

ORDINANCE NO. 099-016

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BOND ORDINANCE

Adopted: April 27, 1999

\$1,810,000  
TOWN OF ADDISON, TEXAS,  
HOTEL OCCUPANCY TAX  
REVENUE REFUNDING BONDS  
SERIES 1999

Dated: April 15, 1999

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AN ORDINANCE PROVIDING FOR THE ISSUANCE OF TOWN OF ADDISON, TEXAS, HOTEL OCCUPANCY TAX REVENUE REFUNDING BONDS, SERIES 1999, IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,810,000; PLEDGING TO THE PAYMENT THEREOF CERTAIN RECEIPTS OF THE HOTEL OCCUPANCY TAX AS HEREIN DEFINED; CALLING CERTAIN BONDS FOR REDEMPTION; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, pursuant to applicable law, including particularly the provisions of Article 1269j-4.1, Vernon's Annotated Civil Statutes ("V.A.C.S."), the Town of Addison, Texas (the "Town") has previously issued its bonds (the "Series 1989 Bonds") to provide funds for, among other things, constructing, equipping and furnishing permanent public improvements, including a convention center with a civic center building and auditorium; and

WHEREAS, pursuant to the Tax Code of the State of Texas, particularly V.T.C.A. Tax Code §351.001 et seq, the Town has imposed a tax on certain persons occupying hotel rooms or similar accommodations (the "Hotel Occupancy Tax") and pledged certain revenues received by the imposition of such Hotel Occupancy Tax to the payment of the principal of and interest on the Series 1989 Bonds; and

WHEREAS, pursuant to Article 717k, V.A.C.S., the Town is authorized and hereby finds and determines that it is in the best interests of the citizens of the Town to issue its bonds for the purpose of refunding certain maturities of the Series 1989 Bonds (the "Refunded Bonds") prior to their stated maturities as described on Schedule I hereto; and

WHEREAS, the City Council hereby finds and determines that refunding the Refunded Bonds for the purpose of achieving net present value debt service savings of approximately \$74,988.62 with respect to the Town's outstanding Series 1989 Bonds is in the best interests of the citizens of the Town; and

WHEREAS, the City Council, having heretofore authorized the imposition of a Hotel Occupancy Tax in the Town, certain of the revenues of which are available to secure payment for the bonds to be issued hereby; and

WHEREAS, the City Council of the Town deems it appropriate to adopt this Ordinance and issue the bonds herein authorized for the purposes hereinabove stated and to pledge the net revenues of the civic auditorium and certain Hotel Occupancy Tax revenues in payment thereof; and

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

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:

"Additional Bonds" means the additional revenue bonds permitted to be issued pursuant to Section 8.01 hereof on a parity with the Bonds.

"Bond" means any of the Bonds.

"Bondholder" or "Holder" or "Owner" means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

"Bonds" means the bonds authorized to be issued by Section 3.01 of this Ordinance.

"Business Day" means any day other than a Saturday, Sunday or legal holiday or other day on which banking institutions in the State of Texas are generally authorized or obligated by law or executive order to close.

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

"Code" means the Internal Revenue Code of 1986, as amended, including the regulations and published rulings thereunder.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its office in Dallas, Texas, 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 Town and such successor.

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

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

"Event of Default" means any Event of Default as defined in Section 12.01 of this Ordinance.

"Government Securities" means direct obligations of, or obligations, the principal of and interest on which are unconditionally guaranteed by the United States of America, which are noncallable prior to the respective maturities of the Bonds and may be United States Treasury Obligations such as State and Local Government Series and may be in book-entry form.

"Gross Revenues" means all of the revenues of every nature received through the operation of the Project.

"Hotel Occupancy Tax" means the tax authorized by V.T.C.A. Tax Code Section 351.002, which permits the Town to impose a tax of up to seven percent (7%) of the daily cost of a hotel or motel room or similar accommodation upon certain persons paying for such accommodation. The Town currently imposes a seven percent (7%) Hotel Occupancy Tax.

"Initial Bond" means the Bond authorized in Section 3.04(d) hereof.

"Interest and Sinking Fund" means the interest and sinking fund described in Sections 7.01 and 7.05 of this Ordinance.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenues" means the Gross Revenues less the Operation and Maintenance Expenses.

"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.

"Operation and Maintenance Expenses" means the expenses of operation and maintenance of the Project, including all salaries, labor, materials, repairs and extensions 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 Project in operation and render adequate service to the Town and the inhabitants thereof, or might be necessary to meet some physical accident or condition that would otherwise impair the Bonds and any Additional Bonds shall be included as Operation and Maintenance Expenses.

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

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

"Permitted Investments" means those securities or other investments which at the time are authorized under the laws of the State of Texas for the investment of public funds.

"Pledged Income" means the Net Revenues of the Project less the Surplus Revenues, if any, and revenues of the Hotel Occupancy Tax, all as described in Section 2.01 of this Ordinance.

"Project" means the City's civic auditorium complex and all the facilities relating thereto, funded with the proceeds of the Series 1989 Bonds.

