CITY OF SHERMAN
CITY COUNCIL REGULAR MEETING AGENDA
COUNCIL CHAMBERS OF THE CITY HALL
220 WEST MULBERRY STREET
SHERMAN, TEXAS
MONDAY, MARCH 19, 2012
5:00 P.M.

A.1 CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

A.2 PLEDGE OF ALLEGIANCE

A.3 INVOCATION BY DEPUTY MAYOR WILLIE STEELE

A.4 APPROVE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF MARCH 5, 2012

Consent Agenda

B.1 CONSENT AGENDA
Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

Resolutions

C.1 ** RESOLUTION NO. 5659*
Authorizing the Execution of a Memorandum of Understanding between the City of Sherman and the State of Texas, Acting By and Through the Texas Department of Transportation, for a Transportation Enhancement Project (Downtown Sherman Streetscape Project)

C.2 RESOLUTION NO. 5660
Approving the Grayson Central Appraisal District's Proposal Regarding the Relocation of the Appraisal District Offices

C.3 RESOLUTION NO. 5661
Adopting the Grayson County Multi-Jurisdictional Hazard Mitigation Plan

C.4 RESOLUTION NO. 5662
Approving the Form of Resolution of the Texoma Area Solid Waste Authority Authorizing the Issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2012; Approving the Form of Offering Document to be Used in the Marketing of Such Bonds; and Containing Other Provisions Relating to the Subject

Other Business

D.1 *[* OTHER BUSINESS]*
Consider Request of the 2012 Earth Day Planning Committee to Temporarily Close Certain Streets for the "4th Annual Earth Day Festival" on Saturday, April 21, 2012

D.2 CITIZEN REQUESTS

D.3 MEDIA QUESTIONS

D.4 COUNCIL COMMENTS

Executive Session

E.1 EXECUTIVE SESSION
In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.087 Deliberation Regarding Economic Development Negotiations

(a) Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:

(i) Property at 4344 Loy Lake Road, Sherman, Texas

The Council reconvenes into General Session

F.1 OPEN MEETING
Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

F.2 ADJOURNMENT

COUNCIL CALENDAR

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. A.1

CALL TO ORDER, QUORUM DETERMINED, MEETING DECLARED OPEN

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. A.2

PLEDGE OF ALLEGIANCE

The Honorable Willie Steele, Deputy Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. A.3

INVOCATION BY DEPUTY MAYOR WILLIE STEELE

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. A.4

APPROVE MINUTES
OF THE REGULAR CITY COUNCIL MEETING OF MARCH 5, 2012

STATE OF TEXAS §

March 5, 2012

COUNTY OF GRAYSON §

BE IT REMEMBERED THAT A Regular Meeting of the City Council of the City of Sherman, Grayson County, Texas was begun and held in the Council Chambers of City Hall on March 5, 2012.

MEMBERS PRESENT: **MAYOR BILL MAGERS; DEPUTY MAYOR WILLIE STEELE. COUNCIL MEMBERS HOWETH, PLYLER, SMITH, SOFTLY, WACKER.**

MEMBERS ABSENT: **NONE.**

CALL TO ORDER

CALL TO ORDER

Mayor Magers called the meeting to order at 5:00 p.m. The Pledge of Allegiance and the Invocation were given by Council Member David Plyler.

APPROVE MINUTES

APPROVE MINUTES

The Council reviewed the Minutes of the Regular City Council Meeting of February 20, 2012. Council Member Smith moved to approve the Minutes as presented; Second by Council Member Howeth. All present voted AYE.
MOTION CARRIED.

PROCLAMATION
“TEXAS PUBLIC SCHOOLS WEEK” – MARCH 5-9, 2012

TEXAS PUBLIC SCHOOLS WEEK (MARCH 5-9, 2012)

Council Member Howeth presented a proclamation to April Patterson, Sherman Independent School District Director of Communications, designating March 5 through 9, 2012 as “Texas Public Schools Week.”

On behalf of Dr. Al Hambrick, Superintendent of Schools, and the Sherman School Board, Ms. Patterson thanked the City Council for the proclamation and for their support.

INTRODUCTION AND PUBLIC HEARING OF ORDINANCES

ORD 5735 DOWNTOWN OVERLAY DISTRICT

Mayor Magers introduced Ordinance 5735 and called for a public hearing:
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED “BUSINESS REGULATIONS”, AT ARTICLE 4.14, ENTITLED “ALCOHOLIC BEVERAGES”, DIVISION 2, ENTITLED “LAWFUL CONSUMPTION”, TO PROVIDE FOR A NEW SECTION 4.14.036 TO BE ENTITLED “DOWNTOWN DISTRICT”; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5735.

Mayor Magers introduced Ordinance 5736 and called for a public hearing:

ORD 5736
ALCOHOL AT SPECIAL EVENTS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED "BUSINESS REGULATIONS", AT ARTICLE 4.14, ENTITLED "ALCOHOLIC BEVERAGES", DIVISION 3, ENTITLED "UNLAWFUL CONSUMPTION", SECTIONS 4.14.061 AND 4.14.062 TO PROVIDE FOR THE SALE, POSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES DURING SPECIAL EVENTS; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

<u>David Baca, President of Downtown Sherman Preservation & Revitalization</u>
Mr. Baca appeared representing DSP&R, and thanked the City Council for considering the ordinances. He said there are other ideas "in the works" to help promote the downtown area. This is a step in the right direction.

In the past there have been people that wanted to open businesses to sell alcohol and that also want to provide music on the streets. These ventures have not gone very far because of the presumption that alcohol cannot be sold downtown.

Mr. Baca said DSP&R appreciates this step to move forward and he encouraged Council Members to approve the ordinance.

No other citizens appeared before the City Council to discuss Ordinance 5736.

Mayor Magers introduced Ordinance 5737 and called for a public hearing:

ORD 5737
CONSUMPTION OF ALCOHOLIC BEVERAGES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED "OFFENSES AND NUISANCES", AT ARTICLE 8.03, ENTITLED "OFFENSES INVOLVING PUBLIC PEACE AND ORDER", SECTION 8.03.002, ENTITLED "CONSUMPTION, POSSESSION OF ALCOHOLIC BEVERAGES", TO PROVIDE FOR NEW SUBSECTIONS (E) AND (F); PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

No citizens appeared before the City Council to discuss Ordinance 5737.

The Public Hearing was closed.

<u>ADOPTION OF ORDINANCES</u>
Ordinance 5735

ORD 5735
DOWNTOWN OVERLAY DISTRICT

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED "BUSINESS REGULATIONS",

AT ARTICLE 4.14, ENTITLED "ALCOHOLIC BEVERAGES", DIVISION 2, ENTITLED "LAWFUL CONSUMPTION", TO PROVIDE FOR A NEW SECTION 4.14.036 TO BE ENTITLED "DOWNTOWN DISTRICT"; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

Brandon Shelby, City Attorney, briefed the City Council on the proposed Downtown District saying that, at the last meeting, Mayor Magers had appointed a committee to study the proposal. He met with committee members, Mr. Baca; Lawrence Davis, Chairman of the Planning and Zoning Commission; and Scott Shadden, Director of Development Services.

The committee wanted to keep the proposed Downtown District simple and wanted to concentrate on three points. The first would be an exemption from the developmental standards which would exempt the downtown area from the distance requirements that were adopted from the Texas Alcoholic Beverage Commission.

Currently there are no locations in the Downtown District that are within 300 feet of a church or school. However, should one move in, he said this will help businesses in the future when they apply for alcohol permits.

The second change would be an exemption from certain noise ordinances. People that own restaurants and bars like to play music, however the committee also knew that downtown is filled with professionals. Therefore the committee is proposing to exclude the businesses from the noise ordinance only after weekday business hours.

The City already allows dining in outdoor areas in front of downtown businesses. The committee wanted to promote the outdoor dining, so the third change would allow a provision for the consumption of alcohol in those outdoor areas.

Mr. Shelby said the committee also discussed the boundaries of the Downtown District. He presented a map of the proposed boundary, which includes the traditional retail corridor of downtown Sherman. In the future, if new businesses open, the Council could reconsider these boundaries if they so desire.

Mayor Magers said the committee felt the focus of this ordinance should be to reinvigorate the original downtown retail district. This can be expanded if future City Councils would like to do so.

He also added that this ordinance cost the taxpayers nothing, but it is an opportunity to generate revenues downtown without increasing taxes. Secondly, it does not impede on one property owner's rights. It allows

businesses to co-exist with other service industries or businesses without anyone having anything taken away from them. It expands property rights. Mayor Magers said it will give another incentive for citizens to do business in the downtown area.

He added that it doesn't allow anyone to walk down the street carrying an alcoholic beverage. It only allows businesses that are serving alcoholic beverages to serve them in their sidewalk dining area. It does not allow for any market or grocery store to open downtown to sell alcoholic beverages without coming before the Council and obtaining the proper permits.

Mr. Shelby confirmed that the exemption from the development standards is for on-site consumption and not for off-site sales. Mayor Magers said they want to be sure that the City Council has control of its downtown area.

Council Member Plyler said it appears that the Methodist Church and the Presbyterian Church are located across the street from these boundaries and First Baptist and First Christian are within 120 feet of the area. He expressed concern that if there is an exemption from the development standards, bars could locate across the street from the churches.

Mayor Magers explained that the only way to allow the changes on both sides of Crockett Street was to take the boundary to Elm Street. Mr. Shadden said it is over 300 feet from First Baptist Church. It is measured from front door to front door. It is across the street from the Presbyterian Church's parking lot.

Mr. Shelby added that the boundary lines were drawn in part, because there are currently no churches or schools within 300 feet, door to door, with businesses located inside the designated area.

Council Member Plyler added that the Methodist Church, the Presbyterian Church, and Kidd-Key Auditorium, are cultural landmarks that should be highlighted in Sherman and he did not want to see the area take away from that. He asked if the churches were aware of the proposed changes.

Deputy Mayor Steele asked how the citizens and businesses have been notified about the proposed changes. Mr. Shadden said it is not a land use or zoning issue so there was not additional advertising. Mr. Shelby said the overlay district included some actual zoning changes and required advertisement.

Deputy Mayor Steele said the ordinance happened very quickly. Council Member Softly said there is one church on Walnut Street, but Mr. Shelby said it is not included in the district and is more than 300 feet front door to front door.

Deputy Mayor Steele felt this is one of the best things the Council has considered for the downtown, and two of the ordinances are needed for the upcoming DSP&R event. He did have a few reservations about the fact that it affects so many citizens and he felt they should have an opportunity to voice their opinion.

He asked if Ordinance 5735 should be tabled, while the Council considers Ordinance 5736 and 5737 to allow the special events to take place. That would allow additional time to review the Downtown District and to hear from citizens. He felt it would be great for downtown Sherman and addresses issues that have hindered development.

Mayor Magers said there is an opportunity now and "if the window closes" Sherman will be back where it started.

Council Member Plyler said he understood that the distance for alcohol sales would be decreased from 300 foot to 150 foot, not eliminated entirely.

Council Member Wacker verified that the development standards for alcohol sales for on-site consumption remain at 300 feet from churches and schools. She added that DSP&R unanimously agrees with the proposed ordinance and she felt it would be a great help with economic development downtown.

Mr. Shelby added that these exemptions aren't unique to Sherman and many cities are doing similar things in urban environments where property lines are adjacent to one another.

Mayor Magers verified that the distance would have no impact in residential areas and would only affect the downtown businesses. Deputy Mayor Steele still felt it was a great proposal, but that it came quickly and more time should be taken for its consideration. He added that some churches aren't aware of the proposal.

Council Member Wacker verified that the proposed ordinance doesn't change the permit required by TABC to sell alcohol. Mr. Shelby said currently if a church or school moves in downtown, any restaurant requesting to sell alcohol within 300 feet would be denied. It would not affect a restaurant with an existing alcohol permit. If the proposed ordinance passes, the restaurant could apply for a permit whether or not they were within 300 feet of the church or school.

Mr. Shelby added that the TABC requirements don't affect the churches ability to move anywhere they want, even next door to an establishment that sells alcohol. It only affects the business selling the alcohol. Those businesses would still be required to be permitted through the TABC process.

Council Member Smith added that churches or citizens within 300 feet of a business selling alcohol would still have the right to protest through the TABC process.

Mayor Magers referenced a recent Dallas article that talked about leveling the field for existing and future property owners. There are currently no churches in downtown Sherman and he did not feel the designated district would impact area churches. Any church or school can open in the district, but they would not be bound by the 300 foot rule.

