

ORDINANCE NO. 083-036

AN ORDINANCE BY THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1983, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,300,000

WHEREAS, under the provisions of Article 2368a.1, V.T.C.S., the Town of Addison, Texas (the "Town"), is authorized to issue certificates of obligation for the purposes specified in this Ordinance;

WHEREAS, the Town is authorized to provide that such obligations will be payable from and secured by the levy of a direct and continuing annual ad valorem tax against all taxable property within the Town and from all or a part of any surplus revenues of the Town's waterworks and sewer system, and to sell the same for cash as herein provided;

WHEREAS, the City Council has found and determined that it is necessary and in the best interest of the Town and its citizens that it issue the Combination Tax and Revenue Certificates of Obligation authorized by this Ordinance;

WHEREAS, pursuant to an ordinance heretofore passed by this governing body, Notice of Intention to Issue Not More Than \$5,300,000 Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 1983, was published in a newspaper of general circulation in said Town on the 10th day of May, 1983 and on the 17th day of May, 1983, the date of the first publication of said Notice being at least fourteen (14) days prior to the date set for the passage of this Ordinance;

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

WHEREAS, this Town Council is now authorized and empowered to proceed with the issuance of said Certificates of Obligation and to sell the same for cash;

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

Section 1. That for the purpose of paying contractual obligations to be incurred for constructing, equipping and improving various public works, to-wit: constructing and improving certain streets of the Town, making certain improvements to the water system of the Town and making certain improvements to the sewer system of the Town and paying all or a portion of the contractual obligations for professional services of engineers, attorneys and financial advisors in connection with said public improvements and Certificates of Obligation, there shall be and there is hereby ordered to be issued, under and by virtue of the Constitution and laws of the State of Texas, particularly Article 2368a.1, V.T.C.S., a series of Certificates of Obligation of the Town of Addison, Texas, to be known as "TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1983," in the aggregate principal amount of Five Million Three Hundred Thousand Dollars (\$5,300,000).

Section 2. That said Certificates shall be dated June 1, 1983, shall be numbered consecutively from One (1) through One Thousand Sixty (1,060), shall each be in the denomination of \$5,000, and shall become due and payable serially on June 1 in each of the years in accordance with the following schedule:

<u>CERTIFICATE NUMBERS</u> (all inclusive)	<u>YEARS</u> (June 1)	<u>AMOUNT</u>
1 - 10	1991	\$ 50,000
11 - 35	1992	125,000
36 - 75	1993	200,000
76 - 125	1994	250,000
126 - 175	1995	250,000
176 - 245	1996	350,000
246 - 355	1997	550,000
356 - 470	1998	575,000
471 - 580	1999	550,000
581 - 690	2000	550,000
691 - 800	2001	550,000
801 - 925	2002	625,000
926 - 1,060	2003	675,000

PROVIDED, HOWEVER, that the Town reserves the right at its option to redeem the Certificates of this series maturing on and after June 1, 1994, in whole, or any part thereof, on June 1, 1993, or on any interest payment date thereafter, for the principal amount thereof and accrued interest to the date of redemption; PROVIDED FURTHER, that at least thirty (30) days prior to any interest payment date upon which any of said Certificates are to be redeemed, notice of redemption signed by the City Secretary (specifying the serial numbers and amount of Certificates to be redeemed) shall have been filed with the First City Bank of Dallas, Dallas, Texas (the paying agent named in each of said Certificates), and if by the date so fixed for redemption the Town shall have made available to the paying agent bank funds in amounts sufficient to pay the Certificates called for redemption and accrued interest thereon to the date of redemption, pursuant to such notice, the same shall cease to bear interest from and after the date so fixed for redemption and shall not be deemed to be outstanding for any purpose except for the purpose of receiving such funds.

Section 3. That each of said Certificates of Obligation shall bear interest from their date and while outstanding to their respective maturities or earlier redemption at the following rates per annum, to-wit:

with said interest to be evidenced by interest coupons payable on December 1, 1983, and semiannually thereafter on each June 1 and December 1.

Both principal of and interest on this issue of Certificates shall be payable in lawful money of the United States of America, without exchange or collection charges to the owner or holder, at the First City Bank of Dallas, Dallas, Texas, upon presentation and surrender of Certificates or proper interest coupons.