"Record Date" means the fifteenth calendar day of the month next preceding an interest payment date.

"Refunded Bonds" means the Series 1989 Bonds described on Schedule I hereto.

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

"Reserve Fund" means the Reserve Fund described in Sections 7.01 and 7.06 hereof.



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

"SEC" means the United States Securities and Exchange Commission.

"Series 1989 Bonds" means the Town's Hotel Occupancy Tax Revenue Bonds, Series 1989, dated April 15, 1989.

"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.

"Special Record Date" means the special record date established pursuant to Section 3.03(b) of this Ordinance.

"Surplus Revenues" means those Net Revenues that are in excess of the amounts required to establish and maintain the funds as provided in this Ordinance.

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 to sustain the validity of this Ordinance.

## 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 Net Revenues of the Project and a pledge of the gross receipts of the seven percent (7%) Hotel Occupancy Tax currently collected by the Town (collectively, the "Pledged Income") to the full extent necessary for payment of principal of, premium, if any, and interest on the Bonds as due.

#### Section 2.02. Limited Obligations.

The Bonds, together with any Additional Bonds, are special obligations of the Town, payable solely from the Pledged Income, and do not constitute a prohibited indebtedness of the Town. Neither the Bonds nor any Additional Bonds shall ever be payable out of funds raised or to be raised by taxation, except for the pledged Hotel Occupancy Tax revenues.

## ARTICLE III

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

#### Section 3.01. Authorization.

The Town's revenue bonds to be designated "Town of Addison, Texas, Hotel Occupancy Tax Revenue Refunding Bonds, Series 1999" (the "Bonds") are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas and the Charter of the Town. The Bonds shall be issued in the aggregate principal amount of \$1,810,000 for the purpose of paying the costs of issuance of the Bonds and providing funds to refund the Refunded Bonds.

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

(a) The Bonds shall have an Original Issue Date of April 15, 1999. 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 Town and the Paying Agent/ Registrar.

(b) The Bonds shall mature on March 1 in the years and in the principal amounts set forth below. Interest on each Bond shall accrue from the later of the Original Issue Date or the most recent interest payment date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on March 1 and September 1 of each year until maturity, commencing September 1, 1999, set forth in the schedule below:

<u>Year (March 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2000	\$385,000	3.60%
2001	375,000	3.70%
2002	360,000	3.80%
2003	350,000	3.90%
2004	340,000	4.20%

Section 3.03. Medium, Method, Place of Payment and Unclaimed Payments.

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

(b) Interest on the Bonds shall be payable to the Owners as shown in the Register at the close of business on 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 Bond shall be paid to the person in whose name such Bond is registered on the due date thereof upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where Designated/Payment Transfer Office of 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.

(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 Bond to which the unclaimed payments pertain. Subject to Title 6 of the Texas Property Code, payments remaining unclaimed by the Owners entitled thereto for three (3) 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 Town to be used for any lawful purpose. Thereafter, neither the Town, the Paying Agent/ Registrar nor any other person shall be liable or responsible to any Holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6 of the Texas Property Code.

Section 3.04. Control, Execution and Initial Registration.

(a) The Bonds shall be executed on behalf of the Town by the Mayor and the City Secretary, by their manual or facsimile signatures, and the official seal of the Town shall be impressed or placed in facsimile thereon. In the case of facsimile signatures, such 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 Town had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Town whose facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such 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 herein, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same officer 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 at the Closing Date shall have attached thereto 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 which Certificate shall be evidence that the 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 Town, and has been registered by the Comptroller of Public Accounts.

(d) On the Closing Date, one Initial Bond, representing the entire principal amount of all Bonds, payable in stated installments to the Purchaser or its designee, executed by the Mayor and City Secretary of the Town, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver the definitive Bonds, on behalf of the Purchaser, to DTC, registered in the name of Cede & Co., as nominee for DTC.

#### Section 3.05. Ownership.

(a) The Town, 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, and for all other purposes, whether or not such Bond 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 Bond 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 Bond to the extent of the sums paid.

#### Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Bonds remain outstanding, the Town shall cause the Paying Agent/Registrar to keep at its 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) The ownership of a Bond may be transferred only upon the presentation and surrender thereof at the Designated Payment/Transfer 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 Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the Town 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 exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, however, 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 Bond.

Section 3.07. Cancellation and Authentication.

All Bonds paid or redeemed before scheduled maturity 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 canceled and proper records shall be made regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall then return such cancelled Bonds to the Town or may in accordance with law destroy such cancelled Bonds and periodically furnish the Town with certificates of destruction of such Bonds.

Section 3.08. Temporary Bonds.

(a) Pending the preparation of definitive Bonds, the Town may execute and, upon the Town'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 Town 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 Town, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar, and thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall 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 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 Town or the Paying Agent/ Registrar may require the Holder 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 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 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 Town 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 Town 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 Town 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.

