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The principal amounts of the Term Bonds required to be redeemed on any redemption date pursuant to the foregoing operation of the mandatory sinking fund shall be reduced, at the option of the City, by the principal amount of Term Bonds having the same maturity which, at least 45 days prior to the mandatory sinking fund redemption date, (i) shall have been acquired by the City 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 scheduled mandatory 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>3</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.

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<sup>3</sup> To be revised as necessary to conform to the Pricing Certificate.

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 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. This Bond and all of the Bonds of this series constitute special obligations of the City of Dallas, Texas, each being payable as to principal, premium, if any, and interest solely from and equally secured by a first lien on and pledge of the "Pledged Revenues" as defined and described in the Bond Ordinance.

The City reserves the right to issue additional parity revenue bonds secured in the same manner and in all things on a parity with the Bonds, but only in accordance with and subject to the covenants, limitations, conditions and restrictions relating to their issuance as provided in the Bond Ordinance.

The owner or holder hereof shall never have the right to demand payment of the principal of, premium, if any, or interest on this Bond from any funds raised or to be raised by taxation, except as to the Pledged Hotel Occupancy Tax (as defined in the Bond Ordinance).

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 this Bond have been properly done and performed and have happened in regular and due time, form and manner as required by the law, and the Bond Ordinance hereinabove mentioned; that this series of Bonds does not exceed any Constitutional or statutory limitations.

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 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 special 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]

(c) 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: \_\_\_\_\_

(d) 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.

(e) Initial Bond Insertion. The Initial Bond shall be in the form set forth in subsections (a) through (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings “INTEREST RATE,” and “MATURITY DATE” shall be completed with the expression “As Shown Below,” and the heading “CUSIP NO.” shall be deleted;

(ii) 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 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 Installments</u>	<u>Interest Rate</u> ”
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(Information to be inserted from the Pricing Certificate in accordance with Section 3.02 hereof)

and

(iii) the Initial Bond shall be numbered T-1.

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 Bond Insurer.

## ARTICLE VII

### INITIAL DEPOSITS AND APPLICATION OF MONEY; ADMINISTRATION OF FUNDS AND ACCOUNTS, ADDITIONAL BONDS AND REFUNDING BONDS

Section 7.01 Initial Deposits. On the Closing Date, the City shall cause the proceeds from the sale of the Bonds to be deposited in accordance with the provisions of the Pricing Certificate. In addition, the City Manager is hereby authorized to make such other deposits or transfers of funds from amounts held under the ordinances authorizing the Refunded Bonds to the Escrow Fund, Bond Reserve Fund and Revenue Fund as shall be set forth in the Pricing Certificate.

Section 7.02 Bond Fund. A special fund designated “City of Dallas Civic Center Convention Complex Revenue Bonds Bond Fund” (the “Bond Fund”), is hereby created and established on the books of the City for the payment and retirement of the Bonds. Pending the

employment thereof for the aforesaid purposes, the Bond Fund may be invested in such securities or obligations as permitted under applicable law to mature at such time as will produce amounts sufficient for such purposes as due. Income derived from investment of funds in the Bond Fund shall be credited to the Bond Fund. All amounts therein not so invested shall be continuously secured as required by the City's official investment policy approved by the City Council from time to time and in accordance with the laws of the State of Texas governing the security of uninvested public funds. All sums deposited in the Bond Fund and in the Bond Reserve Fund, hereinafter provided for, shall be held in trust for the benefit of the Bondholders, the beneficial interest in which shall be regarded as existing in said bondholders. To provide the amounts which are to flow into the Bond Fund as specified in Section 2.04 hereof, the City is authorized to make transfers from the Revenue Fund as follows:

(a) Beginning on the 20th day of the first month following the delivery of the Bonds, the City shall make a determination of the balance then credited to the Bond Fund for the purpose of paying and discharging interest to become due on the Bonds on the succeeding interest payment date, and unless the Bond Fund at that time contains an amount fully sufficient for that purpose, then commencing on or before the 25th day of the month of determination as aforesaid, and on or before the 25th day of each succeeding month, there shall be transferred from the Revenue Fund to the Bond Fund in equal monthly installments amounts sufficient to provide for payment of interest to become due on the succeeding interest payment date with respect to the Bonds.