Section 4. That the seal of said Town may be impressed on each of said Certificates or, in the alternative, a facsimile of such seal may be printed on said Certificates. The Certificates and interest coupons appurtenant thereto may be executed by the imprinted facsimile signatures of the Mayor and City Secretary of the Town, and execution on such manner shall have the same effect as if such Certificates and coupons had been signed by the Mayor and City Secretary in person by their manual signatures. Inasmuch as such Certificates are required to be registered by the Comptroller of Public Accounts for the State of Texas, only his signature (or that of a deputy designated in writing to act for the Comptroller) shall be required to be manually subscribed to such Certificates in connection with his registration certificate to appear thereon, as hereinafter provided, all in accordance with the provisions of Article 717j-1, V.T.C.S.

Section 5. The Certificates shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF DALLAS
TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 1983

The Town of Addison, a municipal corporation of the State of Texas, certifies and acknowledges itself to be indebted to, and for value received, hereby promises to pay to bearer, on the FIRST DAY OF JUNE, _____, the sum of

FIVE THOUSAND DOLLARS

(\$5,000), in lawful money of the United States of America, with interest thereon from the date hereof at the rate of _____% per annum, evidenced by interest coupons payable on December 1, 1983, and semiannually thereafter on each June 1 and December 1 while this Certificate is outstanding. The principal of this Certificate and the interest coupons attached hereto shall be payable to bearer in lawful money of the United States of America, without exchange or collection charges to the bearer, upon presentation and surrender of this Certificate or proper interest coupon, at the First City Bank of Dallas, Dallas, Texas, which place shall be the paying agent for this series of Certificates.

THIS CERTIFICATE is dated June 1, 1983 and is one of a series of Certificates, numbered consecutively from One (1) through One Thousand Sixty (1060), each in the denomination of Five Thousand Dollars (\$5,000), aggregating the principal sum of Five Million Three Hundred Thousand Dollars (\$5,300,000), issued for the purpose of paying contractual obligations to be incurred for constructing, equipping and improving various public works, to-wit: constructing and improving certain streets of the Town, making certain improvements to the water system of the Town and making certain improvements to the sewer system of the Town and paying all or a portion of the contractual obligations for professional services of

engineers, attorneys and financial advisors in connection with said public improvements and Certificates of Obligation under and by virtue of the Constitution and laws of the State of Texas, including Article 2368a.1, V.T.C.S., and in accordance with an ordinance duly passed and adopted by the City Council of the Town of Addison, Texas, and of record in the minutes of the said City Council.

AS SPECIFIED in the Ordinance hereinabove mentioned, the Town reserves the right at its option, to redeem the Certificates of this series maturing on and after June 1, 1994, in whole, or in any part thereof, on June 1, 1993, or on any interest payment date thereafter for the principal amount thereof and accrued interest to the date of redemption; PROVIDED, HOWEVER, that at least thirty (30) days prior to any interest payment date upon which any of said Certificates are to be redeemed, notice of redemption signed by the City Secretary (specifying the serial numbers and amounts of Certificates to be redeemed) shall have been filed with the aforesaid paying agent, and if by the date so fixed for redemption the Town shall have made available to the paying agent bank funds in the amounts sufficient to pay the Certificates called for redemption and accrued interest thereon to the date of redemption, pursuant to such notice, the same shall cease to bear interest from and after the date so fixed for redemption.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that the issuance of this Certificate and the series of which it is a part, is duly authorized by law; that all acts, conditions and things to be done precedent to and in the issuance of this Certificate and the series of which it is a part, have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; that proper provisions have been made for the levy and collection annually of taxes upon all taxable property in said Town sufficient within the limits prescribed by law to pay the interest on this Certificate and the series of which it is a part as due and to provide for the payment of the principal as the same matures; and that, in addition to said tax, further provision has been made for the payment of the principal hereof and the interest hereon, and of the series of which this Certificate is a part, by pledging to such purposes all or a part of any surplus revenues of the Town's waterworks and sewer system remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the Town's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the Town's waterworks and sewer system, all as more fully set forth in said Ordinance, said pledge of such revenues, however, being expressly subject and subordinate to any pledge heretofore made or hereafter to be made securing the payment of any bonds or other obligations payable from such revenues, all as provided in said Ordinance; that when so collected, such taxes and revenues shall be appropriated to such purposes; and that the total indebtedness of the Town, including this Certificate and the series of which it is one, does not exceed any constitutional, statutory or other limitation.

IN TESTIMONY WHEREOF, the City Council of the Town, in accordance with the provisions of Article 717j-1, V.T.C.S., has caused the seal of said Town to be impressed or a facsimile thereof to be printed hereon, and this Certificate and its appurtenant coupons to be executed with the facsimile signatures of the Mayor and City Secretary of the said Town.