Notwithstanding any other provision hereof, upon initial issuance of the Bonds, the Bonds shall be registered in the name of Cede & Co., as nominee of DTC. The definitive Bonds shall be initially issued in the form of a single separate bond for each of the maturities thereof.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Town 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. Without limiting the immediately preceding sentence, the Town 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 a Bondholder, 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 a Bondholder, 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 Town 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 all 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 Town's obligations with respect to payment of, 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 Bond certificate evidencing the obligation of the Town 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., the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

Section 3.11. Successor Securities Depository; Transfer.

In the event that the Town or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Town to DTC, 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 Town 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 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 of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. 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 Bondholders 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 of the Town to DTC.

ARTICLE IV

NO REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. No Redemption of Bonds.

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

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

Chase Bank of Texas, National Association, Dallas, Texas, is hereby appointed as the initial Paying Agent/Registrar for the Bonds.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be a commercial bank, trust company organized under the laws of the State of Texas, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Bonds 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, and the City Secretary to attest, an agreement with the Paying Agent/Registrar specifying the duties of the Town and the Paying Agent/Registrar.

(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 Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.



Section 5.05. Notice of Change to Bondholders.

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 Bondholder 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 Bonds to the successor Paying Agent/Registrar.

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 initially delivered Bonds, 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 (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 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 temporary Bonds authorized by this Ordinance) 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.

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

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 (to accompany the initially delivered Bonds), the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Bonds, shall be as follows:

(a) Form of Bond

REGISTERED

REGISTERED

No.

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

United States of America  
State of Texas  
County of Dallas  
TOWN OF ADDISON, TEXAS  
HOTEL OCCUPANCY TAX  
REVENUE REFUNDING BOND  
SERIES 1999

Interest Rate:

Maturity Date:

Original Issue Date:

CUSIP NO.:

\_\_\_\_\_

\_\_\_\_\_

April 15, 1999

\_\_\_\_\_

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 Maturity Date specified above, the sum of

\_\_\_\_\_ DOLLARS

and to pay interest on such principal amount at the interest rate per annum specified above, payable on September 1, 1999 and semiannually thereafter on each March 1 and September 1, 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 maturity or prior redemption.

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 designated office in Dallas, Texas, of Chase Bank of Texas, National Association, the initial Paying Agent/Registrar (the "Designated Payment/Transfer Office"), or, with respect to a successor paying agent/registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Bond is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar. 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 fifteenth calendar day of the month next preceding such interest payment date.

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 099-016

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$1,810,000 (herein referred to as the "Bonds"), pursuant to Article 717k, V.T.C.A., as amended, and a certain Ordinance of the Town (the "Ordinance"), for the purpose of paying the costs of issuing the Bonds and refunding certain outstanding hotel occupancy tax revenue bonds of the Town, all as provided in the Ordinance.

Pursuant to the provisions of Chapter 351, Tax Code, Vernon's Texas Codes Annotated, the Bonds are secured by and payable solely from a pledge of and a first and senior lien on certain hotel occupancy tax receipts of the Town irrevocably pledged for payment of the Bonds and the net revenues of the Town's civic auditorium project (the "Project") described in the Ordinance (collectively, the "Pledged Income"), as provided in the Ordinance. The Bonds constitute special obligations of the Town payable solely from the sources and in the manner set forth in the Ordinance and not from any other revenues, funds or assets of the Town.

The Town has reserved the right, subject to the restrictions stated in the Ordinance, to issue additional revenue bonds that may be secured in the same manner and on a parity with the Bonds.

The Bonds are not subject to redemption prior to stated maturity.

As provided in the 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 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 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.

The Town, 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) and for all other purposes, whether or not this Bond 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 this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; and that the interest on and principal of this Bond and the series of which it is a part are secured by and payable from the Pledged Income as provided in the Ordinance.

The holders hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation, except for the pledged hotel occupancy tax revenues.

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

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City Secretary,  
Town of Addison, Texas

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Mayor,  
Town of Addison, Texas

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 099-016

[SEAL]

(b) Form of Comptroller's Registration Certificate

The following Comptroller's Registration Certificate may be deleted from the definitive Bonds if such Certificate on the Initial Bond is fully executed.

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 said bond has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, \_\_\_\_\_, 1999.

\_\_\_\_\_  
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 appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Bond has been issued under the provisions of the Ordinance described on this Bond; and that this Bond has been issued in conversion of and 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 as shown in the records kept by the undersigned.

Chase Bank of Texas, National  
Association, Dallas, Texas,  
as Paying Agent/Registrar

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

By: \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

(d) Form of Assignment

ASSIGNMENT

OFFICE OF THE CITY SECRETARY

ORDINANCE NO. 099-016

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 in a manner satisfactory to the Paying Agent/Registrar.

(e) 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," "Maturity Date" and "CUSIP NO." shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above, the sum of \_\_\_\_\_ DOLLARS" shall be deleted and the following will be inserted: "on the first day of March in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year (March 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2000	\$385,000	3.60%
2001	375,000	3.70%
2002	360,000	3.80%
2003	350,000	3.90%
2004	340,000	4.20%

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

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 Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Town 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., Bond Counsel, may be printed on the back of or attached to each Bond over the certification of the City Secretary of the Town, which may be executed in facsimile.