(b) Beginning on the 20th day of the first month following delivery of the Bonds, the City shall make a determination of the balance then credited to the Bond Fund for the purpose of paying and discharging principal to become due on the Bonds on the succeeding principal payment date, and unless the Bond Fund at that time contains an amount fully sufficient for that purpose, then commencing on or before the 25th day of the month of determination as aforesaid, and on or before the 25th day of each succeeding month, there shall be transferred from the Revenue Fund to the Bond Fund in equal monthly installments amounts sufficient to provide for payment of principal to become due on the succeeding principal payment date.

(c) In addition to the amounts provided for interest and principal requirements under (a) and (b) above, the City shall make appropriate arrangements for meeting the fees and charges of the Paying Agent/Registrar.

Section 7.03 Transfer of Funds to Paying Agent. On the day any Bond interest, principal or premium, if any, is due (whether upon their scheduled maturity dates, or pursuant to mandatory redemption), the City shall make a transfer of funds credited to the Bond Fund or, if need be, those on deposit in the Bond Reserve Fund, to the Paying Agent in the amounts calculated as fully sufficient to pay and discharge promptly as due each installment of interest and principal pertaining to the Bonds then outstanding. In the event Bonds have been called for redemption prior to maturity pursuant to the provisions of Section 4.02, the amounts calculated as sufficient to pay and discharge the principal of, premium, if any, and interest on such Bonds shall be provided from funds other than those credited to the Bond Fund and transferred to the Paying Agent so that such funds are available on the date fixed for the redemption thereof.



Section 7.04 Bond Reserve Fund. (a) The special fund designated “City of Dallas Civic Center Convention Complex Revenue Bonds Bond Reserve Fund” (“Bond Reserve Fund”), is hereby created and established by the City, to be accounted for separate and apart from other City funds and accounts. The Reserve Fund shall be used (i) in supplementing the Bond Fund for principal and/or interest requirements of Outstanding Bonds if for any reason such is required in order to prevent a default on the Bonds or (ii) in reimbursing the provider of a Bond Reserve Fund Surety Policy in accordance with its terms. Immediately upon the delivery of the Bonds, the City shall (i) transfer or cause to be transferred into the Reserve Fund from the proceeds of the sale and other available funds or (ii) by acquiring a Bond Reserve Fund Surety Policy, in either instance in an amount at least sufficient to cause the amount credited to the Bond Reserve Fund to be equal to the Bond Reserve Fund Requirement. The Bond Reserve Fund shall be maintained in an amount at least equal to the Bond Reserve Fund Requirement and the cash amount thereof may be invested under the provisions of Section 8.02 hereof. Investments deposited to the Bond Reserve Fund shall be valued at their market value, excluding accrued interest, as of the last day of each Fiscal Year, in accordance with the City’s official investment policy approved by the City Council from time to time. If at any time such amount is less than the Bond Reserve Fund Requirement, the Bond Reserve Fund shall be supplemented from the Revenue Fund each month in amounts equal to one-sixth of the deficit until the Bond Reserve Fund is equal to the Bond Reserve Fund Requirement. As Additional Bonds are issued, the City shall make appropriate arrangements in its authorizing ordinances whereby the Bond Reserve Fund shall be supplemented and maintained at a sum equal to the Bond Reserve Fund Requirement after giving effect to the issuance of the Additional Bonds then in contemplation, and to accomplish this, additional amounts, as necessary, shall be provided for the Bond Reserve Fund upon each such occasion by appropriation from the proceeds of the sale of further Additional Bonds or by acquiring Bond Reserve Fund Surety Policy.