Mayor, Town of Addison, Texas

COUNTERSIGNED:

City Secretary, Town of Addison, Texas

Section 6. The form of said interest coupons shall be substantially as follows:

NO. _____ \$ _____

ON THE _____, 19__

The Town of Addison, in the County of Dallas, State of Texas, unless due provision has been made for the redemption prior to maturity of the Certificate to which this interest coupon appertains, promises to pay to bearer the amount shown on this interest coupon, in lawful money of the United States of America, without exchange or collection charges to bearer, at the First City Bank of Dallas, Dallas, Texas, said amount being interest due that day on the Certificate, bearing the number hereinafter designated, of that issue of Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 1983, dated June 1, 1983. Certificate No. _____.

City Secretary

Mayor

Section 7. That the following certificate shall be printed on the back of said Certificates of Obligation:

OFFICE OF COMPTROLLER §
 § REGISTER NO. _____
STATE OF TEXAS §

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Certificate of Obligation has been examined by him as required by law, and that it is a valid and binding obligation upon the Town of Addison, Texas, and said Certificate has this day been registered to me.

29

WITNESS MY HAND AND SEAL OF OFFICE at Austin, Texas _____.

Comptroller of Public Accounts for the
State of Texas

Section 8. For all purposes of this Ordinance and for clarity with respect to the issuance of the Certificates of Obligation herein authorized, and the levy of taxes and appropriation of revenues thereof, the following definitions are provided:

a. The term "System" as used in this Ordinance shall mean the Town's waterworks and sewer system, including all present and future additions, extensions, replacements and improvements thereto.

b. The term "Net Revenues" shall mean the gross revenues of the System less the expense of operation and maintenance as said expenses are defined by Statute (Article 1113, V.T.C.S.).

c. The term "Certificates" shall mean the combination tax and revenue Certificates of Obligation authorized by this Ordinance and any additional certificates of obligation issued on a parity therewith.

d. The term "Certificate Fund" shall mean the special fund created under the provisions of Section 9 of this Ordinance.

e. The term "Prior Lien Bonds" shall mean any and all bonds or other obligations of the Town presently outstanding or that may be hereafter issued, payable from and secured by a first lien on and pledge of the net revenues of the Town's waterworks and sewer system as authorized by the ordinances authorizing the Town's presently outstanding Prior Lien Bonds and Section 14(a) of this Ordinance.

f. The term "Fiscal Year" whenever the same appears without any qualifying language, shall mean the twelve-month operations period for the system ending on September 30 of each year.

g. The term "Surplus Revenues" shall mean the revenues of the System remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with the Town's Prior Lien Bonds.

Section 9. That for the purposes of paying the interest on and to provide a sinking fund for the payment, redemption and retirement of the Certificates, there is hereby created and established a special fund to be designated "SPECIAL TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION FUND," and all moneys deposited therein shall be used for no other purpose. This fund shall be deposited with the First City Bank of Dallas, Dallas, Texas, and said custodian of the Fund is hereby authorized and directed to make withdrawals from said Fund in such amounts required to pay the principal of and interest on the Certificates as the same become due.

Section 10. That to provide for the payment of the debt service requirements of the Certificates, being (i) the interest on the Certificates, and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% per annum (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain outstanding and unpaid, a sufficient tax on each one hundred dollars' valuation of taxable property in said City, adequate to pay such debt service requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the debt service requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund. This governing body of the Town hereby declares its purposes and intent to provide and levy a tax legally and fully sufficient to pay the said debt service requirements, it having been determined that the existing and available taxing authorization of the Town for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations.

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

a. The Town's annual budget shall reflect (i) the amount of debt service requirements to become due on the Certificates in the next succeeding Fiscal Year of the Town, (ii) the amount on deposit in the Certificate Fund, as of the date such budget is prepared (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year) and (iii) the amount of Surplus Revenues of the System estimated and budgeted to be available for the payment of such debt service requirements of the Certificates during the next succeeding Fiscal Year of the Town.

b. The amount required to be provided in the succeeding Fiscal Year of the Town from ad valorem taxes shall be the amount, if any, the debt of service requirements to be paid on the Certificates in the next succeeding Fiscal Year of the Town exceed the sum of (i) the amount shown to be on deposit in the Certificate Fund at the time the annual budget is prepared, and (ii) the Surplus Revenues of the System shown to be budgeted and available for payment of said debt service requirements after taking into consideration the debt service requirements and other fund requirements of the Prior Lien Bonds.