ARTICLE VII

CONFIRMATION OF FUNDS AND ACCOUNTS;  
INITIAL DEPOSITS AND  
APPLICATION OF PROCEEDS; SALE OF BONDS

Section 7.01. Confirmation of Creation of Funds.

The creation of the Project Fund, the Interest and Sinking Fund and the Reserve Fund pursuant to the ordinance authorizing the Series 1989 Bonds is hereby confirmed and each of such Funds shall secure, on an equal and ratable basis, the Bonds issued hereunder as Additional Bonds.

Section 7.02. Initial Deposits.

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

- (a) An amount equal to accrued interest on the Bonds from the Original Issue Date until the Closing Date and premium, if any, on the Bonds shall be deposited to the Interest and Sinking Fund.
- (b) \$1,750,965.28, together with an amount equal to \$30,000 which shall be transferred from the Interest and Sinking Fund for the Refunded Bonds, shall be deposited with the paying agent/registrar for the Refunded Bonds and shall be applied to the payment of the redemption price of the Refunded Bonds on June 2, 1999.
- (c) \$60,118.12 of Bond proceeds shall be applied to the payment of the costs and expenses pertaining to the issuance of the Bonds. To the extent any of such amount is not used for such purposes, such excess shall be deposited to the Interest and Sinking Fund.
- (d) To the extent necessary to effect the intent and purposes of this Ordinance, the Director of Finance of the Town is hereby authorized to reallocate or adjust the application of the proceeds of the Bonds as set forth in subsections (b) and (c) above.

Section 7.03. Project Fund.

- (a) All Gross Revenues, from day to day as collected, shall be deposited to the Project Fund. The Operation and Maintenance Expenses shall be paid from the Project Fund, upon approval of such payment by the City Council, to the extent of such funds as are on deposit from time to time.
- (b) To the extent there exist Net Revenues from time to time, the Town shall transfer such portion of the Pledged Income from the Project Fund to the Interest and Sinking Fund and the Reserve Fund at the times and in the amounts provided by this Ordinance.

Section 7.04. Priority of Transfers to Funds.

The order of priority of transfers of the Pledged Income from the Project Fund to the following funds shall be: first, to the Interest and Sinking Fund; then, to the Reserve Fund. Deposits required to be made by this Ordinance on a certain date will be deemed to comply with this Ordinance if made within five Business Days of such date.

Section 7.05. Interest and Sinking Fund.

(a) The Interest and Sinking Fund shall be used to pay principal of, premium, if any, and interest on the Bonds as such become due and payable.

(b) The Town shall make the following deposits of Pledged Income to the credit of the Interest and Sinking Fund:

(i) not less than (15) days prior to each interest payment date, an amount sufficient to pay the interest installment on the Bonds that is due on the next succeeding interest payment date, when added to the amounts on deposit therein received from the purchase of the Bonds representing accrued interest from the Original Issue Date to the Closing Date and any investment income accumulated therein;

(ii) semiannually, and in no event less than fifteen (15) days prior to an interest payment date, an amount equal to one-half (½) of the principal scheduled to mature, or required to be redeemed, on the net principal payment date, taking into account any investment income or other funds accumulated therein.

(c) Moneys on deposit in the Interest and Sinking Fund shall be invested only in Permitted Investments having maturities not later than the date on which they are required to be expended, and otherwise held and secured as other public funds of the town.

Section 7.06. Reserve Fund.

(a) The Reserve Fund shall be used for paying principal of, premium, if any, and interest on any outstanding Bonds, when and to the extent the amount in the Interest and Sinking Fund is insufficient for such purpose.

(b) The Town hereby agrees with the Owners of the Bonds to maintain in the Reserve Fund an amount (the "Required Reserve Amount") equal to the least of (i) the maximum annual debt service on the Bonds, (ii) 1.25 times the average annual debt service on the Bonds, or (iii) 10% of the aggregate principal amount of the Bonds outstanding from time to time.

(c) At such time as Additional Bonds are issued, the amount required to be on deposit in the Reserve Fund shall be increased in accordance herewith, such additional amount to be accumulated in semiannual installments during a period not to exceed five (5) years.

(d) At any time the Reserve Fund shall contain an amount in cash and investment securities at least equal to the Required Reserve Amount, there shall be no additional deposits required to be made therein. Whenever the Reserve Fund is reduced below the Required Reserve Amount, the Town shall, after the payment of the current debt service requirements on the Bonds, apply the Pledged Income to restore such deficiency, which deposits shall be continued until such time as the Reserve Fund

has been fully restored. If the amount of deposit in the Reserve Fund should ever exceed the Required Reserve Amount, such excess shall be deposited in the Interest and Sinking Fund and used to pay principal of or interest on the Bonds.

(e) Moneys in the Reserve Fund may, upon authorization by the City Council, be invested in Permitted Investments, provided that each of the obligations must mature, or be subject to redemption at the option of the holder thereof, not later than the last maturity date of any outstanding Bonds.