(b) Whenever the amounts in the Bond Fund, together with the amounts in the Bond Reserve Fund, shall be sufficient to pay the principal of and interest accrued and to accrue on such Bonds to their respective maturity dates, and shall be available for such purposes, then and so long as such moneys shall continue to be available and fully sufficient for such purposes, further transfers of moneys from the Revenue Fund to the Bond Fund or the Bond Reserve Fund shall not be required. Whenever all Bonds at the time Outstanding shall have been called for redemption and the moneys then in the Bond Fund, together with moneys then in the Bond Reserve Fund, shall be sufficient to pay the redemption price of all such Bonds, including principal, premium, if any, and accrued interest to the date or dates specified for such redemption, and shall be available for such purpose, then and so long as such moneys shall continue to be available and fully sufficient for such purpose, further transfers of money to the Bond Fund or to the Bond Reserve Fund shall not be required. Furthermore, should Bonds be redeemed prior to their stated maturity, moneys in the Bond Reserve Fund which exceed the Bond Reserve Fund Requirement may be employed in such redemption and upon such redemption there shall be no further transfers of moneys to the Bond Reserve Fund.

Section 7.05 Construction Fund Administration - Expenditures. (a) A special fund designated “City of Dallas Civic Center Convention Complex Revenue Bonds Construction Fund” (the “Construction Fund”) is hereby created and established. As provided in Section 7.01 above, certain of the proceeds from the sale of the Bonds shall be credited to the Construction

Fund. From the Construction Fund, the City shall pay the costs of acquisition, construction and equipping the Improvement Project.

(b) When the acquisition, construction and equipping of the Improvement Project shall have been completed and when all amounts lawfully due therefor, including all proper incidental expenses, shall have been paid, the City shall cause all amounts remaining in the Construction Fund to be transferred to the Bond Fund and applied in diminution of transfers from the Revenue Fund into the Bond Fund as required under Section 7.02 hereof or, in the City's discretion, such surplus may be used (i) to retire Bonds in advance of maturity according to the provisions made for their prior redemption or (ii) for the purchase of Bonds on the open market at a price not exceeding the par value thereof. All Bonds so purchased shall be cancelled and retired.

Section 7.06 Additional Bonds Generally. Subject to the provisions hereinafter appearing with relation to certain conditions precedent, the City reserves the right to issue (i) Improvement Bonds for additions and improvements to the Civic Center and (ii) Refunding Bonds. All such Improvement Bonds and Refunding Bonds, and the requirements ascribed to them may be payable from the same source and secured in the same manner on a parity each with the other and with the Bonds. Improvement Bonds and Refunding Bonds shall be made to mature on August 15, unless issued to mature semiannually in which event they shall be made to mature on February 15 and August 15.

Section 7.07 Improvement Bonds. Improvement Bonds may be issued to provide additions and improvements to the Civic Center when issued in accordance with the following terms and conditions precedent:

(a) The City is not in default as to any covenant, condition or obligation prescribed by this Ordinance or any Supplemental Ordinances;

(b) The applicable laws of the State of Texas in force at such time and which provide permission and authority for the issuance of Improvement Bonds have been fully complied with;

(c) The City has secured from an independent certified public accountant a certificate evidencing his or her determination that the Pledged Revenues were, for any consecutive 12 month period of the last 15 consecutive months prior to the month of adoption of the ordinance authorizing the issuance of the Improvement Bonds, equal to at least 1.25 times the Average Annual Debt Service Requirement on the Bonds and any Additional Bonds and of the proposed Improvement Bonds that will be Outstanding immediately following the issuance of the proposed Improvement Bonds; and

(d) The ordinance authorizing the Improvement Bonds shall specifically include or adopt by reference and have applicable to the Improvement Bonds the provisions of Sections 9.01 through 9.05, both inclusive.

Section 7.08 Refunding Bonds. The City reserves the right to issue Refunding Bonds to refund all or any part of the Bonds and any Additional Bonds (pursuant to any law then available) upon such terms and conditions as the City may deem to be in the best interest of the

City, and if less than all of such Bonds and any Additional Bonds then Outstanding are refunded, the Refunding Bonds shall be issued in accordance with the following terms and conditions precedent:

(a) The City is not in default as to any covenant, condition or obligation prescribed by this Ordinance or any Supplemental Ordinances;

(b) The applicable laws of the State of Texas in force at such time and which provide permission and authority for the issuance of Refunding Bonds have been fully complied with; and

(c) The City has either:

