

MINUTES  
MEETING OF MARCH 26, 2008  
CITY COUNCIL - CITY OF HOUSTON

THE STATE OF TEXAS  
COUNTY OF HARRIS

The City Council of the City of Houston, Texas, convened in regular meeting, open to the public, in the City Hall of such City on March 26, 2008, and the roll was called of the duly constituted members of such City Council, to-wit:

Bill White	Mayor
Toni Lawrence	Council Member, District A
Jarvis Johnson	Council Member, District B
Anne Clutterbuck	Council Member, District C
Wanda Adams	Council Member, District D
Mike Sullivan	Council Member, District E
M. J. Khan, P.E.	Council Member, District F
Pam Holm	Council Member, District G
Adrian Garcia, Mayor ProTem	Council Member, District H
James G. Rodriguez	Council Member, District I
Peter Brown	Council Member, At-Large Position No. 1
Sue Lovell	Council Member, At-Large Position No. 2
Melissa Noriega	Council Member, At-Large Position No. 3
Ronald C. Green	Council Member, At-Large Position No. 4
Jolanda "Jo" Jones	Council Member, At-Large Position No. 5

and the following members were absent, to-wit: Mayor White and Council Member Clutterbuck, constituting a quorum of such City Council, when the following, among other business, was transacted:

The Mayor Pro Tem introduced Ordinance No. 2008-252, such Ordinance being entitled:

An Ordinance Supplementing the City of Houston, Texas Master Ordinance No. 2004-299, Supplementing and Amending Ordinance No. 2004-300 as it relates to City of Houston, Texas, Combined Utility System First Lien Revenue Refunding Bonds, Series 2004B (the "Series 2004B Bonds"); Repealing Ordinance No. 2008-214; Raffifying the Acts of the City Controller to Convert the Series 2004B Bonds from an Auction Rate Mode to a Weekly Mode and Authorizing the Mayor and City Controller to take such Actions Concerning Interest Rates, Prices, and Terms Thereof and Certain Other Matters Relating Thereto as May Be Necessary for Such Conversion; Authorizing the Amendment or Replacement of Certain Qualified Hedge Agreements; Authorizing a Paying Agent/Registrar Agreement; Tender Agent Agreements, Remarketing Agreements, a Credit Facility, a Bond Counsel Agreement, Special Disclosure Counsel Agreement, Supplemental Financial Advisor Agreement, and Other Necessary Agreements or Documents Related to the Bonds; and Declaring an Emergency

The Mayor Pro Tem called for a vote on such Ordinance, and the same passed by the following vote:

AYES: Mayor Pro Tem Garcia, Council Members Lawrence, Johnson, Adams, Sullivan, Khan, Holm, Rodriguez, Brown, Lovell, Noriega, Green, and Jones

NAYS: None

The Mayor Pro Tem thereupon announced that the Ordinance had duly and lawfully passed.

MAYOR'S OFFICE  
HOUSTON, TEXAS

*March 26, 2008*

To the Honorable City Council of the City of Houston, Texas  
City Hall Annex

In accordance with the provisions of Article VII, Section 7 of the Charter of the City of Houston, Texas, I submit to you the ordinance set out below with the request that it be passed finally on the date of its introduction. There exists a public emergency requiring such action, and I accordingly request that you pass the same if it meets with your approval.

*B. D. White*

---

City of Houston, Texas  
Mayor

City of Houston Ordinance No. 2008-252

---

\*To be completed by the City Secretary.

**CITY OF HOUSTON ORDINANCE NO. 2008-252**

An Ordinance Supplementing the City of Houston, Texas Master Ordinance No. 2004-299; Supplementing and Amending Ordinance No. 2004-300 as it relates to City of Houston, Texas, Combined Utility System First Lien Revenue Refunding Bonds, Series 2004B (the "*Series 2004B Bonds*"); Repealing Ordinance No. 2008-214; Ratifying the Acts of the City Controller to Convert the Series 2004B Bonds from an Auction Rate Mode to a Weekly Mode and Authorizing the Mayor and City Controller to take such Actions Concerning Interest Rates, Prices, and Terms Thereof and Certain Other Matters Relating Thereto as May Be Necessary for Such Conversion; Authorizing the Amendment or Replacement of Certain Qualified Hedge Agreements; Authorizing a Paying Agent/Registrar Agreement; Tender Agent Agreements, Remarketing Agreements, a Credit Facility, a Bond Counsel Agreement, Special Disclosure Counsel Agreement, Supplemental Financial Advisor Agreement, and Other Necessary Agreements or Documents Related to the Bonds; and Declaring an Emergency