Any obligation in which money in the Reserve Fund is so invested shall be kept and held in an official depository bank of the Town in escrow and in trust for the benefit of the Owners of the Bonds, and shall be promptly sold and the proceeds of the sale applied to the making of all payments required to be made from the Reserve Fund.

Section 7.07. Deficiencies in Funds.

If the Town shall, for any reason, fail to deposit to the Interest and Sinking Fund and the Reserve Fund the amounts required by this Ordinance, amounts equivalent to such deficiencies shall be set apart and deposited to those funds from the first available and unallocated revenues of the following semiannual period, and such deposits shall be in addition to the deposits otherwise required to be made to those funds during such periods.

Section 7.08. Surplus Revenues.

Surplus Revenues may be used for any lawful purpose.

Section 7.09. Security of Funds.

All funds created or confirmed by this Ordinance shall be secured in the manner and to the fullest extent permitted by the laws of the State of Texas for the security of public funds, and such funds shall be used only for the purposes permitted in this Ordinance.

Section 7.10. Sale of Bonds, Official Statement.

(a) The Bonds, having been duly advertised for public sale and bids having been received pursuant thereto, are hereby sold to Griffin, Kubik, Stephens & Thompson, Inc. (the "Purchaser") for a price equal to the principal amount thereof plus a premium of \$1,083.40 plus interest accrued thereon to the Closing Date, being the bid submitted which produced the lowest net effective interest rate to the Town.

(b) The form and substance of the final Official Statement, dated April 13, 1999, and any addenda, supplement or amendment thereto (the "Official Statement") presented to and considered at this meeting, are hereby in all respects approved and adopted and 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 Mayor and City Secretary of the Town are hereby authorized and directed to execute the same and deliver appropriate numbers of executed copies thereof to the Purchasers. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor of the Town and the Purchasers, may be used by the Purchasers 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 Purchasers is hereby ratified, approved and confirmed.

(c) All officers of the Town are authorized to execute such documents, certificates and receipts, and to make such elections with respect to the tax-exempt status of Bonds, as they may deem appropriate in order to consummate the delivery of the Bonds in accordance with the provisions and terms of the Notice of Sale and Bidding Instructions and this Ordinance.

Section 7.11. Control and Delivery of Bonds.

(a) The Mayor of the Town 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 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 Bonds shall be made to the Purchaser under and subject to the general supervision and direction of the Mayor, against receipt by the Town of all amounts due to the Town under the terms of sale.

ARTICLE VIII

ADDITIONAL, JUNIOR LIEN AND REFUNDING BONDS

Section 8.01. Additional Bonds.

(a) The Town reserves the right at any time and from time to time, and in one or more series or issues, to issue additional revenue bonds ("Additional Bonds") payable from the Pledged Income in the manner provided by law.

(b) Additional Bonds, when issued, shall be payable from and equally secured by a first lien on and pledge of the Pledged Income in the same manner and to the same extent as the Bonds and shall in all respects be of equal dignity.

(c) Additional Bonds shall not be issued unless:

(i) the Town is not then in default as to any covenant, condition or obligation prescribed by this Ordinance authorizing the issuance of the Bonds and payable from and secured by a first lien on and pledge of the Pledged Income; and

(ii) the Additional Bonds are made to mature on March 1st in each of the years in which they are scheduled to mature unless issued to mature semiannually, in which event they shall mature on March 1 and September 1; and

(iii) an independent certified public accountant, or independent firm of certified public accountants, acting by and through a certified public accountant, signs a written certificate evidencing his determination that during either (A) the last full fiscal year immediately preceding the month in which the ordinance authorizing the issuance of the then-proposed Additional Bonds is passed, or (B) any consecutive 12-month period out of the 15-month period immediately preceding the month in which the ordinance authorizing the issuance of the then-proposed Additional Bonds is passed,

the Pledged Income was equal to at least 1.50 times the maximum annual principal and interest requirements of the Bonds and any Additional Bonds which are scheduled to be outstanding after the delivery of the then-proposed Additional Bonds. It is specifically provided, however, that in calculating the amount of Pledged Income for the purposes of this subsection (c), if there has been any increase in the rates, charges or fees for use of the Project, which increased rates, charges or fees are then in effect, but which were not in effect during all or any part of the entire period for which the Pledged Income is being calculated (hereinafter referred to as the "entire period"), then the certified public accountant shall determine and certify the amount of Pledged Income as being the total of (A) the actual Pledged Income for the entire period, plus (B) a sum equal to the aggregate amount by which the actual rates, charges or fees charged to users of the Project during the entire period would have been increased if such increased rates, charges or fees had been in effect during the entire period.

Section 8.02. Additional Bond Reserve Fund Requirement.

Whenever Additional Bonds are issued, the Reserve Fund Requirement shall be increased in accordance with Section 7.06(b) hereof, such additional amount to be accumulated in equal quarterly installments during a period not to exceed five years.

Section 8.03. Refunding Bonds.

The Town reserves the right to refund all or any part of the Bonds in the manner permitted by law, provided that no refunding bonds shall be issued that (i) would enjoy a lien on or pledge of the Project Fund superior to that possessed by the Bonds, or (ii) would be made to mature or bear interest in such manner or at such rates as would impair the security of, or interfere with the timely payment of principal of, premium, if any, or interest on, any bonds not refunded.