(i) secured from an independent certified public accountant a certificate evidencing his or her determination that the Pledged Revenues were, for any consecutive 12 month period of the last 15 consecutive months prior to the month of adoption of the ordinance authorizing the issuance of the Refunding Bonds, equal to at least 1.25 times the Average Annual Debt Service Requirement on the Bonds and any Additional Bonds (including Improvement Bonds being issued concurrently with the Refunding Bonds) and of the proposed Refunding Bonds that will be Outstanding immediately following the issuance of the proposed Refunding Bonds; or

(ii) secured from an independent certified public accountant a certificate evidencing his or her determination that the Average Annual Debt Service Requirement attributable to the Refunding Bonds does not exceed the Average Annual Debt Service Requirement attributable to the Bonds or Additional Bonds refunded by the Refunding Bonds; and

(d) The ordinance authorizing the Refunding Bonds shall specifically include or adopt by reference and have applicable to the Refunding Bonds the provisions of Sections 9.01 through 9.05, both inclusive.

Section 7.09 Junior Lien Bonds. The City shall retain the right to issue Junior Lien Bonds having a lien on Pledged Revenues subordinate to the Bonds and any Additional Bonds.

## **ARTICLE VIII**

### **INVESTMENTS**

Section 8.01 Investment of Revenue Fund and Bond Fund. The amounts in the Revenue Fund and the Bond Fund shall be invested in such securities or obligations as permitted under applicable law, which investments may include, to the extent permitted by applicable law and the City's investment policy, guaranteed investment contracts.

Section 8.02 Investment of Bond Reserve Fund. The City shall invest and reinvest the Bond Reserve Fund in such securities or obligations as permitted under applicable law, which investments may include, to the extent permitted by applicable law and the City's investment

policy, guaranteed investment contracts. The Bond Reserve Fund's investment securities shall be held separate from other City investments and, if at any time the Bond Fund and uninvested funds in the Bond Reserve Fund shall be insufficient to permit payment of the principal of and interest on the Bonds and any Additional Bonds which has or is to become due, the City shall sell on the open market such amount of the Bond Reserve Fund investment securities as will permit transfers to the Bond Fund in accordance with Section 7.04 hereof relating to the administration of the Bond Reserve Fund. All moneys realized as payment of principal of the Bond Reserve Fund investment securities shall be reinvested and remain in the Bond Reserve Fund. Until such time as the amounts in the Bond Reserve Fund equal the Bond Reserve Fund Requirement all investment earnings credited to such Fund shall remain in the Bond Reserve Fund; thereafter investment earnings shall be deposited to the Revenue Fund.

Section 8.03 Investment of Construction Fund. The City may invest moneys in the Construction Fund in such securities or obligations as permitted under applicable law, including, to the extent permitted by law and the City's investment policy, guaranteed investment contracts. Earnings from such investments shall be credited to the Construction Fund. However, when the Improvement Project has been completed in accordance with approved plans and specifications approved by the City and when all amounts including all proper expenses incidental to said Improvement Project so completed shall have been paid, then the proceeds and any earnings from such investments not expended in aid of acquisition, construction and equipping the Improvement Project shall be disbursed as excess construction funds as provided in Section 7.05(b) hereof.

Section 8.04 Investment of Escrow Fund. The investment and application of money in the Escrow Fund shall be in accordance with the provisions of the Escrow Agreement. Earnings derived from investment of the Escrow Fund shall be credited to such fund.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01 City to Punctually Discharge Obligations of Bonds and Additional Bonds. The City covenants and agrees that it will (i) duly and punctually pay or cause to be paid out of the Pledged Revenues the principal, premium, if any, of every Bond and Additional Bond issued hereunder and the interest thereon on the dates and at the places and in the manner described in the Bonds and Additional Bonds according to the true intent and meaning thereof; (ii) faithfully do and perform and at all times fully observe any and all covenants, undertakings, stipulations and provisions contained herein and on any Bond and Additional Bond executed and delivered hereunder; and (iii) to the full extent of its lawful authority, conduct its affairs in a manner best calculated to advance the completion of the Improvement Project, to the end that the Improvement Project may be placed in operation and become revenue producing at the earliest practical date.