Council Member Softly asked what the impact would be if the issue was tabled. Mayor Magers said if the item is tabled, a church or school could open in the proposed district tomorrow. Council Member Smith said the Council has repeatedly discussed the downtown area and they need to help. There is one opportunity to do this and he has received positive feedback.

Ordinance 5736
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 4 OF THE CODE OF ORDINANCES, ENTITLED "BUSINESS REGULATIONS", AT ARTICLE 4.14, ENTITLED "ALCOHOLIC BEVERAGES", DIVISION 3, ENTITLED "UNLAWFUL CONSUMPTION", SECTIONS 4.14.061 AND 4.14.062 TO PROVIDE FOR THE SALE, POSESSION AND CONSUMPTION OF ALCOHOLIC BEVERAGES DURING SPECIAL EVENTS; PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5736
ALCOHOL AT SPECIAL EVENTS

Ordinance 5737
AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AMENDING CHAPTER 8 OF THE CODE OF ORDINANCES, ENTITLED "OFFENSES AND NUISANCES", AT ARTICLE 8.03, ENTITLED "OFFENSES INVOLVING PUBLIC PEACE AND ORDER", SECTION 8.03.002, ENTITLED "CONSUMPTION, POSSESSION OF ALCOHOLIC BEVERAGES", TO PROVIDE FOR NEW SUBSECTIONS (E) AND (F); PROVIDING FOR INCLUSION IN THE CODE OF ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR A REPEALER.

ORD 5737
CONSUMPTION OF ALCOHOLIC BEVERAGES

ACTION TAKEN.
> **Motion by Council Member Smith to approve Ordinance Nos. 5735, 5736, and 5737, as presented. Second by Council Member Howeth.**

VOTING AYE: Howeth, Plyler, Smith, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

Council Member Smith left the Council Meeting at 5:30 p.m.

CONSENT AGENDA — CONSENT AGENDA

The Council reviewed the Consent Agenda. Council Member Howeth moved to approve the Consent Agenda, as presented. Second by Council Member Softly. All present voted AYE.

RESOLUTIONS

RESOLUTION NO. 5657 – AUTHORIZING THE EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS WITH MORRIS ENGINEERS AND UNDERWOOD DRAFTING AND SURVEYING, INC. FOR THE DESIGN AND SURVEYING OF THE STATE HIGHWAY 289 WATER MAIN IMPROVEMENTS

RES 5657
S.H. 289 WATER
MAIN IMPROVEMENTS

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF PROFESSIONAL SERVICES AGREEMENTS WITH MORRIS ENGINEERS AND UNDERWOOD DRAFTING AND SURVEYING, INC. FOR THE DESIGN AND SURVEYING OF THE STATE HIGHWAY 289 WATER MAIN IMPROVEMENTS.

George Olson, City Manager, explained that the City has a water line that goes to S.H. 289 on U.S. Hwy 82, and this proposed line will go south to the City limits. It will be closer to S.H. 56 in the newly annexed area.

ACTION TAKEN.

Motion by Council Member Wacker to approve Resolution No. 5657, as presented. Second by Deputy Mayor Steele.

VOTING AYE: Howeth, Plyler, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

RESOLUTION NO. 5658 – AUTHORIZING THE EXECUTION OF A DEED FOR THE RESALE OF ONE TRACT OF LAND AND ITS IMPROVEMENTS LOCATED AT 2102 SOUTH FIRST STREET WITHIN THE SHERMAN CITY LIMITS SEIZED FOR DELINQUENT TAXES

RES 5658
SALE OF PROPERTY
FOR DELINQUENT
TAXES

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A DEED FOR THE RESALE OF ONE TRACT OF LAND AND ITS IMPROVEMENTS LOCATED AT 2102 SOUTH FIRST STREET WITHIN THE SHERMAN CITY LIMITS SEIZED FOR DELINQUENT TAXES.
CONSENT AGENDA.

REQUEST TO ADVERTISE
SEAL COAT EMULSIFIED ASPHALT OIL AND STONE

REQ TO ADVERTISE
SEAL COAT
MATERIALS

The City Council approved the request to advertise for bids to provide seal coat stone and emulsified asphalt oil for the City's annual street maintenance work.
CONSENT AGENDA.

OTHER BUSINESS

ACCEPT ANNUAL AUDIT REPORT FOR YEAR ENDED SEPTEMBER 30, 2011 FROM PATTILLO, BROWN & HILL, L.L.P

ANNUAL AUDIT
REPORT

Mayor Magers introduced John Manning, Pattillo, Brown & Hill, L.L.P., to present the Annual Audit Report for the year ended September 30, 2011. The Audit Committee has previously reviewed the report.

Mr. Manning explained that the auditor's responsibility is to express an opinion as to whether the financial statements are materially correct as of September 30, 2011. This means, do the numbers given by management accurately state the financial position of the City.

There are four types of opinions that outside auditors can give and the City received the highest level of assurance. These opinions are important when a City applies for debt or grants.

The General Fund has adequate reserves and all transactions were presented with a lot of support. Overall the financial statements look very good. They also review internal control and compliance and there were no findings there.

Since the City spends over $500,000 in Federal funds they must also audit under the Single Audit Act and there were no findings on internal control or compliance there either.

All three reports issued were "clean" and there were no findings. Mr. Manning also thanked the Audit Committee for meeting with them.

Mayor Magers asked if Mr. Manning was aware of anything that might negatively affect the City's bond rating. Mr. Manning said they look at adequate reserves and they make sure that there are no internal control issues. He felt that the report showed that the City was "in strong working order."

Mayor Magers added that the City sits on many boards and commissions and he felt that the financial rating is a big asset.

ACTION TAKEN.

Motion by Council Member Wacker to accept the Annual Audit Report for the year ended September 30, 2011, as presented. Second by Council Member Howeth.

VOTING AYE: Howeth, Plyler, Softly, Steele, Wacker.
VOTING NAY: None.
MOTION CARRIED.

POLICE DEPT. RETAIL THEFT INITIATIVE

<u>RECEIVE CAPTAIN OTIS HENRY'S BRIEFING ON THE POLICE DEPARTMENT'S "RETAIL THEFT INITIATIVE" ORIGINATING FROM THE DEPARTMENT'S INTELLIGENCE OFFICE</u>

Captain Otis Henry presented a briefing on the Police Department's Retail Theft Initiative. Anytime citizens purchase something from a retail store, they are paying an additional amount to the store to help them recoup money

that has been lost to thieves. He added that 92% of retailers are victims of retail theft and these organized thieves swipe between $15 billion and $30 billion in goods annually.

Several years ago the Police Department began intelligent led policing, with an offshoot to retail theft meetings. Intelligent led policing allows officers to bring intelligence and analysis to the forefront of any problem found. The information is then used in a pro-active way to target criminal groups and activities.

The Police Intelligence Unit opened in late 2007 with a primary focus on sexual predators. Sergeant Mark McRee worked hard in the division and in the first two cases, the offenders received 25 years prison time and ten years probation/parole.

Partnerships have been developed with Federal law enforcement agencies and now with private retailers. The office has been expanded to provide statistical information too.

The first retail theft meeting was held in November, 2011 and many local retailers attended and worked together to identify and target repeat offenders. Since its inception 25 serial thieves have been identified and information about their methods has been established. One felony organized retail theft case has been filed which accounts for approximately $5,000 in retail theft from Sherman.

Captain Henry said thieves will steal anything on which they can quickly turn a profit, such as baby formula, electronics, and clothing. The program focuses on the prolific thieves, the ones that make a living from stealing.

In January 2012 there were 127 total thefts reported and in February 2012 it dropped to 78. These thieves are also found to be the car burglars and drug users.

Deputy Mayor Steele verified that these cases are "organized retail crime" and not just teenagers that happen to shoplift. Captain Henry said these thieves actually have "shopping lists."

Captain Henry said the program is pretty unique for law enforcement in the area. They are also very proud of the officers who put so much time into the program.

Mayor Magers said that is one more reason for a retailer to consider moving to Sherman.

<u>CONSIDER APPROVAL OF THE BUDGET CALENDAR FOR FISCAL YEAR 2012-2013</u>

FY 2012-2013
BUDGET CALENDAR

Council Members discussed possible dates for the Budget Kick-Off Meeting and the Budget Work Session. The Budget Kick-Off Meeting was set for Friday, April 20, 2012. Council

Members were available to attend the Budget Work Session on Thursday, June 21, 2012 but Council Member Howeth could not attend on Friday, June 22, 2012.

CITIZENS REQUESTS

CITIZENS REQUESTS

There were no citizen's requests.

MEDIA QUESTIONS

MEDIA QUESTIONS

There were no media questions.

COUNCIL COMMENTS

POLICE DEPARTMENT RETAIL THEFT INITIATIVE

POLICE DEPT. RETAIL THEFT INITIATIVE

Council Member Plyler congratulated the Police Department on the success of their Retail Theft Initiative.

TEXAS PUBLIC SCHOOLS WEEK

TEXAS PUBLIC SCHOOLS WEEK

Council Member Plyler congratulated the Sherman Independent School District on the proclamation for "Texas Public Schools Week" and encouraged citizens to get involved in the education of our children.

ATOKA, OKLAHOMA EVENT FOR GUINESS BOOK OF WORLD RECORDS

ATOKA, OKLA. EVENT FOR GUINESS BOOK OF WORLD RECORDS

Deputy Mayor Steele said the City of Atoka, Oklahoma recently had an event where they were trying to set the world's record for having the most fire trucks in a parade. Fire Chief J.J. Jones and the City of Sherman were represented in the event. They did break the world record with over 250 pieces of fire apparatus in the parade. Previously the record was for 140 pieces of fire equipment.

RECOGNITION OF STUDENTS IN SHERMAN

RECOGNITION OF STUDENTS IN SHERMAN

Council Member Wacker said along with the proclamation for "Texas Public Schools Week" the Circle of Success recognition for students will be held on Thursday. This is another way to recognize Sherman students and teachers. She also wished everyone a happy Spring Break week.

SAFE SPRING BREAK

SAFE SPRING BREAK

Council Member Howeth wished everyone a safe Spring Break week.

3D: DECIDE, DEFINE, DELIVER PROGRAM

3D: DECIDE, DEFINE, DELIVER PROGRAM

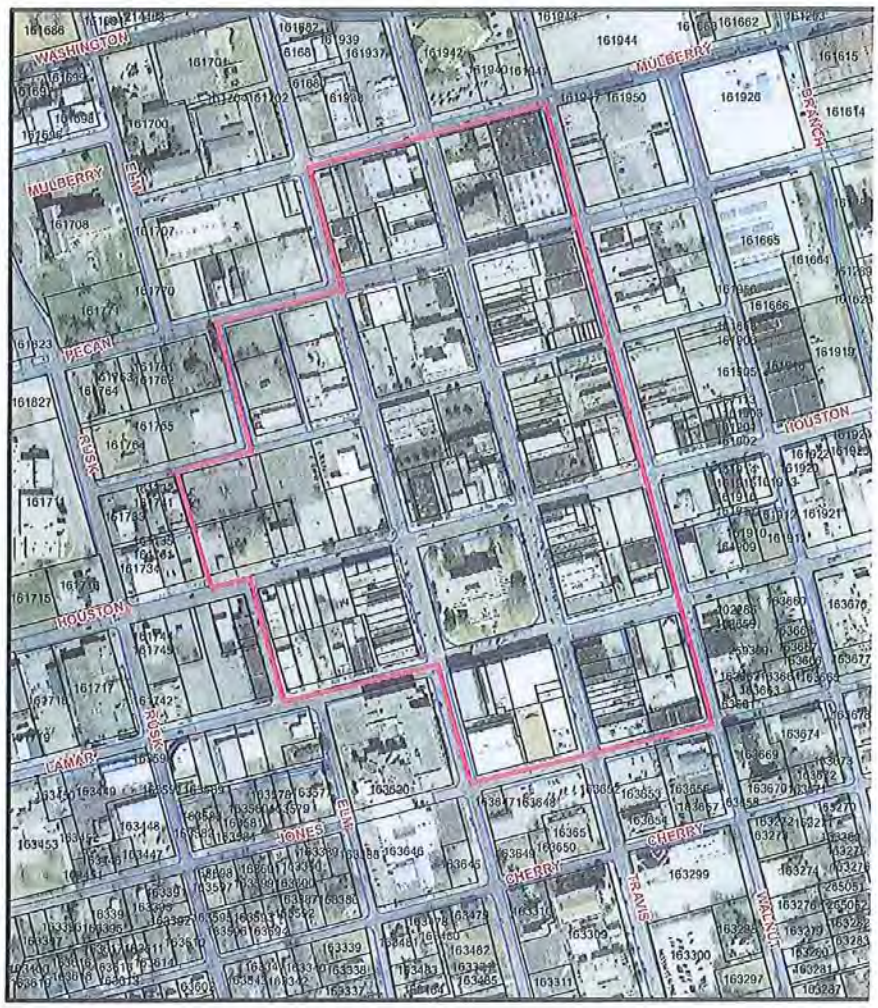
Mayor Magers recognized Dani Jarvis, Haley Cooper, and Amanda Lee, Sherman High School students, who will be "going to State", with their project "3D: Decide, Define, Deliver" which is an anti-bullying program. The project won best overall project in a National program and action category at the Texas Region 3 Meeting. He said these are "good kids, doing good things."

