

ORDINANCE NO. 096-050

AN ORDINANCE OF THE CITY COUNCIL OF THE TOWN OF ADDISON, TEXAS, AUTHORIZING THE DEFEASANCE OF CERTAIN OF ITS OBLIGATIONS; CALLING CERTAIN OBLIGATIONS FOR REDEMPTION; APPROVING AND AUTHORIZING EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT; AND ENACTING CERTAIN OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council (the "City Council") of the Town of Addison, Texas (the "Town"), by ordinance adopted July 13, 1993, has previously issued its "Combination Tax and Revenue Certificates of Obligation, Series 1993" (the "Obligations"), dated July 1, 1993, now outstanding in the aggregate principal amount of \$19,340,000; and

WHEREAS, the Town has determined that there is approximately \$3,800,000 in the construction fund for the Obligations in excess of the amount required to complete the project for which the Obligations were issued; and

WHEREAS, pursuant to Article 717k, Tex.Rev.Civ.Stat.Ann., as amended ("Article 717k"), the Town is authorized to apply such excess amount to the defeasance of all or a portion of the Obligations in accordance with the terms and provisions of Article 717k; and

WHEREAS, the City Council now desires and has found and determined that such excess amount shall be applied to the defeasance of a portion of the Obligations as described on Schedule I hereto (the "Defeased Obligations") by deposit with the paying agent for the Obligations of an amount sufficient to pay the Defeased Obligations at maturity or prior redemption and the fees and expenses incurred in connection therewith; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Article 6252-17, Tex.Rev.Civ.Stat.Ann., as amended;

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

Section 1. Findings. The declarations, determinations and findings declared, made and found in the preambles to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 2. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance, the following terms shall have the meanings specified below:

"Defeased Obligations" means the Obligations described on Schedule I hereto, subject to Section 3(c).

"Escrow Agent" means Texas Commerce Bank National Association, Dallas, Texas.

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"Escrow Agreement" means the Escrow Agreement between the Town and Texas Commerce Bank National Association, as Escrow Agent, dated as of October 15, 1996.

"Escrow Fund" means the fund by that name established under the Escrow Agreement and held by the Escrow Agreement.

"Escrowed Securities" shall have the meaning assigned thereto in the Escrow Agreement.

"Obligations" means "Town of Addison, Texas Combination Tax and Revenue Certificates of Obligation, Series 1993," dated as of July 1, 1993.

"Paying Agent/Registrar" means Texas Commerce Bank National Association, Dallas, Texas.

Section 3. Transfer and Disposition of Funds. (a) It is hereby authorized and directed that an amount not to exceed \$3,800,000 shall be transferred from the construction fund for the Obligations and shall be applied as follows:

- (i) the amount specified in the verification report (the "Verification Report"), prepared by Ernst & Young L.L.P. in connection with the defeasance of the Defeased Obligations, for the purchase of the Escrowed Securities and the payment of the Defeased Obligations, and the interest thereon, when due or on the date of prior redemption, as applicable, shall be deposited into the Escrow Fund.
- (ii) the amount specified by the Verification Report for the payment of the fees and expenses incurred in connection with the defeasance of the Defeased Obligations shall be deposited into the general fund of the Town and used to pay such fees and expenses.
- (iii) any funds transferred but not used for the purposes described above shall be deposited into the construction fund for the Obligations.

(b) Upon deposit of the amount specified in Subsection (a), above, the Defeased Obligations shall no longer be outstanding for any purpose except for payment of the principal thereof and the interest thereon from the funds on deposit in the Escrow Fund.

(c) The Obligations to be defeased pursuant to the deposit described in Subsection (a) shall be those maturities, or portions thereof, of the Obligations described on Schedule I attached hereto; provided, that, upon application for the Escrowed Securities and the determination of the rate of return thereon, the Director of Finance of the Town shall adjust the maturities or amounts thereof shown on Schedule I so that the funds deposited into the Escrow Fund and the earnings thereon will be sufficient to provide for the payment of the Obligations to be defeased.

Section 4. Approval of Escrow Agreement. The execution and delivery of the Escrow Agreement, substantially in the form presented at this meeting, specifying the duties and responsibilities of the Town and the Escrow Agent, are hereby approved with such changes as may be approved by the Mayor of the Town, and the Mayor and City Secretary of the Town are hereby authorized to execute such Agreement.

Section 5. Subscription for Securities. The City Manager or Director of Finance of the Town is hereby authorized to make necessary arrangements for the purchase of the Escrowed Securities as may be necessary for the Escrow Fund and the application for the acquisition of the Federal Securities is hereby approved.

Section 6. All Necessary Actions. The Town's officers, financial advisor and bond counsel are hereby authorized and directed to take such actions as they may deem appropriate to effect the purposes of this Ordinance.

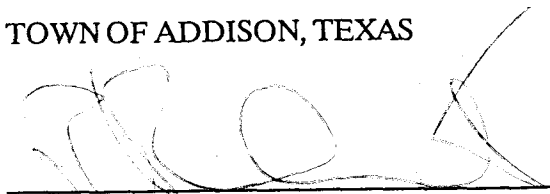
Section 7. Redemption of Certain Defeased Obligations. Obligations maturing on August 15, 2003, in the aggregate principal amount of \$295,000, are hereby called for redemption on August 15, 2002, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date. The Paying Agent/Registrar is hereby authorized and directed to give such notice of redemption as is required by the ordinance authorizing the issuance of the Obligations.

Section 8. Payment of Fees. Concurrently with the making of the deposit to the Escrow Fund, the Town shall pay to the Paying Agent/Registrar the amount of all future fees and expenses for its paying agency services with respect to the Defeased Obligations and shall pay, upon presentation of invoice for such services, the fees and expenses of the Escrow Agent, the Town's bond counsel, financial advisor, independent certified public accountant, and other expenses incurred in connection with the defeasance of the Defeased Obligations. The engagement letter with Vinson & Elkins L.L.P., setting forth such firm's duties as bond counsel for the City in connection with the defeasance of the Defeased Bonds, is hereby approved and the Mayor is hereby authorized and directed to execute such engagement letter.

Section 9. Effective Date. This Ordinance shall take effect immediately upon its adoption.


PASSED, APPROVED AND EFFECTIVE THIS September 27, 1996

TOWN OF ADDISON, TEXAS



Mayor

ATTEST:



City Secretary

OFFICE OF THE CITY SECRETARY

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Revised
~~10-19-96~~
12-19-96



SCHEDULE I

TOWN OF ADDISON, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION
SERIES 1993

<u>Maturities to be Defeased</u>	<u>Principal Amount</u>	<u>Payment/Redemption Date</u>
1997	\$350,000	8/15/97
1998	455,000	8/15/98
1999	500,000	8/15/99
2000	545,000	8/15/00
2001	625,000	8/15/01
2002	680,000	8/15/02
2003	295,000	8/15/02*

*Early redemption.