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

Section 11. The Town hereby covenants and agrees that all the Surplus Revenues, with the exception of those in excess of the amounts required to be deposited to the Certificate Fund as hereafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates as the same become due. After satisfying all payments required under the terms and provisions of the ordinances authorizing the Prior Lien Bonds, all Surplus Revenues remaining shall be and are hereby pledged and the same shall be appropriated for the following purposes and in the order of precedence shown, as follows:

FIRST: To the "SPECIAL TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION FUND," to the extent as provided in Section 12; and

SECOND: To any other proper purposes now or hereafter permitted by law.

Section 12. That the Town shall cause the pledged Surplus Revenues to be deposited in the Certificate Fund as and when the same is available until such time as such Fund contains an amount equal to pay the principal of and interest on the Certificates to maturity or earlier redemption.

Section 13. All Funds for which this ordinance makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and such Funds shall be used for the purposes permitted by this Ordinance.

Section 14. (a) That the Town expressly reserves the right to issue additional Prior Lien Bonds in accordance with the provisions of the ordinances authorizing the Town's presently outstanding Prior Lien Bonds.

(b) That the Town expressly reserves the right to issue other Certificates of Obligation or any other obligations in any lawful amount, of any nature or kind and for any lawful purpose which are payable from taxation and Surplus Revenues, and any such obligations may be on a parity with the Certificates.

(c) That notwithstanding any other provisions of this Ordinance, the Town expressly reserves the right to issue any obligations in any lawful amount, of any nature or kind and for any lawful purpose which are payable wholly from taxation and/or from any other revenues of the Town.

Section 15. That, in addition to any other rights and remedies provided by the laws of the State of Texas, the Town covenants and agrees that in event of default in the payment of principal of or interest on any of the obligations authorized and permitted hereby when due, or failure to make the payments required into the Certificate Fund or defaults in the observance or performance of any of the covenants, conditions or obligations set forth in this Ordinance, the holder or holders of any of the obligations authorized or permitted hereby shall be entitled to apply for a writ of mandamus to a court of proper jurisdiction for the purpose of compelling and requiring the Town and the officials thereof to observe and perform any covenants, obligations or conditions prescribed in this Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time as often as may be deemed expedient. The specific remedies provided herein shall be cumulative of all other existing remedies, and the specification of such remedies shall not be deemed to be exclusive.

Section 16. It is the intention of this governing body of the Town and accordingly hereby recognized and stipulated that any provisions, conditions and other recitals which may be contained in the ordinances authorizing Prior Lien Bonds which bear upon the management of the affairs of the Town's waterworks and sewer system and methods for providing and administering its revenues shall be applicable as appropriate to the Certificates herein authorized but in all respects subject to the priorities of the Prior Lien Bonds.

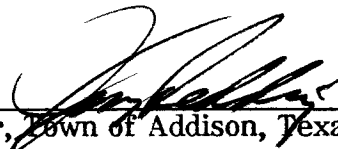
Section 17. That all of said Certificates, being numbered One (1) through One Thousand Sixty (1,060), both inclusive, are hereby sold in accordance with law to _____ and shall be delivered to such purchaser for the principal amount thereof plus accrued interest to the date of delivery and a _____ of \$ _____. Any such accrued interest shall be deposited into the Certificate Fund.

Section 18. That the purchasers' obligation to accept delivery of the Certificates herein authorized is subject to their being furnished a final opinion of Messrs. Hutchison Price Boyle & Brooks, Attorneys, Dallas, Texas, approving such Certificates as to their validity, said opinion to be dated and delivered as of the date of delivery and payment of such Certificates. Printing of a true and correct copy of said opinion on the reverse side of each of such Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the City Secretary is hereby approved and authorized.

Section 19. The Mayor of the Town shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, and shall take and have charge and control of the Certificates herein authorized pending their approval by the Attorney General, registration by the Comptroller of Public Accounts, and delivery to the purchaser thereof.

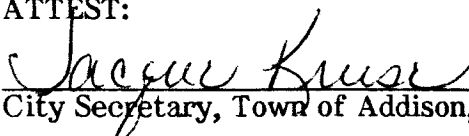
Section 20. That said Town hereby covenants that the proceeds from the sale of said Certificates will be used as soon as practicable for the purpose for which said Certificates are issued; that such proceeds will not be invested in any securities or obligations except for the temporary period pending such use; and that such proceeds will not be used directly or indirectly so as to cause all or any part of said Certificates to be or become "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, or any regulations or rulings prescribed or made pursuant thereto.

PASSED AND APPROVED this the 24 day of May, 1983.



Mayor, Town of Addison, Texas

ATTEST:



City Secretary, Town of Addison, Texas

[SEAL]