ADJOURNMENT
On Motion duly made and carried, the meeting adjourned at 5:53 p.m.

ADJOURNMENT

MAYOR

CITY CLERK



Downtown District

Attachment "A"

City of Sherman, Texas
Developmental Services Department

Sherman
CLASSIC TOWN. BROAD HORIZON.

N

1 inch = 318 feet

RETAIL THEFT

(Shoplifting)

Sherman Police Department

Retail Theft

- A National Retail Federation survey found that 92 percent of retailers said they'd been the victims of organized retail theft.

- Organized retail thieves swiped between $15 billion and $30 billion in goods a year.

- Police Bust Retail Theft Ring With $300,000 in Stolen Goods (August 2011)
  - After a month-long investigation. Denton and Dallas police and loss prevention investigators from several DFW retailers uncovered $300,000 worth of stolen goods from one home alone.

Intelligence Led Policing

A Change in Philosophy

- Brings intelligence and analysis to the forefront.
  (analysis turns data into intelligence)

- Uses analysis in a pro-active way to target criminal groups and activities

- Allows for efficient use of resources, the production of workable strategies, and the successful completion of investigations and prosecutions.

Police Intelligence Unit

- Office opened late 2007.

- Initially, the primary focus was potential sexual predators.
  - *Early Successes*- In the first two cases the offenders received 25 years prison time and ten years probation/parole.

- Enhanced collaboration with federal law enforcement agencies, and the establishment of public / private partnerships.

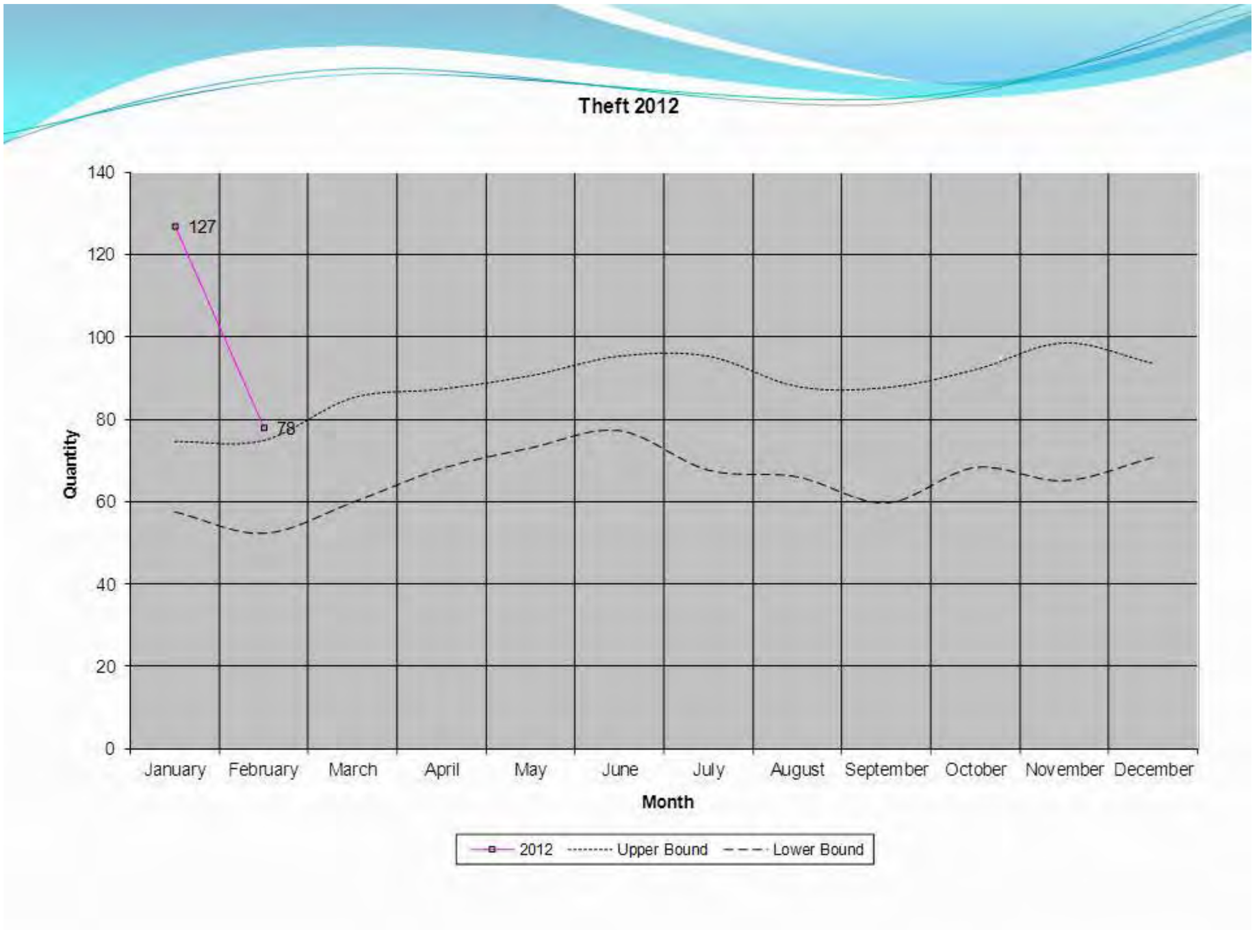
- The office has now expanded to providing statistical information, investigating organized retail theft rings, and forming public private partnerships with local retailers, etc.

Retail Theft

Sherman - First Retail Theft Meeting - November 2, 2011

Goals:

- Identify and target repeat offenders
- Information sharing and collaborative, strategic solutions to theft problems
- Since Inception 25 serial thieves where identified:
  - 4 of these have been found to target the same stores in Sherman as a team
  - 11 are from other jurisdictions including Howe, Denison, Bells and Durant Oklahoma.
  - 1 felony Organized Retail Theft case has been filed and accounting for approximately $5000.00 in retail theft from Sherman


Theft 2012
Quantity
140
120
100
80
60
40
20
0
127
78
January
February
March
April
May
June
July
August
September
October
November
December
Month
2012
Upper Bound
Lower Bound

Texas Penal Code

Sec. 31.16. ORGANIZED RETAIL THEFT

- "**Retail Merchandise**" means one or more items of tangible personal property displayed, held, stored, or offered for sale in a retail establishment.
- A person commits an offense if the person intentionally conducts, promotes, or facilitates an activity in which the person receives, possesses, conceals, stores, barters, sells, or disposes of:

- Stolen retail merchandise; or
- Merchandise explicitly represented to the person as being stolen retail merchandise.

An offense under this section begins at the Class B misdemeanor penalty. Penalty increases with the value.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. B.1

CONSENT AGENDA

Asterisked (*) items are considered to be routine and will be enacted in one motion without discussion unless a Council Member or a citizen requests a specific item be discussed and voted on separately

C.1 * RESOLUTION NO. 5659

Authorizing the Execution of a Memorandum of Understanding between the City of Sherman and the State of Texas, Acting By and Through the Texas Department of Transportation, for a Transportation Enhancement Project (Downtown Sherman Streetscape Project)

D.1 * OTHER BUSINESS

Consider Request of the 2012 Earth Day Planning Committee to Temporarily Close Certain Streets for the "4th Annual Earth Day Festival" on Saturday, April 21, 2012

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. C.1

**** RESOLUTION NO. 5659***

Authorizing the Execution of a Memorandum of Understanding between the City of Sherman and the State of Texas, Acting By and Through the Texas Department of Transportation, for a Transportation Enhancement Project (Downtown Sherman Streetscape Project)

Issue

To execute a Memorandum of Understanding with the Texas Department of Transportation (TxDOT) for the Downtown Sherman Streetscape Project

Background

The Downtown Sherman Streetscape Project has been selected by the TxDOT Transportation Enhancement Program for partial funding (80%) in the amount of $353,978. The total project cost is estimated at about $554,000. Execution of the Memorandum of Understanding is required for the Federal Highway Administration to authorize the funding of the project.

Origination

Engineering Department

Financial Consideration

City matching funds of $88,494 are required to secure the TxDOT contribution. Any additional project cost will be funded solely by the City. Matching funds are available in the City's downtown tax increment financing (TIF) fund. After the project is bid and awarded, the fiscal year 2012 budget will be amended to reflect the impact of the project and the related grant funds received from the state.

Staff Recommendation

Execute the Memorandum of Understanding with TxDOT

Alternatives

Those as may be directed by the City Council

Attachments

Resolution No. 5659
Memorandum of Understanding
Exhibit

Prepared by:
Clay Barnett, City Engineer

Approved by:
George Olson, City Manager

RESOLUTION NO. 5659

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SHERMAN AND THE STATE OF TEXAS, ACTING BY AND THROUGH THE TEXAS DEPARTMENT OF TRANSPORTATION, FOR A TRANSPORTATION ENHANCEMENT PROJECT (DOWNTOWN SHERMAN STREETSCAPE PROJECT); FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City Manager be and is hereby authorized and directed, subject to all documents being properly completed and approved as to form and content by the City Attorney, to execute a Memorandum of Understanding between the City of Sherman and the Texas Department of Transportation for the Downtown Sherman Streetscape Project, in accordance with the contract documents attached hereto and incorporated herein for all purposes.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2012.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

BY: ________________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY, CITY ATTORNEY

MEMORANDUM OF UNDERSTANDING REGARDING THE ADOPTION OF THE TEXAS DEPARTMENT OF TRANSPORTATION'S FEDERALLY-APPROVED DISADVANTAGED BUSINESS ENTERPRISE PROGRAM BY CITY OF SHERMAN

This Memorandum of Understanding (MOU) is by and between the **TEXAS DEPARTMENT OF TRANSPORTATION (TxDOT),** an agency of the State of Texas; and CITY OF SHERMAN, a political subdivision of the State of Texas.

Whereas, from time to time CITY OF SHERMAN receives federal funds from the Federal Highway Administration (FHWA) through TxDOT to assist CITY OF SHERMAN with the construction and design of projects partially or wholly funded through FHWA; and

Whereas, CITY OF SHERMAN, as a sub-recipient of federal funds, is required by 49 CFR 26, to implement a program for disadvantaged business enterprises (DBEs), as defined by 49 CFR 26 (DBE Program); and

Whereas, TxDOT has implemented a Disadvantaged Business Enterprise Program (DBE Program) that is approved by the FHWA pursuant to 49 CFR part 26; and

Whereas, certain aspects of CITY OF SHERMAN 's procurement of construction and design services are subject to review and/or concurrence by TxDOT as a condition of receiving federal funds from FHWA through TxDOT; and

Whereas, CITY OF SHERMAN and TxDOT undertake substantially similar roadway construction projects and design projects and construct and design their respective projects using substantially the same pool of contractors; and

Whereas, CITY OF SHERMAN desires to implement a federally compliant DBE Program by adopting the TxDOT approved program, as recommended by FHWA; and

Whereas, TxDOT and CITY OF SHERMAN find it appropriate to enter into this MOU to memorialize the obligations, expectations and rights each has as related to CITY OF SHERMAN 's adoption of the TxDOT DBE's Program to meet the federal requirements;

Now, therefore, TxDOT and CITY OF SHERMAN, in consideration of the mutual promises, covenants and conditions made herein, agree to and acknowledge the following:

(1) TxDOT has developed a DBE Program and annually establishes a DBE goal for Texas that is federally approved and compliant with 49 CFR 26 and other applicable laws and regulations.

