

ORDINANCE NO. 084-014

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF TOWN OF ADDISON, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 1984, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,600,000; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, under the provisions of Article 2368a.1, Vernon's Texas Civil Statutes, as amended ("V.T.C.S."), in conjunction with Article 1269j-4.1, V.T.C.S., the governing body of the Town of Addison, Texas (the "Town") is authorized to issue certificates of obligation for the purpose of obtaining funds for the purchase of land for authorized needs and purposes namely for a civic theater and for the payment of all or a portion of the contractual obligations for professional services of attorneys and financial advisors in connection therewith, and to sell the same for cash as herein provided; and

WHEREAS, the Town is authorized to provide that such obligations will be payable from and secured by ad valorem taxes in combination with a portion of the revenues the Town derives from the levy and collection of the hotel-occupancy tax authorized by Article 1269j-4.1, V.T.C.S.; and

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

WHEREAS, pursuant to a resolution heretofore passed by this governing body, notice of intention to issue certificates of obligation of this Town payable as provided in this ordinance, in an amount not to exceed \$2,000,000 for the purpose of obtaining funds for the purchase of land for authorized needs and purposes, to-wit: a civic theater, and paying all or a portion of the contractual obligations for professional services of attorneys and financial advisors in connection therewith, was published in a newspaper of general circulation in the Town on March 6, 1984 and March 13, 1984, 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; and

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

WHEREAS, this City 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:

## 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:

"Certificate" means any of the Certificates.

"Certificateholder" or "Holder" or "Owner" means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

"Certificates" means the certificates authorized to be issued by Section 3.01 of this Ordinance.

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

"Code" means the Internal Revenue Code of 1954, as amended, including the regulations and published rulings thereunder.

"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 from time to time be set by the City Council or by the Town's Home Rule Charter.

"Hotel Occupancy Tax" means the gross receipts of those taxes collected by the Town representing 4% of the consideration paid to any hotel in the Town as the cost of occupancy of any sleeping room furnished by such hotel where the cost of occupancy is at a rate of \$2.00 or more per day.

"Initial Certificate" means the Initial Certificate authorized by Section 3.04(b) of this Ordinance.

"Initial Date" means the date designated as the Initial Date by Section 3.02(a) of this Ordinance.

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

"Paying Agent/Registrar" means initially RepublicBank Dallas, National Association, Dallas, Texas, or any successor thereto as provided in this Ordinance.

"Pledged Revenues" means the Hotel Occupancy Tax pledged to the payment of the Certificates.

"Record Date" means the Record Date as prescribed by Section 3.03(b) of this Ordinance.

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

"Revenue Fund" means the revenue fund established by this Ordinance.

"Town" means the Town of Addison, Texas.

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

## ARTICLE II

### SECURITY FOR THE CERTIFICATES

Section 2.01. Payment of the Certificates.

To provide for the payment of the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% per annum (whichever amount shall be the greater), there shall be and there is 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 the Town, 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 Interest and Sinking Fund. This governing body hereby declares its purpose 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 authority 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 Revenue Fund and the Interest and Sinking 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 Pledged Revenues estimated and budgeted to be available for the payment of such debt service requirements on 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 service requirements to be paid on the Certificates in the next succeeding Fiscal Year of the Town exceeds the sum of (i) the amount shown to be on deposit in the Revenue Fund and the Interest and Sinking Fund (after giving effect to any payments required to be made during the remainder of the then current Fiscal Year) at the time the annual budget is prepared, and (ii) the Pledged Revenues shown to be budgeted and available for payment of said debt service requirements.

(c) Following the 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.

The Town hereby covenants and agrees that all the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of, premium, if any, and interest on the Certificates as the same become due.

### ARTICLE III

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

##### Section 3.01. Authorization.

The Town's Certificates of Obligation to be designated "Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 1984," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas and the Charter of the Town, the Certificates to be issued in the aggregate principal amount of \$1,600,000 for the purpose of obtaining funds for the purchase of land for authorized needs and purposes, to-wit: a civic theater, and paying all or a portion of the contractual obligations for professional services of attorneys and financial advisors in connection therewith.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Certificates shall have an Initial Date of April 1, 1984. The Certificates 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.

(b) The Certificates shall mature on April 1 in the years and as to the principal amounts set forth below, and interest on each Certificate shall accrue from the later of the Initial Date or the most recent interest payment date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on April 1 and October 1 of each year until maturity or prior redemption commencing October 1, 1984, all as set forth in the schedule below:

<u>Year (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1985	\$ 400,000	6.50%
1986	500,000	7.00%
1987	700,000	7.50%

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Certificates shall be payable to the Owners as shown in the Register at the close of business on the 15th day of the month next preceding such interest payment date (the "Record Date").