## TABLE OF CONTENTS

	Page
ARTICLE I FINDINGS AND DETERMINATIONS .....	1
Section 1.1. Findings and Determinations .....	1
ARTICLE II DEFINITIONS AND INTERPRETATIONS .....	2
Section 2.1. Definitions Generally .....	2
Section 2.2. Definitions .....	2
ARTICLE III AMENDMENTS TO THE SERIES 2004B ORDINANCE .....	5
Section 3.1. Definitions .....	5
ARTICLE IV AUTHORIZATION OF CONVERSION; TERMS OF CONVERTED BONDS .....	6
Section 4.1. Ratification and Approval of Conversion .....	6
Section 4.2. Redesignation as Subseries .....	6
Section 4.3. Form of Bond: Exchange of Series 2004B Bonds .....	7
Section 4.4. Release of XLCA Policy .....	7
ARTICLE V AMENDMENT TO SERIES 2004B ORDINANCE .....	8
Section 5.1. Amendment of Exhibit A .....	8
Section 5.2. Amendment of Exhibit F .....	8
Section 5.3. Authorization for Amendments .....	8
ARTICLE VI REPEAL OF SERIES 2008A ORDINANCE .....	9
Section 6.1. The Series 2008A Ordinance is repealed for all purposes .....	9
ARTICLE VII QUALIFIED HEDGE AGREEMENTS .....	10
Section 7.1. Qualified Hedge Agreements .....	10
.....	11
ARTICLE VIII PAYING AGENT/REGISTRAR AGREEMENT, TENDER AGENT AGREEMENTS, REMARKETING AGREEMENTS, AND REIMBURSEMENT AGREEMENT; PROFESSIONAL SERVICES .....	11
Section 8.1. Paying Agent/Registrar Agreement .....	11
Section 8.2. Acceptance .....	11
Section 8.3. Tender Agent .....	11
Section 8.4. Successor Tender Agent .....	11
Section 8.5. Remarketing Agreements .....	12
Section 8.6. Remarketing Agent .....	12

**TABLE OF CONTENTS**  
(continued)

		<b>Page</b>
Section 8.7.	Successor Remarketing Agent .....	12
Section 8.8.	Liquidity Facility and Credit Facility Provider.....	12
Section 8.9.	Alternate Liquidity Facility Provider.....	13
Section 8.10.	Offering Documents.....	13
Section 8.11.	Professional Services .....	13
Section 8.12.	Related Matters .....	14
Section 8.13.	Amendment of Bond Ordinance Requiring Consent.....	14
ARTICLE IX	MISCELLANEOUS .....	15
Section 9.1.	Further Proceedings .....	15
Section 9.2.	Severability .....	15
Section 9.3.	Open Meeting.....	15
Section 9.4.	Declaration of Emergency and of Public Security Authorization .....	15
Section 9.5.	Authority to Modify Attachments.....	15
Section 9.6.	Repealer .....	16

## CITY OF HOUSTON ORDINANCE NO. 2008-252

An Ordinance Supplementing the City of Houston, Texas Master Ordinance No. 2004-299; Amending Exhibit F of Ordinance No. 2004-300 as it relates to City of Houston, Texas, Combined Utility System First Lien Revenue Refunding Bonds, Series 2004B (the "*Series 2004B Bonds*"); Repealing Ordinance No. 2008-214; Ratifying the Acts of the City Controller to Convert the Series 2004B Bonds from an Auction Rate Mode to a Weekly Mode and Authorizing the Mayor and City Controller to take such Actions Concerning Interest Rates, Prices, and Terms Thereof and Certain Other Matters Relating Thereto as May Be Necessary for Such Conversion; Authorizing the Amendment or Replacement of Certain Qualified Hedge Agreements; Authorizing a Paying Agent/Registrar Agreement; Tender Agent Agreements, Remarketing Agreements, a Credit Facility, a Bond Counsel Agreement, Special Disclosure Counsel Agreement, Supplemental Financial Advisor Agreement, and Other Necessary Agreements or Documents Related to the Bonds; and Declaring an Emergency

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HOUSTON:

### ARTICLE I

#### FINDINGS AND DETERMINATIONS

##### Section 1.1. Findings and Determinations.

It is hereby officially found and determined that:

(a) The City of Houston, Texas (the "*City*") is an incorporated city operating under a home-rule charter adopted pursuant to Article XI, Section 5, of the Texas Constitution, having a population according to the latest federal decennial census of 50,000 or more and having outstanding long-term debt secured by the Net Revenues of the System which is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations.

(b) The City has adopted a Master Ordinance providing for the issuance of bonds and other obligations to be secured by revenues from the City's combined utility system (the "*Master Ordinance*").

(c) The City has issued its City of Houston, Texas, Combined Utility System First Lien Revenue Refunding Bonds, Series 2004B, all or a part of which remain Outstanding (the "*Series 2004B Bonds*"). The Series 2004B Bonds will be converted from an Auction Rate Mode to a Weekly Mode (the "*Conversion*") pursuant to the directions of the City Controller as Authorized Representative, and this Supplemental Ordinance. Any conditions precedent to the conversion of the Series 2004B Bonds contained in the Master Ordinance and Ordinance 2004-300 authorizing the Series 2004B Bonds (the "*Series 2004B Ordinance*") will have been met prior to the Conversion.