(2) CITY OF SHERMAN is a sub-recipient of federal assistance for construction projects and design projects and, in accordance with 49 CFR § 26.21, must comply with a federally approved DBE Program. The CITY OF SHERMAN receives its federal assistance through TxDOT. As a sub-recipient, CITY OF SHERMAN has the option of developing its own program or adopting and operating under TxDOT's federally approved DBE Program. The FHWA recommends that sub-recipients, such as CITY OF SHERMAN, adopt the DBE program, administered through TxDOT, and CITY OF SHERMAN by its prescribed protocol adopted the TxDOT DBE Program as of the date when adoption occurred.

(3) This MOU evidences FHWA's and TxDOT's consent to the adoption of the TxDOT DBE Program by CITY OF SHERMAN to achieve its DBE participation in federally assisted Construction and Design Projects.

(4) The parties will work together in good faith to assure effective and efficient implementation of the DBE Program for CITY OF SHERMAN and for TxDOT.

(5) CITY OF SHERMAN and TxDOT have agreed upon the following delegation of responsibilities and obligations in the administration of the DBE Program adopted by CITY OF SHERMAN:

(a) CITY OF SHERMAN will be responsible for project monitoring and data reporting to TxDOT. CITY OF SHERMAN will furnish to TxDOT any required DBE contractor compliance reports, documents or other information as may be required from time to time to comply with federal regulations. TxDOT will provide the necessary and appropriate reporting forms, to CITY OF SHERMAN.

(b) CITY OF SHERMAN will recommend contract-specific DBE goals consistent with TxDOT's DBE guidelines and in consideration of the local market, project size, and nature of the good(s) or service(s) to be acquired. CITY OF SHERMAN's recommendation may be that no DBE goals are set on any particular project or portion of a project or that proposed DBE goals be modified. CITY OF SHERMAN and TxDOT will work together to achieve a mutually acceptable goal, however, TxDOT will retain final decision-making authority regarding DBE goals.

(c) TxDOT will cooperate with CITY OF SHERMAN in an effort to meet the timing and other requirements of CITY OF SHERMAN projects.

(d) CITY OF SHERMAN will be solely responsible for the solicitation and structuring of bids and bid documents to procure goods and services for its projects that use federal funds and will be responsible for all costs and expenses incurred in its procurements.

(e) The DBEs eligible to participate on TxDOT construction projects or design projects also will be eligible to participate on CITY OF SHERMAN construction projects or design projects subject to the DBE Program. The DBEs will be listed on TxDOT's website under the Texas Unified Certification Program (TUCP).

(f) CITY OF SHERMAN will conduct reviews and provide reports with recommendations to TxDOT concerning any DBE Program compliance issues that may arise due to project specific requirements such as Good Faith Effort (GFE), Commercially Useful Function (CUF), etc. CITY OF SHERMAN and TxDOT will work together to achieve a mutually acceptable goal, however, TxDOT will retain final decision-making authority on those issues and reserves the right to perform compliance reviews. CITY OF SHERMAN shall provide TxDOT with a listing of sanctions that will be assessed against contractors for violation of federal DBE regulations and its procedures for investigation of violations and assessment of sanctions for documented violations. CITY OF SHERMAN will require contractors for its FHWA federally assisted projects to use the attached forms as follows:

Attachment 1 – Disadvantaged Business Enterprise (DBE) Program Commitment Agreement Form SMS 4901

Attachment 2 – DBE Monthly Progress Report Form SMS 4903

Attachment 3 – DBE Final Report Form SMS 4904

Attachment 4 – Prompt Payment Certification Form (Federal-air Projects) 2177

(g) CITY OF SHERMAN will designate a liaison officer to coordinate efforts with TxDOT's DBE Program administrators and to respond to questions from the public and private sector regarding CITY OF SHERMAN 's administration of the DBE Program through TxDOT.

(h) CITY OF SHERMAN will be responsible for providing TxDOT with DBE project awards and DBE Commitments, monthly DBE reports, DBE Final Reports, DBE shortfall reports, and annual and updated goal analysis and reports.

(i) TxDOT will be responsible for maintaining a directory of firms eligible to participate in the DBE Program, and providing business development and outreach programs. CITY OF SHERMAN and TxDOT will work cooperatively to provide supportive services and outreach to DBE firms in CITY OF SHERMAN area.

(j) CITY OF SHERMAN will submit DBE semi-annual progress reports to TxDOT.

(k) CITY OF SHERMAN will participate in TxDOT sponsored training classes to include topics on Title VI of the Civil Rights Act of 1964, DBE Annual Goals, DBE Goal Setting for Construction Projects and Design Projects, DBE Contract Provisions, and DBE Contract Compliance, which may include issues such as DBE Commitments, DBE Substitution, and Final DBE Clearance. TxDOT will include DBE contractors performing work on CITY OF SHERMAN projects in the DBE Education and Outreach Programs.

(l) The Executive Director of CITY OF SHERMAN will implement all federal requirements, including those stated in Attachments A through F, which are incorporated as though fully set out herein for all purposes.

(m) In accordance with 23 CFR 200.1, CITY OF SHERMAN shall develop procedures for the collection of statistical data (race, color, religion, sex, and national origin) of participants in , and beneficiaries of Sate highway programs, i.e., relocatees, impacted citizens and affected communities; develop a program to conduct Title VI review of program areas; and conduct annual reviews of special emphasis program areas to determine the effectiveness of program area activities at all levels. TxDOT, in accordance with federal law, may conduct compliance reviews by TxDOT's Office of Civil Rights (OCR).

(n) CITY OF SHERMAN will comply with 49 CFR 26.29 as stated in Attachment F.

(6) In the event there is a disagreement between TxDOT and CITY OF SHERMAN about the implementation of the TxDOT DBE Program by CITY OF SHERMAN the parties agree to meet within ten (10) days of receiving a written request from the other party of a desire to meet to resolve any disagreement. The parties will make good faith efforts to resolve any disagreement as efficiently as is reasonably possible in consultation with FHWA. Non-compliance by CITY OF SHERMAN can result in restitution of federal funds to TxDOT and withholding of further federal funds upon consultation with FHWA.

(7) This MOU becomes effective upon execution by all parties and automatically renews each year unless a party notifies the other parties of its intent to terminate the agreement.

(8) If this MOU is terminated for any reason, CITY OF SHERMAN will be allowed reasonable time in which to seek approval from FHWA for an alternative DBE Program, without being deemed non- compliant with 49 CFR Part 26.

(9) This MOU applies only to projects for which CITY OF SHERMAN is a sub-recipient of federal funds through TxDOT. CITY OF SHERMAN may also implement a Minority and Women-Owned Small Business Enterprise (M/W/SBE) policy and program that applies to projects for which it is not a sub-recipient of federal funds through TxDOT and which are not subject to the TxDOT DBE Program. CITY OF SHERMAN may, at its option, use some aspects of the TxDOT DBE Program and other similar programs in implementing its other policies and programs for its non-federally funded projects.

(10) The following attachments to this MOU are also incorporated as if fully set out herein for all purposes:

Attachment A – FHWA Memorandum HCR-1/HIF-1 (relating to access required by the Americans with Disabilities Act of 1990 and Section 504 of the Rehabilitation Act of 1973);

Attachment B – SPECIAL PROVISION – LOCAL GOVERNMENT / RMA / NON-STANDARD CONTRACTS

Attachment C – 49 CFR §26.13 (contractual assurances)

Attachment D – DBE Program Compliance Guidance for Local Government Agencies

Attachment E – FHWA Form 1273

Attachment F – Texas Department of Transportation (TxDOT) Disadvantaged Business Enterprise (DBE) Program with attachments as follows:

- Attachment F1 – DBE Regulations: 49 CFR Part 26
- Attachment F2 – DBE Special Provisions 000-1966
- Attachment F3 – TxDOT's Organizational Chart
- Attachment F4 – Measurement and Payment Special Provision 009-007
- Attachment F5 – Texas Unified Certification Program (TUCP) DBE directory example and website address to the directory
- Attachment F6 – DBE Goal Methodology
- Attachment F7 – DBE Bidder Certification
- Attachment F8 – DBE Joint Check Approval Form
- Attachment F9 – TUCP Standard Operating Procedures (SOP)
- Attachment F10 – TUCP Memorandum of Agreement (MOA)
- Attachment F11 – Forms list

(11) The following procedure shall be observed by the parties in regard to any notifications:

(a) Any notice required or permitted to be given under this MOU shall be in writing and may be effected by personal delivery, by hand delivery through a courier or a delivery service, or by registered or certified mail, postage prepaid, return receipt requested, addressed to the proper party, at the following address:

CITY OF SHERMAN

Clay Barnett, P.E.
City Engineer

Hand Delivery:

220 W. Mulberry Street, Sherman, 75090

Registered or Certified Mail (Return receipt requested):

P.O. Box 1106, Sherman, 75091-1106

TEXAS DEPARTMENT OF TRANSPORTATION
DBE Liaison
Office of Civil Rights
Address: 125 E. 11th Street
Austin, Texas 78701

(b) Notice by personal delivery or hand delivery shall be deemed effective immediately upon delivery, provided notice is given as required by Paragraph (a) hereof. Notice by registered or certified mail shall be deemed effective three (3) days after deposit in a U.S. mailbox or U.S. Post Office, provided notice is given as required by Paragraph (a) hereof.

(c) Either party hereto may change its address by giving notice as provided herein.

(12) This MOU may be modified or amended only by written instrument, signed by both

CITY OF SHERMAN and the TxDOT and dated subsequent to the effective date(s) of this MOU. Except as authorized by the respective parties, no official, employee, agent, or representative of the parties has any authority, either express or implied, to modify or amend this MOU.

(13) The provisions of this MOU are severable. If any clause, sentence, provision, paragraph, or article of this MOU, or the application of this MOU to any person or circumstance is held by any court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason, such invalidity, illegality, or unenforceability shall not impair, invalidate, nullify, or otherwise affect the remainder of this MOU, but the effect thereof shall be limited to the clause, sentence, provision, paragraph, or article so held to be invalid, illegal, or unenforceable, and the application of such clause, sentence, provision, paragraph, or article to other persons or circumstances shall not be affected; provided, however, CITY OF SHERMAN and TxDOT may mutually agree to terminate this MOU.

(14) The following provisions apply in regard to construction of this MOU:

(a) Words of any gender in this MOU shall be construed to include the other, and words in either number shall be construed to include the other, unless the context in this MOU clearly requires otherwise.

(b) When any period of time is stated in this MOU, the time shall be computed to exclude the first day and include the last day of the period. If the last day of any period falls on a Saturday, Sunday, or national holiday, or state or county holiday, these days shall be omitted from the computation. All hours stated in this MOU are stated in Central Standard Time or in Central Daylight Savings Time, as applicable.

(15) This MOU shall not be construed in any way as a waiver by the parties of any immunity from suit or liability that parties may have by operation of law, and the parties hereby retain all of their respective affirmative defenses.

EXECUTED in duplicate originals by TxDOT and ________CITY OF SHERMAN________, acting through each duly authorized official and effective on the latest date signed.

The signatories below confirm that they have the authority to execute this MOU and bind their principles.

TEXAS DEPARTMENT OF TRANSPORTATION	CITY OF SHERMAN
By: ______________________________	By: ______________________________
Phil Wilson Executive Director	George Olson City Manager
Date: ______________________________	Date: ______________________________

TEAGUE NALL AND PERKINS

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. C.2

RESOLUTION NO. 5660
Approving the Grayson Central Appraisal District's Proposal Regarding the Relocation of the Appraisal District Offices

Issue
The relocation of the Grayson Central Appraisal District's (District) offices

Background
As one of the taxing entities entitled to participate in the appointment of members to the District's Board of Directors, the City of Sherman is being asked to approve the District's proposal to relocate its current offices from 205 North Travis Street to 512 North Travis Street. The proposal provides that the current offices will be used as a trade-in to reduce the purchase price and renovation costs of the new offices, which total amount shall not exceed $2,000,000.

Origination
Teresa Parsons, Chief Appraiser, Grayson Central Appraisal District

Financial Consideration
The expenditures for this project are the responsibility of the District. The District's current fiscal year 2012 budget adopted by their Board included funds for a loan payment on a loan to finance construction of these facilities.

Staff Recommendation
It is recommended that the City Council approve the District's proposal.