(c) Interest 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.

(d) The principal of each Certificate shall be paid to the person in whose name such Certificate 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 Certificate at the principal corporate trust office of the Paying Agent/Registrar.

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Town. 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 Holder of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Section 3.04. Control, Execution and Initial Registration.

(a) That the Mayor of the Town is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval by 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) Initially, a single certificate (the "Initial Certificate") representing the entire principal amount of the Certificates registered in the name of the initial purchaser of the Certificates, or his or her designee, shall be executed and submitted to the Attorney General of the State of Texas for his approval, and, thereupon, the Comptroller of Public Accounts of the State of Texas, or a deputy designated in writing to act on behalf of the Comptroller, will execute the Comptroller's Registration Certificate.

(c) If the Paying Agent/Registrar, not later than five business days before the Closing Date, is in receipt of written instructions from the initial purchaser of the Certificates designating the names in which Certificates are to be registered, the addresses of the Holders and the maturities, interest rates and denominations with respect to each such Holder, then the Paying Agent/Registrar, upon payment of the Initial Certificate, shall cancel the Initial Certificate and deliver, without cost, registered Certificates pursuant to such instructions. In absence of such timely instructions, the Paying Agent/Registrar may register the Certificates in the name of the initial purchaser thereof.

(d) The Certificates shall be executed on behalf of the Town by the Mayor and City Secretary of the Town, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the Town had been manually impressed upon each of the Certificates.

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

(f) No Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon either (i) the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, or (ii) the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution of an authorized signatory of the Paying Agent/Registrar. It shall not be required that the same authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. Either of such Certificates upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

Section 3.05. Ownership.

(a) The Town, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Certificate is overdue, and neither the Town nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

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

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at its principal corporate trust office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) A Certificate shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Certificate shall be effective until entered in the Register.

(c) The Certificates shall be exchangeable upon the presentation and surrender thereof at the principal corporate trust office of the Paying Agent/Registrar for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Certificate presented for exchange. Certificates delivered in exchange for another Certificate or other Certificates shall be dated so that neither gain nor loss in interest shall result from such exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Certificates exchanged for other Certificates in accordance with this Section.

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

(e) No service charge shall be made to the Owner for the initial registration or any subsequent transfer of Certificates, but the Paying Agent/Registrar will require the Owner to pay the reasonable cost incurred by the Paying Agent/Registrar in connection with the exchange of a Certificate or Certificates for a different denomination where no simultaneous transfer of the Certificate or Certificates to a new Owner also occurs. In addition, the Paying Agent/Registrar may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Certificate.

(f) Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Certificate or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption.

Section 3.07. Cancellation.

All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be cancelled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the Town with certificates of destruction of such Certificates.

Section 3.08. Temporary Certificates.

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

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

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

Section 3.09. Replacement Certificates.

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

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has



been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Holder first:

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

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar, and acceptable to the Town, to save it 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 Town and the Paying Agent/Registrar.

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

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/ Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate.

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

### Section 3.10. Additional Obligations.

The Town reserves the right to issue any obligations authorized by law and such obligations may be payable from the same source and secured in the same manner on a parity with the Certificates.

### Section 3.11. Approval of Sale.

(a) The Certificates have been duly advertised for public sale; bid has been received pursuant thereto, and the Certificates are hereby sold and shall be delivered to RepublicBank Dallas, National Association, for a price of par plus accrued interest to the Closing Date, plus a premium of \$-0-, being the best bid submitted at said public sale.

(b) The obligation of the purchaser identified in subsection (a) of this Section to accept delivery of the Certificates is subject to such purchaser being furnished with the final, approving opinion of Hutchison Price Boyle & Brooks, Certificate Counsel for the Town, which opinion shall be dated and delivered the Closing Date.

#### ARTICLE IV

##### REDEMPTION OF CERTIFICATES BEFORE MATURITY

###### Section 4.01. Limitation on Redemption.

The Certificates shall not be subject to redemption before scheduled maturity.

#### ARTICLE V

##### PAYING AGENT/REGISTRAR

###### Section 5.01. Appointment of Initial Paying Agent/Registrar.

RepublicBank Dallas, National Association, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Certificates.

###### Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be (i) a banking corporation, a banking association or a financial institution organized and doing business under the laws of the United States or of any state thereof, (ii) authorized under such laws to exercise trust powers and (iii) subject to supervision or examination by a federal or state governmental authority.

###### Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the Town will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance. The Mayor is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the Town and the Paying Agent/Registrar. The signature of the Mayor shall be attested by the City Secretary of the Town.

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

###### Section 5.04. Termination.

The Town 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 Town (i) giving notice of the termination of the

appointment and of the agreement evidencing the relationship between the Town and the Paying Agent/Registrar, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.05. Notice of Change to Certificateholders.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the Town will cause notice of the change to be sent to each Certificateholder 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.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor.

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

## ARTICLE VI

### FORM OF THE CERTIFICATES

Section 6.01. Form Generally.

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

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

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

(d) The Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Certificates.

(a) The form of the Certificate, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas (which shall only appear on the Initial Certificate), the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be as follows:

[Form of Certificate]

REGISTERED

REGISTERED

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

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

United States of America  
State of Texas  
COUNTY OF DALLAS  
TOWN OF ADDISON  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION  
SERIES 1984

Interest Rate:

Due:

Initial Date:

CUSIP NO.:

\_\_\_\_\_

\_\_\_\_\_

April 1, 1984

\_\_\_\_\_

The Town of Addison (the "Town"), in the County of Dallas, State of Texas, for value received, hereby promises to pay to

\_\_\_\_\_

or registered assigns, on the due date specified above, the sum of

\_\_\_\_\_ DOLLARS

unless this Certificate shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provided for, and to pay interest on such principal amount from the later of the Initial Date specified above or the most recent interest payment date to which interest has been paid or provided for until payment of such principal amount has been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on April 1 and October 1 of each year, commencing October 1, 1984.

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the principal corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing

hereon. Interest on this Certificate is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such interest payment date.

This Certificate is one of a series of fully registered certificates specified in the title hereof issued in the aggregate principal amount of \$1,600,000 (herein referred to as the "Certificates"), issued pursuant to a certain Ordinance of the Town (the "Ordinance") for the purpose of obtaining funds for the purchase of land for authorized needs and purposes, to-wit: a civic theater and paying all or a portion of the contractual obligations for professional services of attorneys and financial advisors in connection therewith..

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

Neither the Town nor the Paying Agent/Registrar shall be required to issue, transfer or exchange any Certificate or portion thereof called for redemption prior to maturity within 45 days prior to the date fixed for redemption.

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; and that the total indebtedness of the Town, including the Certificates, does not exceed any constitutional or statutory limitation.

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

\_\_\_\_\_  
City Secretary, Town of Addison, Texas

\_\_\_\_\_  
Mayor, Town of Addison, Texas

[SEAL]

[Form of Comptroller's Registration Certificate -  
to be printed on the Initial Certificate only]

OFFICE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS  
OF THE STATE OF TEXAS

§  
§  
§

REGISTER NO. \_\_\_\_\_

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

Witness my hand and seal of office at Austin, Texas, \_\_\_\_\_, 1984.

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

[SEAL]

[Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Certificate of this series of certificates was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas under Comptroller's Registration No. \_\_\_\_\_, and that this is one of the Certificates referred to in the within-mentioned Ordinance.

\_\_\_\_\_  
as Paying Agent/Registrar

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

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

[Form of Assignment]

ASSIGNMENT

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

\_\_\_\_\_  
\_\_\_\_\_

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

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

Signature Guaranteed By:

\_\_\_\_\_

Authorized Signatory

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

(b) The Initial Certificate shall be in the form set forth in subsection (a) of this Section, except for the following alterations:

(i) immediately under the name of the Certificate, the headings "Interest Rate \_\_\_\_\_" and "Due \_\_\_\_\_" shall both be completed with the words "As shown below";

(ii) in the first paragraph of the Certificate:

(A) the words "on the due date specified above" shall be deleted and the following will be inserted: "on April 1 in each of the years and bearing interest at the per annum rates in accordance with the following schedule:

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

(Information to be inserted from schedule in Section 3.02 of this Ordinance)

(B) the words "executing the registration certificate appearing hereon" shall be deleted and an additional sentence shall be added to the paragraph as follows: "The initial Paying Agent/Registrar is \_\_\_\_\_.";

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

(c) The Comptroller's Registration Certificate may be deleted from the definitive Certificates if such Certificate on the Initial Certificate is fully executed.

(d) The Certificate of the Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate appears thereon.