Section 9.02 Maintenance and Operation of Civic Center: Insurance. The City covenants and agrees to maintain the Civic Center in good condition and operate the same in an efficient manner and at reasonable cost.

So long as any of the Bonds and any Additional Bonds are Outstanding, the City agrees to maintain property insurance on all of the Civic Center in such amounts as are obtainable for protection against such risks as will adequately protect the rights and interest of the Bondholders and that during such time all insurance policies shall be maintained in force and kept current as to premium payments. All moneys received from such insurance policies, not applied to restoration or repair of the Civic Center under adequate provisions made within 180 days after the loss or damage in respect of which such moneys were received for making good such loss or damage, shall be placed and maintained in the Revenue Fund and employed, not for maintenance or operation of the Civic Center, but only to meet any Revenue Fund deficiency that would otherwise cause a failure to provide from that source principal, or interest requirements of the Bonds and any Additional Bonds. The payment of premiums for all insurance policies required under the provisions of this Section 9.02 shall be considered as maintenance and operation expenses.

Section 9.03 Maintenance of Adequate Rates For Rents and Charges. The City covenants that it will fix, maintain and enforce rates, rents and charges for the use and services of the Civic Center which will produce Civic Center Revenues which, with receipts from the Pledged Hotel Occupancy Tax and income from investment of the Funds held under the Ordinance, will result in Pledged Revenues fully sufficient to meet promptly as due all requirements of the Bonds and any ordinances authorizing the issuance of Additional Bonds.

Section 9.04 Records and Accounts. The City hereby covenants and agrees that so long as any of the Bonds and any Additional Bonds remain Outstanding and unpaid, it will keep and maintain proper and complete systems of books, records and accounts pertaining to the operation of the Civic Center and the administration of the income pledged to the payment of the Bonds and Additional Bonds, separate and apart from all other records and accounts, in which complete and correct entries shall be made of all related transactions, and that the holder or holders of any

of the Bonds and Additional Bonds or any duly authorized agent or agents of such Bondholders shall have the right at all reasonable times to inspect all such books, records, accounts and data relating thereto, and to inspect the Civic Center and all properties comprising the same.

Section 9.05 City's Powers Lawfully Exercised; Civic Center Revenues and Pledged Hotel Occupancy Tax Receipts Not Otherwise Encumbered. The City further covenants and agrees by and through this Ordinance that:

(a) It has the lawful power to pledge to provide the Pledged Revenues for the payment of the Bonds and Additional Bonds and it has lawfully exercised such power under the Constitution and laws of the State of Texas and its City Charter, including the powers existing under Chapter 351 and Chapter 1504. Among the powers expressly given pursuant to said Chapter 1504, as amended, the City is authorized to provide for the flow of funds, the establishment and maintenance of the Bond Fund, Bond Reserve Fund and other funds herein referred to and to make such additional covenants with respect to the Bonds, Additional Bonds and the Pledged Revenues and operation and maintenance of the Civic Center as it may deem appropriate. The City is further authorized to make such other provisions and covenants as it may determine not prohibited by the Constitution of Texas or by Chapter 1504, and to adopt and cause to be executed any other proceedings or instruments necessary or convenient in the issuance of the Bonds.

(b) Other than for the payment of Bonds and any Additional Bonds as herein authorized, the Pledged Revenues have not been pledged in any manner to the payment of any debt or obligation of the City or the Civic Center, and said Civic Center and Pledged Revenues are otherwise free and clear of all encumbrances.

(c) The owner or holder of any Bonds or Additional Bonds shall never have the right to demand payment of principal or premium, if any, or interest thereon from any funds raised or to be raised by taxation except as to the Pledged Hotel Occupancy Tax, and nothing in this Ordinance shall require the City to make any expenditures in meeting the requirements of the Bonds and any Additional Bonds except from Pledged Revenues, but nothing herein shall prohibit the City from doing so.

(d) The City will not create or issue any evidences of indebtedness for any purpose possessing a lien on Pledged Revenues which shall be superior to the lien thereon or pledge thereof in favor of the Bonds and any Additional Bonds.