Alternatives
In accordance with the City Council's direction

Attachments
Resolution No. 5660
Memorandum dated March 1, 2012 from Teresa Parsons, Chief Appraiser
Resolution of the District's Board of Directors approved February 8, 2012
Estimates of Probable Construction Costs
Texas Property Tax Code, Section 6.051

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5660

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE GRAYSON CENTRAL APPRAISAL DISTRICT'S PROPOSAL REGARDING THE RELOCATION OF THE APPRAISAL DISTRICT OFFICES; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, § 6.051 of the Texas Property Tax Code authorizes the board of directors of an appraisal district to purchase real property and improvements as necessary to establish and operate the appraisal office; and

WHEREAS, the Board of Directors of the Grayson Central Appraisal District ("District") has delivered a copy of Resolution # 10-6.051, setting forth the desire to purchase property situated in the City of Sherman, Grayson County, Texas; and

WHEREAS, the District's Board of Directors has also delivered information showing the costs of available alternatives; and

WHEREAS, § 6.051 of the Texas Property Tax Code requires that an appraisal district's purchase of such real property and improvements must be approved by three-fourths (3/4) of the taxing units entitled to vote on the appointment of board members; and

WHEREAS, the referenced provisions of the Texas Property Tax Code authorize the following action;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

<u>SECTION 1.</u> That the City of Sherman, Texas, hereby approves the Grayson Central Appraisal District's proposal to:

1. Purchase the property located at 512 North Travis Street, Sherman, Texas;
2. Trade the current office at 205 North Travis Street, Sherman, Texas;
3. Perform the necessary renovations of the property at 512 North Travis Street, Sherman, Texas;
4. Negotiate a request for proposals in accordance with the District's requirements;
5. Limit the total cost to the entities for the purchase package including renovations that will not exceed the $2,000,000 accounted for in the District's adopted budget; and
6. Pursue appropriate permanent financing for the project, contingent on the taxing units' approval of the purchase as outlined above.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2012.

CITY OF SHERMAN, TEXAS

BY: ________________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM
AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

MEMO

DATE:	March 1, 2012
TO:	Taxing Entities of Grayson County
FROM:	Teresa Parsons Grayson Central Appraisal District
SUBJECT:	Request to Purchase/Sell Real Estate

Phone (903) 893-9673 xt. 126
Fax (903) 892-3835

In accordance with Section 6.051 of the Texas Property Tax Code, I have been directed by the Grayson Central Appraisal District (GCAD) Board of Directors to distribute the attached Resolution to each taxing entity entitled to vote on the appointment of board members.

As you may recall, in the prior years we identified multiple needs for the maintenance of the Appraisal District building. In addition to our electrical issues, we have air quality issues, limited space, inadequate parking, and many other issues in need of immediate attention. Our Board notified the entities in the 2010, 2011, & 2012 budget letters that our budget had been expanded to include the facility needs. The budget included a commercial loan payment. **This expenditure has already been approved in the current budget.**

The Board formed a facility committee to review the cost and the immediate needs of our facility and to seek the best solution for remedy. The facility committee held multiple meetings in the previous 3 years. During this time; the committee had a feasibility study done on our current building and air quality testing. Based on this information the Board continued to narrow the options that are being considered. Based on the facility committee's efforts, the Board has determined the most feasible avenue to meet the needs of the community, the entities, and the appraisal district would be to relocate the appraisal district offices. The Board has started the process as evidenced by the attached Resolution. The Board has entered into a contract (subject to entity approval) to purchase the facility at 512 N Travis for $650,000. Currently we are in the feasibility stage of the contract and the feasibility estimates are attached. The Board has been preparing for the District's facilities needs over the last few years via the budget process and it is the Board's intent to utilize the dedicated capital fund to cover cost that would be incidental to closing such as inspection fees, moving fees, or other misc. cost.

The 512 N Travis facility would need to be adapted to appraisal district requirements. The feasibility estimate to adapt the facility at 512 N Travis is $1,407,065 for a total cost of $2,057,065. **Again, the amount of the payment to cover a loan has already been approved in the current budget.**

The seller of the 512 N Travis property has agreed to accept conveyance of the 205 N. Travis property which the District currently occupies in lieu of $100,000 of the sales contract price of $650,000. Therefore, the cash consideration for the acquisition of the 512 N Travis property will total $550,000. Though there will be a conveyance of real property owned by the District as a result of this proposed transaction, the conveyance will not result in any proceeds. Instead that value will be rolled into the new property acquired by the District. As a result there will be no proceeds credited to the participating entities as contemplated by Section 6.051(c), Texas Tax

Therefore, the breakdown of the cost of acquiring new District offices is as follows:

Purchase	$ 650,000
Renovation	$1,407,065
Total	$2,057,065
Less Trade Allowance	$ 100,000
Total	$1,957,065

Section 6.051 of the Texas Property Tax Code requires the Chief Appraiser to provide costs of **available alternatives** to the proposal. In this case; the Board has determined that the most likely alternative would be to purchase land and construct a building that meets the International Association of Assessing Officers Standards on Facilities. The Board considered the feasibility study performed by David Baca Studio to determine the cost of new construction. Construction of a building similar to the building located at 512 N Travis would cost $3,399,383. **This is for comparison purposes as an available alternative as outlined in the Property Tax Code.**

Another alternative to the Boards proposal would be to seek financing for a period longer than 20 years. This would reduce the annual payment; but ultimately would extend the years of entity contribution.

The final requirement of Section 6.051 is entity approval. On or before the 30th day after receipt of this notification; the governing body of a taxing unit by resolution may approve or disapprove the proposal. The resolution must be filed with the Chief Appraiser. In short, <u>the governing body will need to approve or disapprove the proposal by resolution within 30 days of receipt of this notification and forward the resolution to the Chief Appraiser.</u>

I have enclosed the Board Resolution, a copy of the architects findings, copies of a sample resolution in support of the Board's decision that can be modified as deemed necessary by the governing body of your entity. In addition I have enclosed Section 6.051 of the Property Tax Code for reference purposes.

In summary, the Board of Directors is asking for your support in this endeavor. **Please file your resolutions within the stated time frame.** Should you have any questions; please feel free to call me or your Board representative.

Respectfully,

Teresa Parsons
Chief Appraiser
Grayson Central Appraisal District
903-893-9673 EXT 126

Respectfully,

John Ramsey
Chairman, Board of Directors
Grayson Central Appraisal District
903-813-4224

√

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE GRAYSON CENTRAL APPRAISAL DISTRICT

WHEREAS, the **BOARD OF DIRECTORS OF THE GRAYSON CENTRAL APPRAISAL DISTRICT ("the Board")**, exercising its authority under Section 6.051 of the Texas Property Tax Code, wishes to purchase or lease real property.

WHEREAS, a quorum of the Board of Directors of the Grayson Central Appraisal District met in a duly posted, open meeting and adopted the following;

THEREFORE, BE IT RESOLVED that, the Board, upon approval by the governing bodies of the applicable taxing units pursuant to Section 6.051 of the Texas Property Tax Code, intends to acquire real property to serve as the location of the Grayson Central Appraisal District's office. If approved as required by Section 6.051 of the Texas Property Tax Code, the Board intends to purchase the following property:

1. The Board of Directors resolves to purchase the property located at 512 N Travis, Sherman, Texas
2. The Board of Directors resolves to trade the current office at 205 N Travis, Sherman, Texas
3. The Board of Directors resolves to perform the necessary renovations of the property at 512 N Travis
4. The Board of Directors resolves to negotiate request for proposals in accordance with the District's requirements.
5. The Board of Directors resolves that the total purchase package including renovations will not exceed 2,000,000.
6. The Board of Directors resolves to pursue appropriate permanent financing for the project, contingent on the tax units' approval of the purchase as outlined above,

This Resolution shall be in full force and effect upon its passage and approval.

PASSED AND APPROVED this 8 day of FEBRUARY, 2012.

John Ramsey

Chairman, Board of Directors, Grayson Central Appraisal District

01 February 2012

Estimate of Probable Construction Costs

Cost to Renovate Building	$1,265,000.00
Data/Phone Systems Installation	$60,000.00
Architectural Fees	$50,500.00
Texas Accessibility Review/Inspection Fee	$1,065.00
Replacement Furniture	
21 Cubicle Partitions (used)	$10,500.00
25 'L' Desks & Chairs (used)	$20,000.00
Total Budget for Renovation Project	**$1,407,065.00**

T 903 893 5800 | F 903 893 5866 | 100 NORTH TRAVIS STREET NO 500A | SHERMAN, TEXAS 75090

davidbaca STUDIO

01 February 2012

Estimate of Probable Construction Costs

Cost of New Building	$2,909,500.00
Land Purchase Costs	$121,968.00
Parking Lot (76 spaces)	$91,200.00
Data/Phone Systems Installation	$60,000.00
Architectural Fees	$185,150.00
Texas Accessibility Review/Inspection Fee	$1,065.00
Replacement Furniture	
21 Cubicle Partitions (used)	$10,500.00
25 'L' Desks & Chairs (used)	$20,000.00
Total Budget for New Construction Project	**$3,399,383.00**

for comparison only – not for regulatory approval, permitting, or construction.

T 903 893 5800 | F 903 893 5866 | 100 NORTH TRAVIS STREET NO. 500A | SHERMAN, TEXAS 75090

§ 6.051. Ownership or Lease of Real Property

(a) The board of directors of an appraisal district may purchase or lease real property and may construct improvements as necessary to establish and operate the appraisal office or a branch appraisal office.

(b) The acquisition or conveyance of real property or the construction or renovation of a building or other improvement by an appraisal district must be approved by the governing bodies of three-fourths of the taxing units entitled to vote on the appointment of board members. The board of directors by resolution may propose a property transaction or other action for which this subsection requires approval of the taxing units. The chief appraiser shall notify the presiding officer of each governing body entitled to vote on the approval of the proposal by delivering a copy of the board's resolution, together with information showing the costs of other available alternatives to the proposal. On or before the 30th day after the date the presiding officer receives notice of the proposal, the governing body of a taxing unit by resolution may approve or disapprove the proposal. If a governing body fails to act on or before that 30th day or fails to file its resolution with the chief appraiser on or before the 10th day after that 30th day, the proposal is treated as if it were disapproved by the governing body.

(c) The board of directors may convey real property owned by the district, and the proceeds shall be credited to each taxing unit that participates in the district in proportion to the unit's allocation of the appraisal district budget in the year in which the transaction occurs. A conveyance must be approved as provided by Subsection (b) of this section, and any proceeds shall be apportioned by an amendment to the annual budget made as provided by Subsection (c) of Section 6.06 of this code.

(d) An acquisition of real property by an appraisal district before January 1, 1988, may be validated before March 1, 1988, in the manner provided by Subsection (b) of this section for the acquisition of real property.

Added by Acts 1987, 70th Leg., ch. 55, § 2, eff. Jan. 1, 1988.

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. C.3

RESOLUTION NO. 5661
Adopting the Grayson County Multi-Jurisdictional Hazard Mitigation Plan

Issue
Adoption of the Grayson County Multi-Jurisdictional Hazard Mitigation Plan

Background
In 2003, the City of Sherman began the development of a Hazard Mitigation Plan that identified local hazards and the potential impact to our citizens and property. The plan was reviewed by the Texas Division of Emergency Management ("DEM") and returned for required revisions. In 2007, Grayson County applied for and was awarded a grant by the Federal Emergency Management Agency ("FEMA") and the DEM to provide hazard mitigation planning services for Grayson County, including the City of Sherman. FEMA has approved the Grayson County Multi-Jurisdictional Hazard Plan, which is available for viewing on the Grayson County Office of Emergency Management's website, at the link Grayson County Multi-Jurisdictional Hazard Mitigation Plan and Appendices.

The Plan identifies hazards and estimates potential losses from future hazard events. The Plan serves as a guide, but it does not include a specific commitment by the City to mitigate these hazards.

The City Council has been asked to formally adopt the Plan and authorize the submission of the Plan and this resolution to the DEM and FEMA.

Origination
Sarah Somers, Grayson County Office of Emergency Management
J. J. Jones, Fire Chief/Emergency Management Coordinator

Financial Consideration
There is no cost associated with adopting the Grayson County Multi-Jurisdictional Hazard Mitigation Plan.

Committee Recommendation
It is recommended that the Council adopt the Plan as presented and authorize its submission.