(d) This Ordinance ratifies the actions of the City Controller to approve and approves a Credit Agreement, Tender Agent Agreement, and Remarketing Agent Agreements, and such other acts as may required for the Conversion, and amends the Series 2004B Ordinance with respect to the Series 2004B Bonds subsequent to Conversion.

## ARTICLE II

### DEFINITIONS AND INTERPRETATIONS

#### Section 2.1. Definitions Generally.

Except as amended hereby, capitalized terms not defined in *Section 2.2* or elsewhere in this Supplemental Ordinance have the meanings assigned to them in the Master Ordinance or in the Series 2004B Ordinance. For all purposes of this Supplemental Ordinance, including *Exhibits A* and *F* as amendments and restatements of the Series 2004B Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

- (1) All terms defined herein include the plural as well as the singular.
- (2) All references in this Supplemental Ordinance to designated "*Articles*", "*Sections*", "*Exhibits*", and other subdivisions are to the designated Articles, Sections, Exhibits, and other subdivisions of this Supplemental Ordinance as originally adopted.
- (3) The words "*herein*", "*hereof*", and "*hereunder*" and other words of similar import refer to this Supplemental Ordinance as a whole and not to any particular Article, Section, Exhibit, or other subdivision.

#### Section 2.2. Definitions.

In this Supplemental Ordinance, the following terms have the following meanings, unless the context clearly indicates otherwise:

"*Bear Stearns Swap Agreement*" means the ISDA Master Agreement (Local Currency—Single Jurisdiction) (1992), including the Schedule and Credit Support Annex thereto, dated as of June 1, 2004, and the related Confirmation dated June 7, 2004, between the City and Bear Stearns Financial Products Inc.

"*City Controller*" means the person from time to time holding the office of City Controller.

"*Credit Facility*" initially means the Reimbursement Agreement and that certain Letter of Credit issued thereunder, which is also the initial Liquidity Facility, the Letter of Credit being issued severally by the Credit Facility Provider, and any Alternate Credit Facility issued pursuant to *Exhibit F*.

"*Credit Facility Provider*" initially means Bank of America, N.A., individually and as agent, The Bank of New York, State Street Bank and Trust Company, and Dexia Credit Local,

acting through its New York branch, severally and not jointly, in the amounts and the percentages set forth in the initial Credit Facility, and upon the effective date of an Alternate Credit Facility, the bank or banks or other financial institution or financial institutions or other Person or Persons issuing such Alternate Liquidity Facility, their successors and assigns. Notices required to be given to the Credit Facility Provider may be given to the Agent under the Credit Facility, and if any Alternate Credit Facility is issued by more than one bank, financial institution or other Person, notices required to be given to the Credit Facility Provider may be given to the bank, financial institution or other Person under such Alternate Liquidity Facility appointed to act as agent for all such banks, financial institutions or other persons.

“*Conversion*” has the meaning stated in *Section 1.1(c)*.

“*Goldman Sachs Swap Agreement*” means the ISDA Master Agreement (Local Currency—Single Jurisdiction) (1992), including the Schedule and Credit Support Annex thereto, dated as of June 1, 2004, and the related Confirmation dated June 7, 2004, Ref. No. NUUS4067N0, between the City and Goldman Sachs Capital Markets LP.

“*Governing Body*” means the City Council of the City.

“*Liquidity Facility*” means initially the Credit Facility and thereafter any Alternate Liquidity Facility delivered pursuant to *Exhibit F* and with terms that are not inconsistent with the terms of the Ordinance.

“*Liquidity Facility Provider*” means initially, the Credit Facility Provider, and upon the effective date of an Alternate Liquidity Facility, the bank or banks or other financial institution or financial institutions or other Person or Persons issuing such Alternate Credit Facility, their successors and assigns. Notices required to be given to the Credit Facility Provider may be given to the agent under the Credit Facility, and if any Alternate Credit Facility is issued by more than one bank, financial institution or other Person, notices required to be given to the Credit Facility Provider may be given to the bank, financial institution or other Person under such Credit Facility appointed to act as agent for all such banks, financial institutions or other persons.

“*Pre-Conversion Subseries*” means the nine separate Subseries of Series 2004B Bonds so designated in the Series 2004B Officers’ Pricing Certificate.

“*Reimbursement Agreement*” means, with respect to the Series 2004B Bonds, the reimbursement agreement between the City and the Credit Facility Providers in substantially the form attached hereto as *Exhibit E*.