Section 6.03. CUSIP Registration.

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

Section 6.04. Legal Opinion.

The approving legal opinion of Hutchison Price Boyle & Brooks, Bond Counsel, may be printed on the back of each Certificate over the certification of the City Secretary of the Town, which may be executed in facsimile.

ARTICLE VII

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

Section 7.01. Creation of Funds.

(a) The Town hereby establishes the following fund: the Town of Addison, Texas, Combination Tax and Revenue Certificates of Obligation, Series 1984, Interest and Sinking Fund. The Interest and Sinking Fund shall be maintained at an official depository of the Town, which must be a member of the Federal Deposit Insurance Corporation.

(b) The Town hereby establishes the following fund: the Town of Addison, Texas, Hotel Occupancy Tax Revenue Fund. The Revenue Fund shall be maintained at an official depository of the Town, which must be a member of the Federal Deposit Insurance Corporation.

Section 7.02. Initial Deposits.

On the Closing Date, the Town shall cause the proceeds from the sale of the Certificates to be deposited as follows:

(i) first, an amount equal to all accrued interest and premium, if any, on the Certificates from the Initial Date until the Closing Date shall be deposited to the credit of the Interest and Sinking Fund; and



(ii) second, the remaining balance shall be deposited as may be directed by the Town's Director of Finance.

Section 7.03. Interest and Sinking Fund.

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

Section 7.04. Revenue Fund.

The Revenue Fund shall be accounted for separately and apart from Town funds and accounts relating to other purposes and shall in no event be diverted or drawn upon for any purpose other than those herein provided. All Pledged Revenues shall be paid over and deposited into the Revenue Fund within forty-eight (48) hours after collection. The Pledged Revenues to be deposited in the Revenue Fund shall be appropriated and employed in the following order:

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

(b) Second: Should there be any surplus funds in the Revenue Fund at the end of any Fiscal Year after all the requirements of subparagraphs (a) above have been provided for and after all other lawfully incurred obligations payable from such Revenue Fund have been provided for, such surplus may be used for any lawful purpose.

## ARTICLE VIII

### INVESTMENTS

Section 8.01. Investments.

(a) Money in the Interest and Sinking Fund and the Revenue Fund created by this Ordinance, at the option of the Town, may be invested in such securities or obligations as permitted under applicable law.

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

Section 8.02. Investment Income.

Interest and income derived from investment of the Interest and Sinking Fund and the Revenue Fund shall be credited to each such Fund, respectively.

## ARTICLE IX

### PARTICULAR REPRESENTATIONS AND COVENANTS

#### Section 9.01. Payment of the Certificates.

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

#### Section 9.02. Other Representations and Covenants.

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

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

(c) The Town hereby represents that the proceeds of the Certificates are needed at this time to finance the costs of the capital improvements for which the Certificates were issued (as specified in Section 3.01 of this Ordinance); that based on current facts, estimates, and circumstances, it is reasonably expected that final disbursement of the proceeds of the Certificates will occur within three years after the Closing Date, that substantially binding obligations to commence such improvements will be incurred within six months after such date, and that the construction or acquisition of the improvements will proceed with due diligence to completion; that it is not reasonably expected that the proceeds of the Certificates or money deposited in the Interest and Sinking Fund will be used or invested in a manner that would cause the Certificates to be or become "arbitrage bonds," within the meaning of Section 103(c) of the Code; and that, except for the Interest and Sinking Fund, no other funds or accounts have been established or pledged to the payment of the Certificates.

(d) The Town will not take any action or fail to take any action with respect to the investment of the proceeds of the Certificates or any other funds of the Town, including amounts received from the investment of any of the foregoing, that, based upon the facts, estimates, and circumstances known on the Closing Date, would result in constituting the Certificates "arbitrage bonds," within the meaning of such Section 103(c) of the Code, and the Town will not take any deliberate action motivated by arbitrage that would have such result.

(e) Proper officers of the Town charged with the responsibility of issuing the Certificates are hereby directed to make, execute and deliver certifications as to facts, estimates and circumstances in existence as of the Closing Date and stating whether there are any facts, estimates or circumstances that would materially change the Town's current expectations.

(f) The covenants and representations made or required by this Section are for the benefit of the Certificateholders and may be relied upon by the Certificateholders and bond counsel for the Town.

## ARTICLE X

### DEFAULT AND REMEDIES

#### Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

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

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Town, the failure to perform which materially, adversely affects the rights of the Certificateholders, 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 Certificateholder to the Town.

#### Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Certificateholder or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Town for the purpose of protecting and enforcing the rights of the Certificateholders 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 Certificateholders 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 Holders of Certificates then outstanding.

#### Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity.

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

## ARTICLE XI

### DISCHARGE

#### Section 11.01. Discharge by Payment.

When all Certificates have been paid in full as to principal and as to interest and premium, if any, or when all Certificates have become due and payable, whether at maturity or by prior redemption or otherwise, and the Town shall have provided for the payment of the whole amount due or to become due on all Certificates then outstanding, including all interest that has accrued thereon or that may accrue to the date of maturity or prior redemption, and any premium due or that may become due at maturity or prior redemption, by depositing with the Paying Agent/Registrar, for payment of the principal of such outstanding Certificates and the interest accrued thereon and any premium due thereon, the entire amount due or to become due thereon, and the Town shall also have paid or caused to be paid all sums payable under this Ordinance by the Town, including the compensation due or to become due the Paying Agent/ Registrar, then the Paying Agent/Registrar, upon receipt of a letter of instructions from the Town requesting the same, shall discharge and release the lien of this Ordinance and execute and deliver to the Town such releases or other instruments as shall be requisite to release the lien hereof.

#### Section 11.02. Discharge by Deposit.

(a) The Town may discharge its obligation to pay the principal of, premium, if any, and interest on the Certificates and its obligation to pay all other sums payable or to become payable under this Ordinance by the Town, including the compensation due or to become due the Paying Agent/Registrar, by:

(i) depositing or causing to be deposited with the Paying Agent/Registrar an amount of money that, together with the interest earned on or capital gains or profits to be realized from the investment of such money, will be sufficient to pay the principal of, premium, if any, and accrued interest on such Certificates to maturity or to the date fixed for prior redemption of such Certificates, and to pay such other amounts as may be reasonably estimated by the Paying Agent/Registrar to become payable under this Ordinance, including the compensation due or to become due the Paying Agent/ Registrar; and

(ii) providing the Paying Agent/Registrar with an opinion of nationally recognized bond counsel acceptable to the Paying Agent/Registrar to the effect that the deposit specified in subdivision (i) of this subsection (a) will not cause the interest on the Certificates to become subject to federal income taxation.

(b) Subject to subsection (c) of this Section, upon compliance with subsection (a) of this Section, the Certificates shall no longer be regarded as

outstanding and unpaid, and the Paying Agent/Registrar, upon receipt of a letter of instructions from the Town requesting the same, shall discharge and release the lien of this Ordinance and execute and deliver to the Town such releases or other instruments as shall be requisite to release the lien hereof.

(c) Before the discharge and release of the lien of this Ordinance pursuant to this Section, provision shall have been made by the Town with the Paying Agent/Registrar for:

(i) the establishment of a separate escrow account fund with the Paying Agent/Registrar for the deposit pursuant to subsection (a)(i) of this Section;

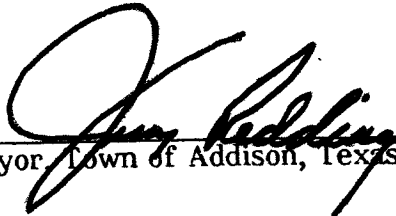
(ii) the payment to the Certificateholders at the date of maturity or at the date fixed for prior redemption, as applicable, of the full amount to which the Certificateholders would be entitled by way of principal, premium, if any, and interest to the date of such maturity or prior redemption;

(iii) the investment of such moneys by the Paying Agent/Registrar in securities or obligations maturing in sufficient time, in the judgment of the Paying Agent/Registrar, to make available the moneys required for such purposes;

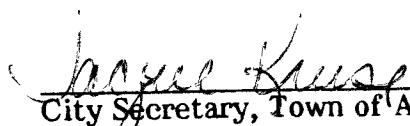
(iv) the sending of written notice by registered or certified United States mail to the Holder of each Certificate then outstanding within 30 days following the date of such deposit that such moneys are so available for such payment; and

(v) the payment to the Town, periodically or following final payment of the principal of, premium, if any, and interest on the Certificates, of any moneys, interest earnings, profits or capital gains over and above the amounts necessary for such purposes.

FINALLY PASSED, APPROVED AND EFFECTIVE this 27<sup>th</sup> day of March, 1984.

  
\_\_\_\_\_  
Mayor, Town of Addison, Texas

ATTEST:

  
\_\_\_\_\_  
City Secretary, Town of Addison, Texas

[SEAL]

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