(e) The City shall continue to possess full ownership and control of the Civic Center and responsibility for its operation and maintenance throughout the life of the Bonds and any Additional Bonds. The City covenants that it will not sell, lease or otherwise encumber any of the properties comprising the Civic Center, or any interest therein, in any manner that would result in the interest on the Bonds being includable in gross income for federal tax purposes. The City, however, retains the right to sell or dispose of any properties which it may acquire as incidental to the operation of the Civic Center upon a finding by the City Council that such properties are no longer necessary for the efficient operation of the Civic Center and that the disposal thereof will not impair any pledge made to the holders of Bonds and any Additional Bonds issued in connection therewith. Additionally, the City reserves the right to dispose of any

properties constituting a part of the Civic Center. Further, the City reserves the right to enter into contracts or agreements providing for the operation of the Civic Center by others, on behalf of the City, if the City shall decide such method of operation would be more efficient, provided that no such contracts or agreements shall be made which will conflict with or violate the provisions of the Code.

(f) So long as any of the Bonds and any Additional Bonds remain Outstanding and unpaid, the Pledged Hotel Occupancy Tax, as herein authorized and pledged to the payment of the Bonds and any Additional Bonds, shall neither be diminished nor abrogated by the City.

(g) All Pledged Revenues to be transferred from the Revenue Fund to the Bond Fund shall be impressed with a trust for the benefit of the Bondholders to the full extent required for payment of the Bonds and any Additional Bonds, and no part thereof shall be used to pay any other debt, expense or obligation of the City until the requirements of the Bonds and any Additional Bonds have been fully paid and discharged.

(h) Under Chapter 1208.002, Texas Government Code, as amended, a security interest in property, other than real property, that is created by the City is valid and effective according to the terms of the security agreement and is perfected from the time the security agreement is entered into or adopted continuously through the termination of the security interest, without physical delivery or transfer of control of the property, filing of a document, or another act. If Chapter 1208.002 is amended at any time while the Bonds are outstanding and unpaid, the City shall take all actions required in order to preserve for the registered owners of the Bonds a perfected security interest in the property in which such security interest is granted pursuant to Section 2.01 hereof.

Section 9.06 Federal Income Tax Exclusion. (a) General. 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, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 9.06; provided, however, that the City shall not be required to comply with any particular requirement of this Section 9.06 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 9.06 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 9.06.

(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 Refunded Bonds have not been used and the proceeds of the Refunded Bonds and 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 Refunded Bonds and 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 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 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 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 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 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. The City will maintain a copy of any such calculations, and any and all documentation necessary to produce such calculations or necessary to establish qualifications for an exemption from the need to produce such calculations for at least six years after the close of the final calendar year during which any Bond is outstanding. 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 9.06 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;

(ii) failure to make the credits to the Bond Fund as required by Section 7.02 of this Ordinance; or

(iii) 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.

Section 10.04 Action by Bond Insurer. So long as a Municipal Bond Guaranty Insurance Policy is in effect and the Bond Insurer is not in default with respect to the Municipal Bond Guaranty Insurance Policy, it shall be considered the sole owner of the Bonds with respect to any action taken pursuant to Article X, including taking any action to institute any suit, action or proceeding at law or in equity as permitted under this Ordinance.

## **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 OF THE BONDS; APPROVAL OF OFFICIAL STATEMENT; AND DELIVERY OF BONDS**

Section 12.01 Sale of the Bonds.

(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 Chapters 1207 and 1371, 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 redemption dates for the Refunded Bonds, 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, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver a bond purchase agreement (the "Bond Purchase Agreement") which Bond Purchase Agreement is hereby accepted, approved and authorized in substantially the form submitted to

the City and upon completion of the terms of the Bond Purchase Agreement in accordance with the terms of the Pricing Certificate and this Ordinance, the Authorized Officer is authorized and directed to execute such Bond 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 the Representative

(c) The authority granted to the Authorized Officer under this Section 12.01 shall expire at 5:00 p.m., May 19, 2009, unless otherwise extended by the City Council by separate action.