“*Remarketing Agent*” means Bank of America Securities LLC, Goldman Sachs & Co., and UBS Securities LLC as each is designated for a specific Subseries, and their successors in that capacity.

“*Remarketing Agreements*” means collectively the separate agreements between the City and the Remarketing Agents in substantially the form of *Exhibits D-1, D-2, and D-3* hereto.

"*Series 2004B Ordinance*" means that certain Ordinance No. 2004-300 adopted by the Governing Body on April 21, 2004.

"*Series 2008A Ordinance*" means certain Ordinance No. 2008-214 adopted by the Governing Body on March 12, 2008.

"*Series 2004B Officers' Pricing Certificate*" means the Officers' Pricing Certificate for the Series 2004B Bonds dated as of June 8, 2004, by the Mayor of the City and the City Controller.

"*Series 2004B Qualified Hedge Agreements*" means the Goldman Sachs Swap Agreement, the UBS Swap Agreement, and the Bear Stearns Swap Agreement.

"*Series 2004B-1 Bonds*" means the bonds so redesignated and issued under *Article IV*.

"*Series 2004B-2 Bonds*" means the bonds so designated and issued under *Article IV*.

"*Series 2004B-3 Bonds*" means the bonds so designated and issued under *Article IV*.

"*Series 2004B-4 Bonds*" means the bonds so designated and issued under *Article IV*.

"*Series 2004B-5 Bonds*" means the bonds so designated and issued under *Article IV*.

"*Subseries*" means each subseries of the Bonds so designated in or hereafter redesignated pursuant to the terms of *Article IV*.

"*Tender Agent*" means The Bank of New York Trust Company, N.A., and its successors in such capacity.

"*Tender Agent Agreements*" means the five separate Tender Agent Agreements between the City, the Remarketing Agents, and the Tender Agent in substantially the forms attached hereto as *Exhibits C-1, C-2, C-3*.

"*UBS Swap Agreement*" means the ISDA Master Agreement (Local Currency—Single Jurisdiction) (1992), including the Schedule and Credit Support Annex thereto, dated as of June 1, 2004, and the related Confirmation dated June 7, 2004, between the City and UBS AG.

"*XLCA*" means XL Capital Assurance, as issuer of the XL Policy and the XLCA Swap Policies, and any successor thereto under such policies.

"*XLCA Policy*" means the Municipal Bond Insurance Policy No. CA00985A from XLCA, securing certain payments on the Series 2004B Bonds before Conversion.

"*XLCA Swap Policies*" means the three separate Financial Guaranty Insurance Policies No. CA00985B (for the Goldman Sachs Swap Agreement), CA00985C (for the UBS Swap Agreement), and CA00985D (for the Bear Stearns Swap Agreement) from XLCA, securing certain payments by the City on the Series 2004B Qualified Hedge Agreements.

## ARTICLE III

### AMENDMENTS TO THE SERIES 2004B ORDINANCE

#### Section 3.1. Definitions.

The following terms defined in *Section 2.2* of the Series 2004B Ordinance are amended and restated to have the following meanings, but solely for a Subseries of Series 2004B Bonds following its Conversion:

*"Business Day"* means, for purposes of this Supplemental Ordinance, a day other than (i) a Saturday and Sunday, (ii) a day on which the Paying Agent/Registrar, the Tender Agent, the Auction Agent, the Broker-Dealers, the Bond Insurer or banks and trust companies in New York, New York are authorized or required to remain closed, or (iii) a day on which the office of the Credit Facility Provider (or the Liquidity Facility Provider but only with respect to draws on the Liquidity Facility) at which draws are to be presented under the Credit Facility (or the Liquidity Facility if applicable) is authorized or required to be closed or (iv) a day on which the New York Stock Exchange is closed.

*"Ordinance"* means collectively, the Master Ordinance, this Supplemental Ordinance No. 2004-300, and all amendments hereof and supplements hereto, including specifically that certain Ordinance adopted March 26, 2008 amending and supplementing this Supplemental Ordinance No. 2004-300, but solely as it relates to the Series 2004B Bonds.

*"Paying Agent/Registrar"* means The Bank of New York Trust Company, N.A., and its successors in that capacity.

ARTICLE IV

AUTHORIZATION OF CONVERSION; TERMS OF CONVERTED BONDS

Section 4.1. Ratification and Approval of Conversion.

The actions, directions, and certifications of the City Controller to effectuate the Conversion are hereby ratified and approved, and the Series 2004B Bonds are to be converted from an Auction Rate Mode to a Weekly Mode at the earliest practicable date as directed by the City Controller.

Section 4.2. Redesignation as Subseries.