ARTICLE IX

INVESTMENTS

Section 9.01. Investment of Funds.

(a) The Interest and Sinking Fund, at the option of the Town, may be invested in any securities or obligations permitted under applicable state law and as required by federal tax law and accompanying regulations.

(b) The Reserve Fund, at the option of the Town, may be invested in United States Treasury obligations having maturities not in excess of two years from the date of the making of the investment.

(c) The obligations in which the Reserve Fund are invested shall be kept in escrow at Chase Bank of Texas, National Association, Dallas, Texas, or at the financial institution serving as the Town's depository bank from time to time.

(d) Any securities or obligations in which money is invested pursuant to this Section shall be kept and held in trust for the benefit of the Bondholders 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 9.02. Investment Income.

(a) Income derived from the investment of the Interest and Sinking Fund shall be retained therein and used for the purposes for which such Fund was created.

(b) Income derived from the investment of the Reserve Fund during any time in which such Fund does not contain the Reserve Fund Requirement (as defined below) shall be retained in such Fund.

(c) Income derived from the investment of the Reserve Fund during any time in which such Fund contains the Reserve Fund Requirement, shall be transferred out of the Reserve Fund and, at the option of the Town, may be deposited to the Interest and Sinking Fund to pay debt service or used to redeem Bonds or for any other lawful purpose, including payment to the United States Treasury of any rebate due pursuant to Section 148(f) of the Code; provided, however, that to the extent such surplus monies constitute bond proceeds, including interest and income derived therefrom, such amounts shall only be used for the purposes for which bond proceeds may be used.

(d) In this Ordinance, "Reserve Fund Requirement" means, with respect to the Reserve Fund, an amount that is equal to the amount described by Section 7.06(b) of this Ordinance, after the accumulation of which further deposits to the Reserve Fund are not required (except to replenish the Reserve Fund if it falls below such amount).

ARTICLE X

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 10.01. Making and Collecting Rates and Charges.

The Town covenants, reaffirms and agrees with the holders of the Bonds and any Additional Bonds that:

(a) the Town will charge and collect fees for the use of the Project as may be determined to be reasonable and will apply such fees to the following purposes:

(i) to pay all operating, maintenance, depreciation, replacement and betterment expenses, and any other costs deductible in determining Net Revenues;

(ii) to pay the interest on and the principal of the Bonds and the; and

(iii) to establish and maintain the funds required by this Ordinance;

(b) the Town shall, from time to time, impose, fix and adjust such rates, charges and fees for the use of the Project, to the extent permitted by applicable law, which, together with Hotel Occupancy Tax revenues, will produce, during each fiscal year of the Town, Pledged Income in an aggregate amount that is not less than 1.20 times the average annual principal and interest requirements on the Bonds that are outstanding from time to time;

(c) in the event that the pledged revenues of the Project and Hotel Occupancy Tax revenues are insufficient to provide funds for properly and efficiently operating and maintaining the Project, or to provide for debt service, the Town will promptly make provision for the allocation of moneys necessary

for these purposes out of other funds lawfully available therefor and not appropriated to any other lawful purpose; and

(d) should the Town anticipate that it will not have sufficient money available during any fiscal year to satisfy the requirements of the Project, including debt service, it will take all necessary steps to budget sufficient moneys for such purposes for such fiscal year within the limits prescribed by law.

Section 10.02. Maintenance and Operation of Project: Insurance.

(a) The Town covenants, reaffirms and agrees to maintain the Project in good condition and to operate the Project in an efficient manner and at a reasonable cost.

(b) So long as any of the Bonds are outstanding, the Town agrees to maintain, for the benefit of the holder or holders of such Bonds, insurance on the Project of a kind and in an amount that usually would be carried by private companies engaged in a similar enterprise.

(c) Nothing in this Ordinance shall be construed as requiring the Town to expend any funds that are derived from sources other than the Pledged Income, but nothing herein shall be construed as preventing the Town from doing so.

Section 10.03. Records and Accounts.

The Town hereby covenants, reaffirms and agrees that it has provided for and that, so long as any of the Bonds or any interest thereon remain outstanding and unpaid, it will keep proper books of records and accounts (separate from all other records and accounts of the Town) in which complete and correct entries shall be made of all transactions relating to the Project.

Section 10.04. Project Fiscal Year.

The Project shall be operated on the basis of a fiscal year commencing October 1 in each year, continuing through and ending September 30 of the following year.

Section 10.05. Audit Reports.