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

Section 12.02 Official Statement. (a) 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.

(b) 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 Bonds 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 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).

(c) The obligation of the Underwriters to accept delivery of the Bonds is subject to the Purchaser 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 12.03 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, 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, unless the SEC has withdrawn its interpretative advice in its letter to the Municipal Advisory Council of Texas dated September 7, 2004. 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**

### **REDEMPTION OF REFUNDED BONDS; APPROVAL OF ESCROW AGREEMENT; PURCHASE OF ESCROWED SECURITIES**

#### Section 14.01 Redemption of Refunded Bonds.

(a) The City hereby calls the Refunded Bonds for redemption prior to maturity on the dates and at the prices set forth in the Pricing Certificate. The Authorized Officer is hereby directed to notify the paying agent for the Refunded Bonds of such redemption in accordance with the ordinance authorizing the issuance of the Refunded Bonds.

(b) The paying agent/registrars for the Refunded Bonds is hereby authorized and directed to give or cause to be given notice of redemption of the Refunded Bonds at the times and in the manner specified in the ordinance authorizing the issuance of such Refunded Bonds.

(c) The City Secretary is hereby authorized and directed to cause a copy of this Ordinance and the Pricing Certificate to be delivered to the paying agent/registrars for the Refunded Bonds, the delivery of which shall constitute notice of redemption and notice of defeasance to such paying agent/registrars.

#### Section 14.02 Subscription of Federal Securities.

The Authorized Officer is hereby authorized to make necessary arrangements for the purchase of the Federal Securities referenced in the Escrow Agreement as may be necessary for the Escrow Fund, and the application for the acquisition of the Federal Securities is hereby approved and ratified.

#### Section 14.03 Approval of Escrow Agreement.

The discharge and defeasance of the Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement (the "Escrow Agreement") to be entered into by and between the City and the Escrow Agent, in substantially the form submitted to the City, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary to comply with the terms set forth in the Pricing Certificate,

and the Authorized Officer is hereby authorized to execute and deliver such Escrow Agreement on behalf of the City in multiple counterparts.

## **ARTICLE XV**

### **REFUNDED BONDS**

Section 15.01 Source of Funds for Refunding. Following the deposits to the Escrow Fund as specified herein and in the Pricing Certificate, the sole source of funds for payment of the principal of, premium, if any, and interest on the Refunded Bonds shall be from the funds placed in escrow with the Escrow Agent pursuant to the Escrow Agreement.

Section 15.02 Payment of Paying Agency Fees. Prior to the Closing, the City shall ascertain from the paying agent for the Refunded Bonds the amount of all future fees and expenses for their paying agency services with respect to the Refunded Bonds. Concurrently with the sale and delivery of the Bonds, the City shall cause an amount sufficient to pay such future fees and expenses to be paid to each such paying agent.

## **ARTICLE XVI**

### **MISCELLANEOUS MATTERS**

Section 16.01 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.

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APPROVED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2008.

APPROVED AS TO FORM:

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

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

*Signature Page for the Civic Center Convention Complex 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 and 2, 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 true interest cost for the Bonds shall not exceed 6.25%, and no Bond shall be an interest at a rate greater than greater than the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;

(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 thirty years;

(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; and

(f) underwriters' discount shall not exceed 1.25% of par.

SCHEDULE I  
REFUNDED BONDS

<u>Issue</u>	<u>Original Issue Date</u>	<u>Original Issue Amount</u>	<u>Maturities to be Refunded</u>	<u>Amount to be Refunded</u>	<u>Redemption Date and Price</u> (As set forth in the Pricing Certificate.)
Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 1998	May, 1998	\$256,050,000	8/15/2009	\$12,460,000	
			8/15/2010	12,065,000	
			8/15/2011	12,635,000	
			8/15/2012	13,240,000	
			8/15/2013	13,890,000	
			8/15/2014	14,585,000	
			8/15/2015	15,315,000	
			8/15/2016	16,080,000	
			8/15/2018	34,610,000	
			8/15/2023	71,860,000	
			8/15/2028	39,310,000	

\*Maturities 2018, 2023 and 2028 represent term bonds.