Upon Conversion, each Pre-Conversion Subseries will be redesignated as five Subseries as follows:

<b>Pre-Conversion Subseries</b>	<b>Subseries After Conversion</b>
Subseries 2004B-1	Subseries 2004B-1
Subseries 2004B-4	Subseries 2004B-1
Subseries 2004B-7	Subseries 2004B-1
Subseries 2004B-3	Subseries 2004B-2
Subseries 2004B-9	Subseries 2004B-2
Subseries 2004B-8	Subseries 2004B-3
Subseries 2004B-5	Subseries 2004B-4
Subseries 2004B-2	Subseries 2004B-5
Subseries 2004B-6	Subseries 2004B-5

The amounts and Mandatory Redemption Requirements as set forth in the Series 2004B Officers' Pricing Certificate for each Pre-Conversion Subseries will be maintained following Conversion, but are to be combined consistent with the redesignation as provided in writing by the City Controller.

Section 4.3. Form of Bond: Exchange of Series 2004B Bonds.

The form of the Series 2004B Bonds following Conversion will be as set forth in *Exhibit A*. Upon Conversion, the Paying Agent/Registrar is directed to exchange new Series 2004B Bonds of the appropriate Subseries for the Outstanding Series 2004B Bonds.

Section 4.4. Release of XLCA Policy.

Upon Conversion of each Subseries, the XLCA Policy is cancelled and released with respect to, but only with respect to, the Subseries so converted. Upon Conversion of all Subseries, the Paying Agent/Registrar is directed to take such steps as are necessary to cancel and return the XLCA Policy to XLCA.

ARTICLE V

AMENDMENT TO SERIES 2004B ORDINANCE

Section 5.1. Amendment of Exhibit A.

*Exhibit A*, Form of Bonds, of the Series 2004B Ordinance, is hereby amended and restated to read as set forth in *Exhibit A*, but such amendment and restatement is effective solely as it relates to the Series 2004B Bonds upon Conversion, and is not an amendment to the Series 2004B Ordinance as it relates to any other series of Series 2004 Bonds issued thereunder or the Series 2004B Bonds prior to Conversion.

Section 5.2. Amendment of Exhibit F.

*Exhibit F*, Provisions for Multi-Modal Obligations (including *Exhibit F-1* thereto), of the Series 2004B Ordinance, is hereby amended and restated to read as set forth in *Exhibit F*, but such amendment and restatement is effective solely as it relates to the Series 2004B Bonds upon Conversion, and is not an amendment to the Series 2004B Ordinance as it relates to any other series of Series 2004 Bonds issued thereunder or the Series 2004B Bonds prior to Conversion.

Section 5.3. Authorization for Amendments.

The amendments hereunder to the Series 2004B Ordinance are pursuant to *Section 7.2(ii)* of *Exhibit F* of the Series 2004B Ordinance, as now in effect.

ARTICLE VI

REPEAL OF SERIES 2008A ORDINANCE

Section 6.1. The Series 2008A Ordinance is repealed for all purposes.

## ARTICLE VII

### QUALIFIED HEDGE AGREEMENTS

Section 7.1. Qualified Hedge Agreements. Pursuant to *Section 6.11* of the Series 2004B Ordinance, the City has entered into the three Series 2004B Qualified Hedge Agreements for the Series 2004B Bonds. In connection with the Conversion, the Mayor and the City Controller, acting singly or together, are directed to take such steps as are necessary to terminate the three separate XLCA Swap Policies, and to effectuate such termination may amend any or all of the Series 2004B Hedge Agreements or to deliver new Qualified Hedge Agreements with such terms as the such officers deem appropriate as a replacement of the Series 2004B Qualified Hedge Agreements. In authorizing such delivery of new Qualified Hedge Agreements, the City notes that it intends to refinance any termination payment required to be paid thereunder with refunding bonds issued under Chapter 1207.

If one or more of the counterparties to the Series 2004B Qualified Hedge Agreements declines to release the XLCA Swap Policies, then the Governing Body directs the Mayor and City Controller to continue to use their best efforts to terminate the remaining XLCA Swap Policies during 2008, or as soon after as possible, provided that the conditions for termination do not impose additional financial or contractual burdens on the City. For so long as an XLCA Swap Policy has not been released, the City Controller must provide to XLCA an annual certificate as of each June 30 to the effect that the XLCA Swap Policy is outstanding. After it is terminated, the City agrees to notify XLCA of the termination immediately and upon the next June 30, but may thereafter cease reporting.

## ARTICLE VIII

### PAYING AGENT/REGISTRAR AGREEMENT, TENDER AGENT AGREEMENTS, REMARKETING AGREEMENTS, AND REIMBURSEMENT AGREEMENT; PROFESSIONAL SERVICES

#### Section 8.1. Paying Agent/Registrar Agreement.

The registration of and payment of the principal of, premium, if any, and interest on the Series 2004B Bonds when due will be effectuated pursuant to the terms of one or more Paying Agent/Registrar Agreements to be entered into by and between the City and the Paying Agent/Registrar, effective for each Subseries from and after Conversion, which will be substantially in the form attached hereto as *Exhibit B*, the terms and provisions of which are hereby approved, and the Mayor and the City Controller are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto.