Alternatives
None recommended

Attachments
Resolution No. 5661 adopting the Grayson County Multi-Jurisdictional Hazard Mitigation Plan

Prepared by:
J. J. Jones, Fire Chief

Approved by:
George Olson, City Manager

RESOLUTION NO. 5661

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, ADOPTING THE GRAYSON COUNTY MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the City of Sherman, Texas ("City") recognizes the threat that natural, man-made and technological hazards pose to people and property within our community; and

WHEREAS, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

WHEREAS, the City has participated as an active member with the Grayson County Hazard Mitigation Community Planning Team; and

WHEREAS, the Grayson County Multi-Jurisdictional Hazard Mitigation Plan has been prepared by the Grayson County Office of Emergency Management with active participation by the City in accordance with the Disaster Mitigation Act of 2000 and Federal Emergency Management Agency ("FEMA") requirements; and

WHEREAS, the City and Grayson County are local units of government that afforded their residents an opportunity to comment and provide input to the Grayson County Multi-Jurisdictional Hazard Mitigation Plan; and

WHEREAS, the Disaster Mitigation Act made available hazard mitigation project grants to state and local governments; and

WHEREAS, an adopted Hazard Mitigation Plan is required as a condition for future funding for mitigation projects under multiple FEMA pre- and post-disaster mitigation grant programs; and

WHEREAS, the City has fully participated in the FEMA-prescribed mitigation planning process to prepare the Grayson County Multi-Jurisdictional Hazard Mitigation Plan; and

WHEREAS, the Texas Division of Emergency Management and FEMA have reviewed the Grayson County Multi-Jurisdictional Hazard Mitigation Plan and approved it contingent upon formal adoption by each participating governing body; and

WHEREAS, the City desires to comply with the requirements of the Disaster Mitigation Act and to augment its emergency planning efforts by formally adopting the Grayson County Multi-Jurisdictional Hazard Mitigation Plan; and

WHEREAS, it is found to be in the best interest of the residents of the City of Sherman that the City adopt the Grayson County Multi-Jurisdictional Hazard Mitigation Plan; and

WHEREAS, the City affirms that the Grayson County Multi-Jurisdictional Hazard Mitigation Plan will be reviewed and revised as appropriate and as required by the Disaster Mitigation Act;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:

SECTION 1. That the City of Sherman, Texas, hereby adopts the Grayson County Multi-Jurisdictional Hazard Mitigation Plan pursuant to Sec. 1.09.004 of the City of Sherman Code of Ordinances and authorizes the submission of the Plan and this Resolution to the Texas Division of Emergency Management and the Federal Emergency Management Agency to authorize and enable final Plan approval.

SECTION 2. That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2012.

CITY OF SHERMAN, TEXAS

BY: ______________________________
BILL MAGERS, MAYOR

ATTEST:

BY: ______________________________
LINDA ASHBY, CITY CLERK

APPROVED AS TO FORM AND CONTENT:

BY: ______________________________
BRANDON S. SHELBY, CITY ATTORNEY

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. C.4

RESOLUTION NO. 5662

Approving the Form of Resolution of the Texoma Area Solid Waste Authority Authorizing the Issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2012; Approving the Form of Offering Document to be Used in the Marketing of Such Bonds; and Containing Other Provisions Relating to the Subject

Issue

Approval of the issuance of Regional Solid Waste Disposal Contract Revenue Bonds, Series 2012 for expansion and improvement of the Texoma Area Solid Waste Authority (TASWA) landfill facility in Whitesboro, Texas

Background

As a member city of TASWA, the City of Sherman is required to approve any issuance of debt by TASWA. TASWA issued bonds for the initial construction of the landfill in April 2004, pursuant to the authority of the Sherman City Council's Resolution No. 4538, approved at the March 1, 2004 meeting, costs of which included development of the first of six "cells", called Cell 1. Cell 1 was closed in about 2008-09 because it was full; and Cell 2 at the landfill is approaching capacity, which necessitates the need to begin construction of Cell 3. Construction of this Cell is expected to be completed in early 2013. Each Cell has an estimated life or capacity of four to five years. Accordingly, the debt issued to construct this Cell will be of the same or similar duration. Estimated interest rates for this issuance are 4.5%.

The TASWA Board has discussed and agreed that future cells 4 through 6 will be financed through accumulated cash on hand, which will necessitate an increase in rates for a few years to begin accumulating these funds. Financing these future cells with accumulated cash will save an estimated $1.9 million over the life of those cells. The City of Sherman staff has been assisting the TASWA staff in developing a Financial Policy Statement which will, among other things, allow the current TASWA Board to formally resolve to stick to this financing plan.

Origination

TASWA Executive Director Dale Sissney

Financial Consideration

The issuance of this debt is expected to increase disposal rates at TASWA for member cities for fiscal year 2013. The most recent and reliable estimates by TASWA and its Financial Advisor, First Southwest, reflect that this increase will be $2 per ton.

Staff Recommendation

The staff recommends approval of this agenda item.

Alternatives
There is no viable alternative to approving the issuance of these bonds.

Attachments
Resolution No. 5662
Certificate for Resolution
Exhibit A – Form of TASWA Bond Resolution

Prepared by:
Robby Hefton, Assistant City Manager/CFO

Approved by:
George Olson, City Manager

RESOLUTION NO. 5662

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS, APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT; PROVIDING FOR A REPEALER CLAUSE; PROVIDING AN EFFECTIVE DATE; FINDING AND DETERMINING THAT THE MEETING AT WHICH THIS RESOLUTION IS PASSED WAS NOTICED AND IS OPEN TO THE PUBLIC AS REQUIRED BY LAW.

WHEREAS, the Texoma Area Solid Waste Authority (the "Authority"), a Texas nonprofit corporation, was created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended ("Chapter 431") and Chapter 394, Texas Local Government Code ("Chapter 394" and, together with Chapter 431, the "Act") to aid, assist and act on behalf of the City of Denison, Texas ("Denison"), the City of Gainesville, Texas ("Gainesville"), and the City of Sherman, Texas ("Sherman"), each a home rule municipal corporation (Denison, Gainesville and Sherman, individually, a "Member City", and, collectively, the "Member Cities") and Cooke County, Texas and Grayson County, Texas (collectively, the "Counties", and, together with the Member Cities, the "Local Governments") in the performance of their governmental functions to promote the common good and general welfare of the Local Governments, including, without limitation, (1) the financing, construction, ownership, and operation of a Type I municipal solid waste landfill to be located in western Grayson County, Texas (the "Initial Facility" and, as may be improved, extended or enlarged, the "Facility"), (2) the collection, handling, transportation, storage, collection, processing, and disposal of solid waste, and (3) to perform such other governmental purposes of the Local Governments as may be determined from time to time by the governing bodies of the Local Governments; and

WHEREAS, pursuant to the Act and Chapter 362, Texas Health and Safety Code, the Solid Waste Resource Recovery Financing Act, the Member Cities and the Authority entered into the Texoma Area Member City Landfill Contract, dated as of February 4, 2004 with respect to the payment of maintenance and operation expenses of the Facility and for the payment of debt service, the funding and maintenance of a debt service reserve and other payments and obligations related to the issuance of bonds by the Authority for the purposes specified therein (the "Member City Landfill Contract"); and

WHEREAS, the Authority issued its Regional Solid Waste Disposal Contract Revenue Bonds, Series 2004 (Initial Facility Project) in the aggregate principal amount of $19,225,000 to finance certain costs of the Initial Facility (the "Series 2004 Bonds"); and

WHEREAS, the Authority issued its Regional Solid Waste Disposal Contract Revenue Bonds, Series 2008 in the aggregate principal amount of $2,415,000 to finance the construction of extensions and improvements to the Initial Facility (the "Series 2008 Bonds"); and

WHEREAS, the Authority issued its Regional Solid Waste Disposal Contract Revenue Refunding Bonds, Series 2010 to refund the outstanding Series 2004 Bonds (the "Series 2010 Bonds"); and

WHEREAS, under the Member City Landfill Contract, the Series 2008 Bonds, the Series 2010 Bonds and any additional bonds issued by the Authority for the improvement, extension, or enlargement of the Initial Facility are payable from amounts paid by the Member Cities, including Sherman (the "City"); and

WHEREAS, the Authority plans to issue its bonds in a principal amount not to exceed $3,200,000 for the purpose of constructing an additional landfill cell to improve the Initial Facility and the payment of legal, fiscal and engineering costs in connection with such projects (the "Bonds"), pursuant to a bond resolution (the "Bond Resolution") to be adopted by the Board of Directors of the Authority and to sell such Bonds pursuant to an offering document (the "Offering Document") and to market such Refunding Bonds pursuant to an offering document (the "Offering Document") and has delivered the form of the Bond Resolution and the form of the Offering Document to the City with a request that the City Council approve the form of such instruments; and

WHEREAS, the City Council of the City deems it appropriate and in the best interests of the City that the Authority proceed to issue such Bonds;

NOW, THEREFORE, **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHERMAN, TEXAS:**

SECTION 1. That the City Council hereby approves the form of the Bond Resolution, a copy of which is attached hereto and made a part hereof as **Exhibit A**, to be adopted by the Board of Directors of the Authority authorizing the sale, issuance and delivery of the Bonds in an amount not to exceed $3,200,000 for the purpose of constructing an additional landfill cell for the improvement of the Initial Facility and the payment of legal, fiscal and engineering fees in connection with such project.

SECTION 2. That the City Council acknowledges and agrees that the Bonds authorized pursuant to the Bond Resolution will be issued pursuant to the Member City Landfill Contract and that the City will be unconditionally obligated to make the payments as required by the Member City Landfill Contract which will be pledged by the Authority to the payment of the Bonds.

<u>SECTION 3</u>. That the City Council hereby approves **Appendix C** of the form of Offering Document, setting forth financial and operating information regarding the City's solid waste disposal system, to be used in marketing the Bonds and all other information regarding the City or the Member City Landfill Contract as set forth in the Offering Document and agrees to annually provide and file updated financial information, operating data and general purpose financial statements of the City in the manner set forth in the Member City Landfill Contact.

<u>SECTION 4</u>. That the City Manager is hereby authorized to take such actions and to approve such instruments as are necessary to effect the sale and delivery of the Bonds by the Authority as permitted under the Bond Resolution. That a true and correct copy of the proceedings relating to the issuance of the Bonds shall be provided to the City promptly after their execution and delivery.

<u>SECTION 5</u>. That the recitals set forth in the preamble to this resolution are hereby incorporated in and made a part of this resolution for all purposes.

<u>SECTION 6</u>. That all ordinances and resolutions of the City in conflict or inconsistent with this Resolution are hereby expressly repealed to the extent of such conflict or inconsistency.

<u>SECTION 7</u>. That this Resolution shall take effect immediately from and after its adoption.

<u>SECTION 8.</u> That it is hereby officially found and determined that the meeting at which this resolution is passed is open to the public and that public notice of the time, place, and purpose of said meeting was given as required by law.

PASSED AND APPROVED on this the _____ day of ________________, 2012.

CITY OF SHERMAN, TEXAS

ATTEST:

BY: ________________________________
LINDA ASHBY, CITY CLERK

BY: ________________________________
BILL MAGERS, MAYOR

APPROVED AS TO FORM
AND CONTENT:

BY: ________________________________
BRANDON S. SHELBY,
CITY ATTORNEY

CERTIFICATE FOR RESOLUTION

THE STATE OF TEXAS §
COUNTY OF GRAYSON §
CITY OF SHERMAN §

We, the undersigned officers of the City of Sherman (the "City"), hereby certify as follows:

l. That the City Council of the City (the "City Council") convened in REGULAR MEETING ON THE 19TH DAY OF MARCH, 2012, at the City Hall (the "Meeting"), and the roll was called of the duly constituted officers and members of the City Council, as follows:

Bill Magers, Mayor
Willie Steele, Deputy Mayor
Carolyn S. Wacker, Councilmember
Joe N. Smith, Councilmember
Robert G. Softly, Councilmember
Pamela L. Howeth, Councilmember
David Plyler, Councilmember
Linda Ashby, City Clerk

and all of such persons were present, except **__________________________**, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

RESOLUTION APPROVING THE FORM OF RESOLUTION OF THE TEXOMA AREA SOLID WASTE AUTHORITY AUTHORIZING THE ISSUANCE OF REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; APPROVING THE FORM OF OFFERING DOCUMENT TO BE USED IN THE MARKETING OF SUCH BONDS; AND CONTAINING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Council and duly read (the "Resolution"). It was then duly moved and seconded that the Resolution be adopted; and the motion, carrying with it the adoption of the Resolution, prevailed and carried by the following vote:

AYES: All members of the City Council shown present above voted "Aye", except as shown below.

NOES: __________________________________

ABSTENTIONS: ________________________

2. That a true, full and correct copy of the Resolution passed at the Meeting is attached to and follows this Certificate; that the Resolution has been duly recorded in the City Council's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the City Council's minutes of the Meeting pertaining to the passage of the Resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the City Council as indicated therein; that each of the officers and members of the City Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Resolution would be introduced and considered for passage at the Meeting, and that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

3. That the Mayor and the City Clerk of the City certify that they have duly signed the Resolution and that the Resolution has not been modified, amended or repealed and is in full force and effect on and as of the date hereof.