(a) Before March 1 of each year, the Town will furnish (without cost) to any Bondholder who may so request a signed or certified copy of a report by a certified public accountant or a licensed public accountant covering the preceding fiscal year, showing the following information with respect to the Project:

(i) income and expense statement;

(ii) balance sheet;

(iii) accountant's comment regarding the manner in which the Town has complied with the requirements of this Ordinance and his or her recommendation for any changes or improvements in the operation of the Project;

(iv) list of insurance on the Project in force at the end of the fiscal year, showing as to each policy, the risk covered, the name of the insurer, and the expiration date;

(v) recapitulation of the funds into which are put money derived from the Hotel Occupancy Tax, the operation of the Project or money derived from the securities herein authorized, such recapitulation to show balances at the beginning of the period, deposits, withdrawals and balances at the end of the year; and

(b) Expenses incurred in making reports required by subsection (a) of this Section are to be regarded as Operation and Maintenance Expenses and paid as such.

Section 10.06. Inspection.

Any Bondholder shall have the right at all reasonable times to inspect the Project and all records, accounts and data of the Town relating thereto.

Section 10.07. Other Representations and Covenants.

(a) The Town has the lawful power to pledge the Pledged Income and has lawfully exercised said power under the Constitution and laws of the State of Texas, including said power existing under Article 1269j-4.1 et seq., Vernon's Annotated Texas Civil Statutes, as amended and V.T.C.A. Tax Code §351.001 et seq.

(b) The Town covenants that the Bonds shall be ratably secured under the pledge of the Pledged Income in such manner that no one Bond shall have preference over any other Bond.

(c) The Town covenants and represents that, other than for payment of the Bonds, the rents, revenues, and income of the Project and all other Pledged Income have not in any manner been pledged to the payment of any debts or obligations of the Town.

(d) The Town covenants that so long as any of the Bonds remain outstanding, the Town will not sell or encumber the Project or any substantial part thereof, and that, with the exception of any Additional Bonds, it will not encumber any revenue thereof unless such encumbrance is made junior and subordinate to the provisions of this Ordinance.

(e) The Town covenants that no free service of the Project will be allowed which would cause the Pledged Income for the Bonds to be insufficient to meet the purposes for which said moneys are pledged.

Section 10.08. Payment of the Bonds.

While any of the Bonds are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay the interest on and principal of the Bonds as they come due for payment.

Section 10.09. 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 Bond; the Town will promptly pay or cause to be paid the principal of and interest on each Bond on the dates and at the places and manner prescribed in such Bond; 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 Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable special obligations of the Town in accordance with their terms.

## ARTICLE XI

### REPRESENTATIONS AND COVENANTS REGARDING EXEMPTION OF INTEREST FROM FEDERAL INCOME TAXATION

#### Section 11.01. Provisions Concerning Federal Income Tax Exclusion.

The Town intends that the interest on the Bonds shall be excludable from gross income for purposes of federal income taxation 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 Town 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 the gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the Town covenants and agrees to comply with each requirement of this Article XI; provided, however, that the Town shall not be required to comply with any particular requirement of this Article XI if the Town 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 Town has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Article XI 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 Article XI.

#### Section 11.02. No Private Use or Payment and No Private Loan Financing.

The Town 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 proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations. The Town covenants and agrees that it will make such use of the proceeds of the Bonds, including interest or other investment income derived from Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations.

#### Section 11.03. No Federal Guaranty.

The Town covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code and the Regulations, except as permitted by section 149(b) (3) of the Code and the Regulations.

#### Section 11.04. Bonds are not Hedge Bonds.

The Town covenants and agrees not to take any action, or knowingly omit to take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if

taken or omitted, respectively, would cause the Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the Regulations.

Section 11.05. No-Arbitrage Covenant.

The Town 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 Town 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 Town 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.

Section 11.06. Arbitrage Rebate.

If the Town does not qualify for an exception to the requirements of Section 148(f) of the Code, the Town will take all necessary steps to comply with the requirement that certain amounts earned by the Town 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 Town 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 Town allocable to other bond issue of the Town or moneys which do not represent gross proceeds of any bonds of the Town, (ii) calculate at such times as are required by the Regulations, the amount earned from the investment of the gross proceeds of the Bonds which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Bonds or on such other dates as may be permitted under the Regulations, all amounts required to be rebated to the federal government. Further, the Town 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.

Section 11.07. Information Reporting.

The Town 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.

Section 11.08. Continuing Obligation.

Notwithstanding any other provision of this Ordinance, the Town's obligations under the covenants and provisions of this Article XI shall survive the defeasance and discharge of the Bonds.

## ARTICLE XII

### DEFAULT AND REMEDIES

#### Section 12.01. Default and Remedies.

(a) In addition to all the rights and remedies provided by the laws of the State of Texas, the Town covenants and agrees that, in the event the Town (i) defaults in the timely payment of principal of or interest on any of the Bonds, (ii) fails to make any deposit required by Sections 7.05 and 7.06 of this Ordinance to be made to the Interest and Sinking Fund and the Reserve Fund, or (iii) defaults in the observance or performance of any other covenant, condition or obligation set forth in this Ordinance, in each case, an "Event of Default," any Bondholder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the City Council and all other officers of the Town to observe and perform such covenant, condition or obligation.

(b) No delay or omission to exercise any right or power accruing upon any Event of Default under this Ordinance 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 and as often as may be deemed expedient.