#### Section 8.2. Acceptance.

For any Subseries upon Conversion, The Bank of New York Trust Company, N.A. is hereby appointed as the Paying Agent/Registrar for such Subseries. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, including the duty to draw upon the Credit Facility, as more particularly described in the Reimbursement Agreement attached hereto as *Exhibit E*; and in consideration of the payment of fees and/or deposits of money pursuant to this Supplemental Ordinance, is deemed to have accepted and agreed to abide by the terms of this Supplemental Ordinance.

#### Section 8.3. Tender Agent.

The Bank of New York Trust Company, N.A., is hereby appointed Tender Agent for the Series 2004B Bonds, and the City is hereby authorized to enter into Tender Agent Agreements with the Tender Agent in substantially the form attached hereto as *Exhibit C-1, C-2, and C-3*, which Tender Agent Agreements are hereby authorized and approved. The Mayor is authorized to execute and deliver such agreement on behalf of the City, the City Controller is authorized and directed to countersign such agreement and the City Secretary is authorized and directed to attest such agreement.

#### Section 8.4. Successor Tender Agent.

If the Tender Agent is unable for any reason to act as Tender Agent hereunder, the City or the City acting through the Authorized Representative will, with the prior written consent of the Credit Facility Provider, appoint a successor Tender Agent to perform the duties of Tender Agent hereunder.

Section 8.5. Remarketing Agreements.

To effectuate the Conversion, the City will enter into three or more separate Remarketing Agreements to be entered into by and between the City and the separate Remarketing Agents, which will be substantially in the form attached hereto as *Exhibit D-1, D-2, and D-3*, the terms and provisions of which are hereby approved, and the Mayor and the City Controller are hereby authorized to execute and deliver such Remarketing Agreements on behalf of the City in multiple counterparts and the City Secretary is hereby authorized to attest thereto.

Section 8.6. Remarketing Agent.

Bank of America Securities LLC, is hereby appointed Remarketing Agent for the Series 2004B-1 Bonds; UBS Securities LLC is appointed Remarketing Agent for the Series 2004B-2 Bonds and Series 2004B-3 Bonds, Goldman, Sachs & Co. is hereby appointed Remarketing Agent for the Series 2004B-4 Bonds and Series 2004B-5 Bonds. The Designation of Subseries refers to the Subseries after Conversion, but applies to the corresponding Pre-Conversion Subseries as designated in the table in *Section 4.2*. By undertaking the performance of the duties of the Remarketing Agents hereunder, and in consideration of the payment of fees and/or deposits of money pursuant to this Ordinance, the Remarketing Agents accept and agree to abide by the terms of this Ordinance.

Section 8.7. Successor Remarketing Agent.

If any of the Remarketing Agents become unable for any reason to act as Remarketing Agent hereunder, the City or the City acting through the Authorized Representative will, with the prior written consent of the Credit Facility Provider (provided that the Credit Facility Provider is not in default in its payment obligations under the Credit Facility), appoint a successor Remarketing Agent to perform the duties of Remarketing Agent hereunder.

Section 8.8. Liquidity Facility and Credit Facility Provider.

Upon Conversion, Bank of America, N.A., the Bank of New York, State Street Bank and Trust Company, and Dexia Credit Local, acting through its New York branch, severally and not jointly in the percentages set forth in the Letter of Credit, are hereby appointed as Liquidity Facility Provider and the Credit Facility Provider for the Series 2004B Bonds, and the City is authorized to enter into the Reimbursement Agreement in substantially the form attached hereto as *Exhibit E*, in accordance with the Provisions for Multi-Modal Obligations in *Exhibit F*, which are hereby authorized and approved for all purposes, and the Mayor is authorized to execute and deliver such agreement(s) on behalf of the City, the City Controller is authorized and directed to countersign such agreement(s) and the City Secretary is authorized and directed to attest such agreement(s) and impress the seal of the City thereon.

So long as the Credit Facility Providers have not failed to honor a properly presented and conforming draw under the Letter of Credit, Bank of America, N.A., as agent for the Credit Facility Provider and Liquidity Provider, under the terms of this Ordinance and the Provisions for Multi-Modal Obligations in *Exhibit F*, is at all times deemed to be the exclusive Owner of the Series 2004B Bonds for the purpose of any approvals, consents, waivers, or any other action

and the direction of all remedies which may otherwise be exercised by the Owners, except that no action taken by the agent may affect the Series 2004B Bonds in a manner prohibited for amendment of this Ordinance without the consent of all affected Owners. The Credit Facility Providers are third party beneficiaries to the terms of the Ordinance.

Section 8.9. Alternate Liquidity Facility Provider.