SIGNED AND SEALED this

______________________________	______________________________
City Clerk, City of Sherman	Mayor, City of Sherman

APPROVED AS TO FORM
AND CONTENT:

____
Brandon Shelby, City Attorney
City of Sherman

(CITY SEAL)

<u>Exhibit A</u>

<u>**DRAFT FORM OF BOND RESOLUTION**</u>

RESOLUTION NO. 2012-___

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; PRESCRIBING THE TERMS AND CONDITIONS THEREOF; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

DATE OF APPROVAL: __________, 2012

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BONDS, SERIES 2012; PRESCRIBING THE TERMS AND PROVISIONS THEREOF; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

STATE OF TEXAS`§
COUNTIES OF COOKE AND GRAYSON§
TEXOMA AREA SOLID WASTE AUTHORITY§

WHEREAS, the Texoma Area Solid Waste Authority (the "Authority" or the "Issuer"), a Texas nonprofit corporation, was created pursuant to Subchapter D of Chapter 431, Texas Transportation Code, as amended ("Chapter 431") and Chapter 394, Texas Local Government Code ("Chapter 394" and together with Chapter 431, the "Act") to aid, assist and act on behalf of the City of Denison, Texas ("Denison"), the City of Gainesville, Texas ("Gainesville"), and the City of Sherman, Texas ("Sherman"), each a home rule municipal corporation (Denison, Gainesville and Sherman, individually, a "Member City") and collectively, the "Member Cities") and Cooke County, Texas and Grayson County, Texas (collectively, the "Counties", and together with the Member Cities, the "Local Governments") in the performance of their governmental functions to promote the common good and general welfare of the Local Governments, including, without limitation, (1) the financing, construction, ownership, and operation of a Type I municipal solid waste landfill to be located in western Grayson County, Texas (the "Initial Facility") and as may be improved, extended or enlarged, the "Facility" or the "Initial Facility Project"), (2) the collection, handling, transportation, storage, collection, processing, and disposal of solid waste and (3) to perform such other governmental purposes of the Local Governments as may be determined from time to time by the governing bodies of the Local Governments; and

WHEREAS, pursuant to the Act and Chapter 362, Texas Health and Safety Code, the Solid Waste Resource Recovery Financing Act, the Member Cities and the Authority have previously entered into the Texoma Area Member City Landfill Contract, dated as of February 4, 2004, with respect to the payment of maintenance and operation expenses of the Facility and for the payment of debt service, debt service reserve and other payments related to the issuance of bonds, including refunding bonds, by the Authority for the purposes specified therein (the "Member City Landfill Contract"); and

WHEREAS, the Authority has previously issued, and there are presently outstanding, bonds of the Authority payable from revenues derived from payments to be made to the Authority by the Member Cities pursuant to the Member City Landfill Contract; and

WHEREAS, the Board of Directors of the Authority (the "Board of Directors") deems it advisable to issue a series of bonds in an amount not to exceed ***$3,200,000*** (the "Bonds") as "Additional Parity Obligations" on a parity with those Outstanding (as defined herein) bonds of the Authority as previously issued, for the purpose of constructing extensions and improvements to the Initial Facility and the payment of legal, fiscal and engineering fees in connection with such project, pursuant to the Resolution authorizing the Series 2004 Bonds (as herein defined) and this Resolution; and

WHEREAS, the conditions set forth in the Series 2004 Resolution for the issuance of the Bonds as Additional Parity Obligations have been met; and

WHEREAS, the bonds hereafter authorized are being issued and delivered pursuant to the Act, the Texas Non-Profit Corporation Act, Article 1396-1.01 et seq., Vernon's Texas Civil Statutes, and other applicable laws; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Resolution has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TEXOMA AREA SOLID WASTE AUTHORITY, THAT:

SECTION 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of Texoma Area Solid Waste Authority (the "Authority") are hereby authorized to be issued and delivered in the aggregate principal amount of $2,415,000 for the public purpose of providing funds to construct extensions and improvements to the Authority's Type I municipal solid waste landfill located in western Grayson County, Texas and to pay the costs incurred in connection with the issuance of the Bonds.

SECTION 2. [RESERVED].

SECTION 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF BONDS. Each bond issued pursuant to this Resolution shall be designated: "TEXOMA AREA SOLID WASTE AUTHORITY REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BOND, SERIES 2012," and initially there shall be issued, sold, and delivered hereunder one fully registered bond, without interest coupons, dated April 15, 2012, in the principal amount stated above, numbered T-1, with bonds issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial bond being made payable to the initial purchaser as described in Section 30 hereof (the "Purchaser")), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner" or the "Registered Owner"), and said bonds shall mature and be payable serially on February 15 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF BOND set forth in Section 5 of this Resolution to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years	Principal Amount	Interest Rate
2013	$	%
2014		%
2015		%
2016		%
2017		%

The term "Bonds" as used in this Resolution shall mean and include collectively the bond initially issued and delivered pursuant to this Resolution and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any such Bond. All Bonds of this Series are issuable solely as fully registered Bonds, without interest coupons, in the authorized denomination of $5,000 or integral multiples thereof.

SECTION 4. CHARACTERISTICS OF THE BONDS. (a) Registration. The Authority shall keep or cause to be kept at the principal corporate trust office of __________, _________, Texas (the "Paying Agent/Registrar"), books or records for the registration of the transfer and exchange of the Bonds (the "Registration Books"), and the Authority hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers and exchanges under such reasonable regulations as the Authority and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of the Bonds to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Authority shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying

Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Authority shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, exchange and delivery of a substitute Bond. Registration of assignments, transfers and exchanges of the Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Resolution. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication; Transfer and Exchange. Except as provided in subsection (f) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Authority or any other body or person so as to accomplish the foregoing exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bond in the manner prescribed herein. Pursuant to Chapter 1201, Government Code, as amended, the duty of transfer of any Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bond that initially was issued and delivered pursuant to this Resolution, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(c) Paying Agent/Registrar. The Authority covenants with the Registered Owner of the Bond that at all times while the Bonds are outstanding the Authority will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Resolution, and that the Paying Agent/Registrar will be one entity. The Authority reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 20 days written notice to the Paying Agent/Registrar, to be effective not later than 15 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Authority covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Resolution. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Authority. Upon any change in the Paying Agent/Registrar, the Authority promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to the Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Resolution, and a certified copy of this Resolution shall be delivered to each Paying Agent/Registrar.

(d) Payment of Bonds and Interest. The Authority hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Resolution. The Paying Agent/Registrar shall keep proper records of all payments made by the Authority and the Paying Agent/Registrar with respect to the Bonds and shall properly and accurately record all payments on the Bonds on the Registration Books, and shall keep proper records of all exchanges of the Bonds, and all replacements of the Bonds, as provided in this Resolution. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Authority. Notice of the past due interest shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of the Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Authority shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Resolution. The Bonds initially issued and delivered pursuant to this Resolution is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Resolution the Paying Agent/Registrar shall execute the Paying Agent/registrar's Authentication Certificate, in the FORM OF BOND set forth in this Resolution.

(f) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified herein shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Authority and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants 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 Authority 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 registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Authority and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the Authority to make payments of principal and interest pursuant to this Resolution. 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., and subject to the provisions in this Resolution with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

(g) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Authority determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the Authority to DTC (the ""representation letter" or the "Letter of Representations") or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Authority shall (i) appoint a successor securities depository, qualified to act as such under Section 17A 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 Registration Books 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 registered owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

(h) Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the Authority to DTC.

(i) Cancellation of Initial Bond. On the closing date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the initial purchaser of the Bonds or its designee, executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Bond, the Paying Agent/Registrar shall cancel the initial Bond and deliver to The Depository Trust Company ("DTC") on behalf of such purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

SECTION 5. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas (to be attached to the Bond initially issued and delivered pursuant to this Resolution), shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Resolution.

(a) Form of Bond

R-

PRINCIPAL AMOUNT
$__________

UNITED STATES OF AMERICA
STATE OF TEXAS
TEXOMA AREA SOLID WASTE AUTHORITY
REGIONAL SOLID WASTE DISPOSAL CONTRACT REVENUE BOND,
SERIES 2012

INTEREST RATE	DATE OF BONDS	MATURITY DATE	CUSIP NO.
	April 15, 2012		

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

ON THE MATURITY DATE specified above, TEXOMA AREA SOLID WASTE AUTHORITY (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the Date of Bonds forth above, on February 15, 2013 and on each February 15 and August 15 thereafter to the Maturity Date specified above, the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON THIS BOND are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the corporate trust office of U.S. Bank National Association, Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the resolution authorizing the issuance of the Bonds (the "Resolution") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the last business day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Resolution, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which such banking institutions are 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.

THIS BOND is one of a series of bonds dated as of April 15, 2012, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of $__________ for the purpose of providing funds for the construction of extensions and improvements to the Authority's municipal sold waste landfill located in western Grayson County, Texas and to pay the costs incurred in connection with the issuance of the Bonds.

THE BONDS ARE NOT subject to optional redemption prior to their stated maturity.

*THE BONDS scheduled to mature on __________ in the years ____ and ____ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, at a price equal to the principal amount thereof plus accrued interest to the redemption date, out of moneys available for such purposes in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts set forth in the following schedule:

TERM BOND MATURITY: __________		TERM BOND MATURITY: __________	
MANDATORY REDEMPTION DATE	PRINCIPAL AMOUNT	MANDATORY REDEMPTION DATE	PRINCIPAL AMOUNT
__________, ____	$__________	__________, ____	$__________
__________, ____	__________	__________, ____	__________

The principal amount of the Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions may be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date, (1) shall have been acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

*AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the business day next preceding the day such notice of redemption is mailed and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of $5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of $5,000. As provided in the Resolution, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Resolution. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of this Bond (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Resolution that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the registered owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a special obligation of the Issuer, secured by and payable from an irrevocable first lien on and pledge of "Gross Revenues" (as defined in the Resolution) primarily derived by the Issuer from the Member Cities (as defined in the Resolution) pursuant to the Member City Landfill Contract (as defined and described in the Resolution), as such Member City Landfill Contract may be amended pursuant to its terms.

THE REGISTERED OWNER hereof shall never have the right to demand payment of this Bond out of any funds raised or to be raised by taxation.

THE ISSUER HAS RESERVED THE RIGHT, subject to the restrictions stated in the Resolution, to issue "Additional Parity Obligations" which also may be secured by and payable from an irrevocable first lien on and pledge of the aforesaid Gross Revenues on a parity and of equal dignity in all respects with this Bond.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Resolution with the approval of the registered owners of at least a majority in principal amount of all outstanding "Parity Obligations" (which term is defined in the Resolution and includes the Bonds and all Additional Parity Obligations issued on a parity therewith), subject to the restrictions stated in the Resolution, or without the consent of the registered owners of the Parity Obligations if each rating agency then maintaining a rating on the Parity Obligations at the request of the Issuer confirms in writing that such amendment would not cause such rating agency to withdraw or reduce its then current rating on the Parity Obligations.

BY BECOMING the registered owner of this bond, the registered owner thereby acknowledges all of the terms and provisions of the Resolution, agrees to be bound by such terms and provisions, acknowledges that the Resolution is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Resolution constitute a contract between each registered owner hereof and the Issuer.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Directors of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)	(signature)
Secretary, Board of Directors Texoma Area Solid Waste Authority	President, Board of Directors Texoma Area Solid Waste Authority

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an Executed Registration Certificate of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Resolution described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Date of authentication: ______________

____
Paying Agent/Registrar

By: ______________________________
Authorized Signatory

(c) Form of Assignment:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto
____
____

Please insert Social Security or Taxpayer Identification Number of Transferee

____

____
(Please print or typewrite name and address, including zip code of Transferee)
____
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints ____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ____________________

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.	NOTICE: The signature above must correspond with the name of the registered owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts:

REGISTRATION CERTIFICATE OF

COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS OF THE STATE OF TEXAS	§ § §	REGISTER NO. ___________

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this 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 it is a valid and binding obligation of Texoma Area Solid Waste Authority, and that this Bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL this _____________________.

xxxxxxxx
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(g) Insertions for the Initial Bond

(i) The Initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"TEXOMA AREA SOLID WASTE AUTHORITY (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "registered owner"), on the dates, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Date (February 15)	Principal Amount	Interest Rate

(Information for the Bonds from Section 3 to be inserted)

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the date of delivery hereof (which date appears in the Delivery Certificate attached to this Bond) at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2009, and on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1."