## ARTICLE XIII

### DISCHARGE

#### Section 13.01. Discharge by Payment.

When all Bonds have been paid in full as to principal and as to interest and premium, if any, or when all Bonds 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 Bonds 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 Bonds 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 13.02. Discharge by Deposit.

(a) The Town may discharge its obligation to pay the principal of, premium, if any, and interest on the Bonds 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 either money in an amount which shall be sufficient, or government securities, the principal of and the interest on which when due (without necessity of re-investment) will provide money which together with the money, if any, deposited with the Paying



Agent/Registrar at the same time will be an amount sufficient to pay the principal of, premium, if any, and accrued interest on such Bonds to maturity or to the date fixed for prior redemption of such Bonds, 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 Bonds to become subject to federal income taxation.

(b) Subject to subsection (c) of this Section, upon compliance with subsection (a) of this Section, the Bonds 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 Bondholders at the date of maturity or at the date fixed for prior redemption, as applicable, of the full amount to which the Bondholders 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 direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds;

(iv) the sending of written notice by registered or certified United States mail to the Holder of each Bond 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 Bonds, of any moneys, interest earnings, profits or capital gains over and above the amounts necessary for such purposes.

When all Bonds have been paid in full as to principal and as to interest and premium, if any, or when all Bonds 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 Bonds 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 Bonds 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.

## ARTICLE XIV

### CONTINUING DISCLOSURE UNDERTAKING

#### Section 14.01. Annual Reports.

(a) The Town shall provide annually to each NRMSIR and to any SID, within six (6) months after the end of each fiscal year ending in or after 1999, financial information and operating data with respect to the Town 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 Town 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 Town 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 Town shall provide such audited financial statements as required to each NRMSIR and to any SID.

(b) If the Town 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 Town 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 14.02. Material Event Notices.

(a) The Town 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;

- Bonds;
- (vi) adverse tax opinions or events affecting the tax exempt status of the
  - (vii) modifications to rights of Owners;
  - (viii) bond calls;
  - (ix) defeasance;
  - (x) release, substitution, or sale of property securing repayment of the
- Bonds; and
- (xi) rating changes.

(b) The Town shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the Town to provide financial information or operating data in accordance with Section 14.02 of this Ordinance by the time required by such Section.

Section 14.03. Limitations, Disclaimers and Amendments.

(a) The Town shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Town remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Town in any event will give notice of any deposit made in accordance with Article XIV 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 Town 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 Town'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 Town 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 Town 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 Town under federal and state securities laws.

(e) The provisions of this Article may be amended by the Town 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 Town, but only if (i) 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 (ii) 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 Town (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 Town so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 14.02 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.

## ARTICLE XV

### REFUNDED BONDS

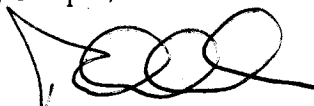
#### Section 15.01. Source of Funds for Refunding.

The source of funds for payment of the principal of the Refunded Bonds shall be from funds received from the issuance and delivery of the Bonds herein authorized and irrevocably deposited with the paying agent/registrars for the Series 1989 Bonds.

#### Section 15.02. Redemption of Refunded Bonds.

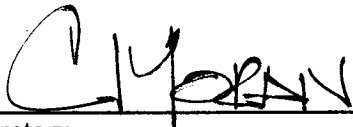
The Refunded Bonds are hereby called for redemption prior to their stated maturities, on the dates and at the prices set forth in Schedule I. The City Secretary is hereby authorized and directed to cause notice of redemption to be given to the paying agent/registrars for the Refunded Bonds and such paying agent/registrars is hereby authorized and directed to give notice of redemption in accordance with the provisions of the ordinance authorizing the issuance of the Refunded Bonds, provided, however, that such notice of redemption shall state that it is given subject to the issuance and delivery by the Town of the Bonds herein authorized on or before June 2, 1999 and that in the event the Bonds are not issued and delivered on or before June 2, 1999, such notice of redemption shall be of no force and effect and the Refunded Bonds shall not be redeemed.

APPROVED AND ADOPTED this 27th day of April, 1999.



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

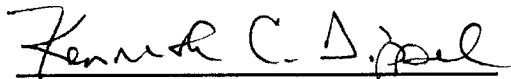
ATTEST:



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

[SEAL]

APPROVED AS TO FORM:



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

Published 6/11/99

## EXHIBIT A

### DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

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

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

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

1. The portions of the financial statements of the Town 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 numbered 1 through 6, inclusive.

#### **Accounting Principles**

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

SCHEDULE I

DESCRIPTION OF REFUNDED BONDS

The following series of Town of Addison, Texas Hotel Occupancy Tax Revenue Bonds are to be called for redemption and redeemed on June 2, 1999 in the principal amounts and at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date:

<u>Original Dated Date</u>	<u>Original Maturity</u>	<u>Interest Rates</u>	<u>Maturity Amount</u>
10-01-89	03-01-00	7.00%	\$350,000
	03-01-01	7.00%	350,000
	03-01-02	7.00%	350,000
	03-01-03	7.00%	350,000
	03-01-04	7.00%	350,000