Subject to the terms of the Ordinance and the Reimbursement Agreement, if the Liquidity Facility Provider becomes unable for any reason to act as Liquidity Facility Provider hereunder, the City or the City acting through the Authorized Representative will appoint an alternate Liquidity Facility Provider to perform the duties under the Liquidity Facility.

Section 8.10. Offering Documents.

In connection with the Conversion, the Governing Body authorizes and approves preparation and distribution of a Reoffering Circular relating to the Conversion, substantially in the form attached hereto as *Exhibit G*.

Further, the City Council hereby ratifies, authorizes, and approves the actions of the Mayor, City Controller and the City's financial advisor and other consultants in seeking ratings on the Series 2004B Bonds upon Conversion from one or more of the Rating Agencies, and such action is hereby ratified and confirmed.

Section 8.11. Professional Services.

Bond Counsel services in connection with the Conversion, and other matters pertaining thereto, shall be provided pursuant to the terms of a Bond Counsel Letter Agreement to be entered into by and between the City and Fulbright & Jaworski L.L.P., Houston, Texas, which will be substantially in the form attached hereto as *Exhibit H*, the terms and provisions of which are hereby approved. Disclosure Counsel services in connection with the Conversion will be provided pursuant to the terms of a Special Disclosure Counsel Letter Agreement to be entered into by and between the City and Andrews Kurth LLP, Houston, Texas, which will be substantially in the form attached hereto as *Exhibit I*, the terms and provisions of which are hereby approved. Financial advisory services in connection with the Conversion of the Bonds and issuance of additional System Obligations will be provided pursuant to the terms of a Supplemental Financial Advisor Agreement to be entered into by and between the City and co-financial advisors, Coastal Securities, Inc., and Morgan Keegan & Company, Houston, Texas, which will be substantially in the form attached hereto as *Exhibit J*, the terms and provisions of which are hereby approved. The Mayor and the City Controller are authorized to execute and deliver such Bond Counsel Letter Agreement, Special Disclosure Counsel Letter Agreement, and Financial Advisory Agreement on behalf of the City in multiple counterparts, and the City Secretary is hereby authorized to attest thereto and affix the City's seal.

Section 8.12. Related Matters.

In order that the City may satisfy in a timely manner all of its obligations under the Ordinance, the Mayor, the City Secretary, and the City Controller of the City and all other appropriate officers and agents of the City are hereby authorized and directed to take all other actions that are reasonably necessary to provide for Conversion of the Series 2004B Bonds, including without limitation, executing by manual or facsimile signature and delivering on behalf of the City all certificates, consents, receipts, requests, notices, investment agreements, and other documents as may be reasonably necessary to satisfy the City's obligations under the Ordinance, including the release of the XLCA Policy and the XLCA Swap Policies, and the amendment or replacement of the Series 2004B Qualified Hedge Agreements, and paying costs incurred in connection with the Conversion, and to direct the transfer and application of funds of the City consistent with the provisions of this Supplemental Ordinance. If requested by the rating agencies rating the Series 2004B Bonds, the Authorized Representative may authorize such changes to this Supplemental Ordinance, and any exhibits incorporated herein, regarding the mechanics of mode changes and/or provisions governing the Credit Facility and Liquidity Facility as may be necessary to maintain or improve the City's rating on the Series 2004B Bonds. If requested by the Attorney General of Texas or his representatives, or as otherwise may be necessary in effectuating this Ordinance, the City Attorney or his designee may authorize such changes in the written text of this Supplemental Ordinance as are necessary to obtain the Attorney General's approval of the Credit Facility and as he determines are consistent with the intent and purposes of this Supplemental Ordinance, which determinations, evidenced by delivery of the revised Supplemental Ordinance to the City, are final. Because of the Auction Dates of the Series 2004B Bonds in the Auction Rate Mode, it is necessary to convert or redeem the Series 2004B Bonds on several different dates to meet the requirements of the Series 2004B Ordinance governing Conversion. The City Controller is hereby authorized to take such actions and make such modifications to this Ordinance or to the agreements approved by this Ordinance as she may reasonably determine are required by such Auction Dates.

Section 8.13. Amendment of Bond Ordinance Requiring Consent.

Notwithstanding *Sections 7.14* and *7.15* of the Master Ordinance, *provided* that a Credit Facility or Liquidity Facility is in effect (and will remain in effect after any such amendment), and the Credit Facility or Liquidity Facility Provider, as applicable has not failed to honor a properly presented and conforming draw under such facility, the City may not take any action amending, modifying, adding to, or eliminating any of the provisions of this Ordinance which adversely affect the Credit Facility Provider or Liquidity Facility Provider, as applicable, and their rights under this Ordinance with respect to the Series 2004B Bonds without the prior written consent of the Credit Facility Provider or Liquidity Facility Provider, as applicable.