\*The amounts to be refunded represent all of the outstanding Civic Center Convention Complex Revenue Refunding and Improvement Bonds, Series 1998.

**AGENDA ITEM # 7**

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

**AGENDA DATE:** November 19, 2008

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

**DEPARTMENT:** Human Resources

**CMO:** Ryan Evans, 670-3302

**MAPSCO:** N/A

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**SUBJECT**

Authorize **(1)** the reappointment of the City Secretary Deborah Watkins for an additional two-year term, beginning November ~~10~~19, 2008; and **(2)** ~~a lump sum payment an adjustment in compensation~~ to the City Secretary Deborah Watkins in an amount to be determined by City Council, ~~to be made in two equal payments on April 9, 2009 and September 10, 2009, in addition to her base pay of \$120,840, plus the associated pension contribution effective October 1, 2008~~ - Financing: Current Funds

**BACKGROUND**

On March 8, 2006, by Resolution No. 06-0869, the City Council appointed Deborah Watkins as City Secretary of the City of Dallas, for a two-year term beginning March 15, 2006, and established her annual base salary in an amount not to exceed \$103,227.75.

On March 21, 2007, the City Council conducted its annual performance review of the City Secretary and recommended an increase in the amount of \$10,772.25 to her annual base salary.

On April 11, 2007, the City Council approved Resolution No. 07-1188, which increased the base pay of City Secretary Deborah Watkins from \$103,227.75 to \$114,000.00.

City Council conducted its annual performance review of City Secretary Deborah Watkins, on November 5, 2007 and recommended a pay increase in the amount of \$6,840.

On November 12, 2007, by Resolution No. 07-3364, the City Council increased the annual base salary of the City Secretary from \$114,000 to \$120,840.

### **PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

On March 8, 2006, by Resolution No. 06-0869, the City Council approved the appointment of Deborah Watkins as City Secretary for a two-year term beginning on March 15, 2006, at an annual base salary of \$103,228.

On April 11, 2007, by Resolution No. 07-1188, the City Council approved an increase to the annual base salary of the City Secretary to \$114,000.

On November 12, 2007, by Resolution No. 07-3364, the City Council approved an increase to the annual base salary of the City Secretary to \$120,840.

On November 10, 2008, this item was deferred by Councilmember Kadane.

On November 19, 2008 City Council conducted a performance review of the City Secretary.

### **FISCAL INFORMATION**

To be determined by City Council - Current Funds

November 19, 2008

**WHEREAS**, on March 8, 2006, by Resolution No. 06-0896, the City Council appointed Deborah Watkins as City Secretary, for a two year term beginning March 15, 2006, and established her annual base salary of \$103,227.25; and

**WHEREAS**, on March 21, 2007, the City Council conducted its annual performance review of the City Secretary and recommended an increase in the amount of \$10,772; and

**WHEREAS**, on April 11, 2007, City Council approved Resolution No. 07-1188 which increased the annual base salary of City Secretary Deborah Watkins from \$103,227 to \$114,000; and

**WHEREAS**, on November 5, 2007, the City Council conducted its annual performance review of the City Secretary and recommended an increase in pay from \$114,000 to \$120,840; and

**WHEREAS**, on November 12, 2007, by Resolution 07-3364, the City Council increased the City Secretary's annual base salary form \$114,000 to \$120,840; and

**WHEREAS**, on November 19, 2008, the City Council conducted its annual performance review of the City Secretary, and recommended her reappointment for a two-year term and a \_\_\_\_ percent increase of \$\_\_\_\_\_in her annual base salary, from \$\_\_\_\_\_ to \$\_\_\_\_\_ effective October 1, 2008.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That Deborah Watkins is hereby reappointed as City Secretary for the City of Dallas for a two-year term commencing November 19, 2008.

**SECTION 2.** That the City Secretary receive a \_\_\_\_ percent increase of \$\_\_\_\_\_ in her annual base salary, from \$\_\_\_\_\_ to \$\_\_\_\_\_ effective October 1, 2008.

**SECTION 3.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

Distribution:

Human Resources - 6AN