ARTICLE IX  
MISCELLANEOUS

Section 9.1. Further Proceedings.

The Mayor of the City, the City Controller of the City and the City Secretary of the City and other appropriate officials of the City are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Supplemental Ordinance.

Section 9.2. Severability.

If any Section, paragraph, clause, or provision of this Supplemental Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such Section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Supplemental Ordinance.

Section 9.3. Open Meeting.

It is hereby found, determined, and declared that a sufficient written notice of the date, hour, place, and subject of the meeting of the City Council at which this Supplemental Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Supplemental Ordinance and the subject matter thereof has been discussed, considered and formally acted upon. The City Council further ratifies, approves, and confirms such written notice and the contents and posting thereof.

Section 9.4. Declaration of Emergency and of Public Security Authorization.

It is hereby officially found and determined that a case of emergency and urgent public necessity exists which requires the holding of the meeting at which this Supplemental Ordinance is passed and further requires that this Supplemental Ordinance be passed finally and take effect immediately on the date of its introduction, such emergency and urgent public necessity being that the proceeds from the sale of the Series 2004B Bonds are required as soon as possible and without delay for the purposes set forth herein. It is further officially found and determined that this Supplemental Ordinance is a public security authorization, and therefore this Supplemental Ordinance shall be effective immediately upon approval by the City Council pursuant to Section 1201.028 of the Texas Government Code, as amended.

Section 9.5. Authority to Modify Attachments.

When used herein with respect to agreements and other documents that are attached as exhibits, the phrase "substantially in the form of" authorizes the execution of an agreement or

document that is not materially inconsistent with the purpose, intent and general substantive parameters of the agreement or other document as attached. The determination by an officer or employee of the City acting under authority delegated thereto by this Supplemental Ordinance or the Master Ordinance to execute any such agreement or other document in substantially the form attached to this Supplemental Ordinance has the same force and effect as a determination made by the City Council.

Section 9.6. Repealer.

Subject to *Section 6.1*, which repeals the Series 2008A Ordinance for all purposes, all ordinances, or parts thereof inconsistent herewith are repealed to the extent of such inconsistency.

PASSED AND APPROVED THIS 26th day of March, 2008.

Bill White  
Mayor

Approved as to Form:

Dary L Wood  
Senior Assistant City Attorney  
(Requested by Mike Marcotte  
Director of Department of  
Public Works and Engineering)  
(L.D. File No. 0340800044001)

AYE	NO	
	<del>ABSENT</del>	MAYOR WHITE
••••	••••	COUNCIL MEMBERS
✓		LAWRENCE
✓		JOHNSON
	<del>ABSENT</del>	CLUTTERBUCK
✓		ADAMS
✓		SULLIVAN
✓		KHAN
✓		HOLM
✓	<del>PROTEM</del>	GARCIA
✓		RODRIGUEZ
✓		BROWN
✓		LOVELL
✓		NORIEGA
✓		GREEN
✓		JONES
CAPTION	ADOPTED	

CAPTION PUBLISHED IN DAILY COURT  
REVIEW  
DATE: APR 01 2008

CITY SECRETARY'S CERTIFICATE

The undersigned, the duly appointed, qualified, and acting City Secretary of the City of Houston, Texas (the "City"), hereby certifies and states as follows:

1. The undersigned is the official custodian of all of the minutes, records, and ordinances of the City.

2. The foregoing pages constitute true and correct copies of (a) as much of the minutes of the regular meeting of the City Council of the City on March 26, 2008, as reflects the introduction and passage of City of Houston Ordinance No. 2008-252 "Ordinance"), (b) the written request signed by the Mayor of the City that such Ordinance be passed finally on the date of its introduction, and (c) the caption and body of the Ordinance and the passage and approval thereof.

3. The persons named in the aforesaid minutes of the meeting of the City Council of the City held March 26, 2008, are the duly chosen, qualified, and acting officers and members of the City Council of the City as indicated in said minutes; said meeting was a regular meeting of the City Council of the City held at the time and place prescribed by Rule 1(a) of Section 2-2 of the Code of Ordinances of the City of Houston, each of said persons was furnished in advance of such meeting with the agenda thereof in writing, which included the fact that the Ordinance would be introduced and considered for passage at said meeting; and said meeting was open to the public as required by law and public notice of the date, hour, place and purpose thereof was duly given as required by the Open Meetings Act, Tex. Gov't Code Ann. ch. 551 (Vernon 1994).

4. After the Ordinance was passed, it was presented to the Mayor, who duly signed it, and it thereupon became effective; and the Ordinance is now in the official custody of the undersigned awaiting permanent recording in the ordinance records of the City, which constitute a part of the official records of the proceedings of the City Council of the City.

To certify which, witness my hand and the official seal of the City of Houston, Texas, this 4th day of April, 2008.

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