SECTION 6. [RESERVED].

SECTION 7. DEFINITIONS. In addition to the capitalized terms which are defined in the recitals or in Section 1 through Section 4 of this Resolution, the following words and terms used in this Resolution shall have the following meanings unless the context or use indicates another meaning or intent.

"Additional Parity Obligations" shall mean the additional bonds, notes and other obligations which the Authority reserves the right to issue or enter into, as the case may be, in the future under the terms and conditions provided in Sections 23 and 24 of this Resolution and which are equally and ratably secured wholly or in part by a lien on and pledge of the Gross Revenues on a parity with the lien on and pledge of the Gross Revenues which secures the then Outstanding Parity Obligations.

"Additional Member City" or "Additional Member Cities" means any city or cities in addition to Denison, Gainesville, and Sherman, or any county or other political subdivision with which the Authority may enter into a contract under the Member City Landfill Contract, following consent by Denison, Gainesville, and Sherman to the addition of each such Additional Member City, for receiving, transporting, treating, and/or disposing of MSW through the Facility.

"Annual Debt Service Requirements" shall mean, as of the date of calculation, the principal of and interest on all Parity Obligations coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Authority on such debt, or be payable in respect of any required purchase of such debt by the Authority) in such Fiscal Year, and, for such purposes, any one or more of the following rules shall apply at the election of the Authority:

(1) Committed Take Out. If the Authority has entered into a Credit Agreement constituting a binding commitment within normal commercial practice to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such Funded Debt is subject to required purchase, all under arrangements whereby the Authority's obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharging or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added;

(2) Balloon Parity Debt. If the principal (including the accretion of interest resulting from original issue discount or compounding of interest) of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Authority) in any Fiscal Year either is equal to at least 25% of the total principal (including the accretion of interest resulting from original issue discount or compounding of interest) of such Funded Debt or exceeds by more than 50% the greatest amount of principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein and

throughout this Resolution as "Balloon Parity Debt"), the amount of principal of such Balloon Parity Debt taken into account during any Fiscal Year shall be equal to the debt service calculated using the original principal amount of such Balloon Parity Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Parity Debt on the date of calculation;

(3) Consent Sinking Fund. In the case of Balloon Parity Debt, if the Designated Financial Officer shall deliver to the Authority a certificate providing for the retirement of (and the instrument creating such Balloon Parity Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Parity Debt shall permit the accumulation of a sinking fund for), such Balloon Parity Debt according to a fixed schedule stated in such certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other debt service charges on) such Balloon Parity Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon Parity Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Authority has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of and interest on Parity Obligations, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including without limitation capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such debt; and

(5) Variable Rate. As to any Parity Obligations that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement then, at the option of the Authority, either (A) an interest rate equal to the average rate borne by such Parity Obligations (or by comparable debt in the event that such Parity Obligations has not been Outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, or (B) an interest rate equal to the 30-year Revenue Bond Index (as most recently published in The Bond Buyer), shall be presumed to apply for all future dates, unless such index is no longer published in The Bond Buyer, in which case an index of revenue bonds with maturities of at least 20 years which is published in a financial newspaper or journal with national circulation may be used for this purpose (if two series of Parity Obligations which bear interest at variable interest rate, or one or more maturities within a Series, of equal par amounts, are issued simultaneously with inverse floating interest rates providing a composite fixed interest rate for such Parity Obligations taken as a whole, such composite fixed rate shall be used in determining the Annual Debt Service Requirement with respect to such Parity Obligations);

(6) Guarantee. In the case of any guarantee, as described in clause (2) of the definition of Debt, no obligation will be counted as Parity Obligations for the purpose of the definition of "Annual Debt Service Requirements" unless the Authority has made such guarantee payable from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Parity Obligations, or if the Authority does not anticipate in its annual budget that it will make any payments on the guarantee. If, however, the guarantee is secured by the Gross Revenues, as aforesaid, and the Authority is making payments on a guarantee or anticipates doing so in its annual budget, such obligation shall be treated as Parity Obligations and calculations of annual debt service requirements with respect to such guarantee shall be made assuming that the Authority will make all additional payments due under the guaranteed obligation. If the entity whose obligation is guaranteed cures all defaults and the Authority no longer anticipates making payments under the guarantee, the guaranteed obligations shall not be included in the calculation of Annual Debt Service Requirements;

(7) Commercial Paper. With respect to any Parity Obligations issued in the form of commercial paper with maturities not exceeding 270 days, the interest on such Parity Obligations shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(8) Credit Agreement Payments. If the Authority has entered into a Credit Agreement in connection with an issue of Debt and secured its obligation under the Credit Agreement from the Gross Revenues on a parity basis to the lien created on the Gross Revenues hereby to secure the Parity Obligations, payments due under the Credit Agreement (other than payments for fees and expenses), for either the Authority or the Credit Provider, shall be included in such calculation, except to the extent that the payments are already taken into account under (1) through (7) above and any payments otherwise included above under (1) through (7) which are to be replaced by payments under a Credit Agreement, from either the Authority or the Credit Provider, shall be excluded from such calculation.

With respect to any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and, with respect to prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

"Bond Counsel" shall mean an attorney or firm of attorneys nationally recognized as bond counsel and selected by the Authority.

"Bonds" means and includes the Bonds initially issued and delivered pursuant to this Resolution and all Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Business Day" shall mean any day which is not a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City of New York, New York or in the city where the designated payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

"Code" shall mean the Internal Revenue Code of 1986, and any amendments thereto.

"Credit Agreement" shall mean collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Parity Obligations, purchase or sale agreements, interest rate swap agreements, currency exchange agreements, interest rate floor or cap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board of Directors of the Authority as a Credit Agreement in connection with the authorization, issuance, security, or payment of Parity Obligations.

"Credit Facility" shall mean (i) a policy of insurance or a surety bond, issued by an issuer of policies of insurance insuring the timely payment of debt service on governmental obligations, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the Parity Obligations fully insured by a standard policy issued by the issuer in its two highest generic rating categories for such obligations; and (ii) a letter or line of credit issued by any financial institution, provided that a Rating Agency having an outstanding rating on the Parity Obligations would rate the parity obligations in its two highest generic rating categories for such obligations if the letter or line of credit proposed to be issued by such financial institution secured the timely payment of the entire principal amount of the Parity Obligations and the interest thereon.

"Credit Provider" shall mean any bank, financial institution, insurance company, surety bond provider, or other entity which provides, executes, issues, or otherwise is a party to or provider of a Credit Agreement or Credit Agreement.

"Debt" shall mean all:

(1) indebtedness incurred or assumed by the Authority for borrowed money (including indebtedness arising under Credit Agreements) and all other financing obligations of the Authority that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Authority, or that is in effect guaranteed, directly

or indirectly, by the Authority through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) indebtedness secured by any mortgage, lien, charge, encumbrance, pledge or other security interest upon property owned by the Authority whether or not the Authority has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Authority, there shall be excluded any particular Debt if, upon or prior to the Maturity thereof, there shall have been deposited with the proper depository (a) in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Debt) for the payment, redemption, or satisfaction of such Debt or (b) evidence of such Debt deposited for cancellation; and thereafter it shall not be considered Debt. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements prepared by or for the benefit of the Authority in prior Fiscal Years.

"Designated Financial Officer" shall mean the chief financial officer of the Authority, which is, at the time of adoption of this Resolution, Dale Sissney, or such other financial or accounting official of the Authority so designated by the Executive Director of the Authority.

"Fiscal Year" shall mean the twelve-month period commencing on July 1 and ending on the next June 30, or such other period commencing on the date designated by the Authority and ending one year later.

"Funded Debt" - All Parity Obligations created or assumed by the Authority, either through the use of the proceeds or by an obligation of the Authority to pay, guarantee or otherwise provide for the payment thereof which mature by their terms (in the absence of the exercise of any earlier right of demand), or that are renewable at the option of the Authority to a date, more than one year after the original creation or assumption of such debt by the Authority.

"Government Obligations" shall mean 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, which may be United States Treasury Obligations such as its State and Local Government Series, which may be in book-entry form.

"Gross Revenues" shall mean, for any period, all revenues derived by the Authority from:

(1) the Member City Participants pursuant to the Member City Landfill Contract, or the Additional Member City Participants pursuant to the Additional Member City Landfill Contracts, which constitute the "Bond Service Component" and the "Operation and Maintenance Component" (as such "Components" are defined in such Member City Landfill Contract or the Additional Member City Landfill Contracts, as the case may be);

(2) any other person or entity not described in clause (1) which utilizes the Facility on retail basis; and

(3) interest income from funds on deposit in the Revenue Fund, the Interest and Sinking Fund, and the Reserve Fund.

"Holder", "Bondholder" and "Registered Owner" or words of similar import each shall mean the registered owner of any Parity Obligation as shown on the Registration Books maintained by the Paying Agent/Registrar.

"Maturity" shall mean, when used with respect to any Debt payable in whole or in part from Gross Revenues, the date on which the principal of such Debt or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by declaration of acceleration, call for redemption, or otherwise.

"Member City Participants" shall mean, collectively, the Member Cities and the Additional Member Cities, and the term "Member Participant" shall mean any one of such Member City Participants. For purposes of clarification, but without limiting the definition of the term "Member City Participants" or excluding additional entities as "Member City Participants" after the date of passage of this Resolution, the following entities are considered "Member City Participants" as of the date of passage of this Resolution: Denison, Gainesville, and Sherman.

"Net Revenues" shall mean, for any period, all Gross Revenues less Operation and Maintenance Expenses.

"Operation and Maintenance Expenses" means all costs of operation and maintenance of the Initial Facility Project including, but not limited to, repairs and replacements for which no special fund is created in this Resolution, the cost of utilities, supervision, engineering, accounting, auditing, regulatory costs, legal services, insurance premiums, and any other supplies, services, administrative costs, and equipment necessary for proper operation and maintenance of the Initial Facility Project, payments made for the use or operation of any property, payments of fines, and payments made by the Authority in satisfaction of judgments or other liabilities resulting from claims not covered by the Authority's insurance or not paid by one particular Member City arising in connection with the operation and maintenance of the Initial Facility Project. Depreciation shall not be considered an item of Operation and Maintenance Expense.

"Outstanding" shall mean, when used with respect to Parity Obligations, as of the date of determination, all Parity Obligations theretofore delivered under this Resolution and any resolution authorizing Additional Parity Obligations, except:

(1) Parity Obligations theretofore canceled and delivered to the Authority or delivered to the Paying Agent/Registrar for cancellation;

(2) Parity Obligations deemed paid pursuant to the provisions of Section 26 of this Resolution or any comparable section of any resolution authorizing Additional Parity Obligations;

(3) Parity Obligations upon transfer of or in exchange for and in lieu of which other Parity Obligations have been authenticated and delivered pursuant to this Resolution and any resolution authorizing Additional Parity Obligations; and

(4) Parity Obligations under which the obligations of the Authority have been released, discharged or extinguished in accordance with the terms thereof.

"Parity Obligations" shall mean, collectively, the Outstanding Series 2008 Bonds, the Outstanding Series 2010 Bonds, the Bonds and any Additional Parity Obligations.

"Paying Agent/Registrar" shall mean the respective bank, trust company, financial institution or other entity named in the resolution authorizing the issuance of each issue of Parity Obligations to provide paying agency and registrar services in connection with such issue of Parity Obligations.

"Rating Agency" shall mean one or more nationally recognized credit rating agencies then maintaining a rating on the Parity Obligations at the request of the Authority.

"Reimbursement Obligation" shall mean any obligation contained in a Credit Agreement entered into by the Authority in connection with any Reserve Fund Credit Facility pursuant to which the Authority obligates itself to reimburse a financial institution, insurance company or other entity for amounts paid or advanced by such entity pursuant to a Reserve Fund Credit Facility. Reimbursement Obligations may be payable from and secured by a lien on Gross Revenues which is on parity with, or subordinate to, the lien on Gross Revenues which secures the Parity Obligations pursuant to this Resolution.

"Reserve Fund Credit Facility" shall mean a Credit Facility which (i) may not be terminated by the Credit Provider providing such Credit Facility prior to the final maturity date of the series of Parity Obligations in connection with which such Credit Facility was issued, and (ii) may be drawn upon demand by the Authority to provide funds to pay principal and/or interest on the Parity Obligations in the event moneys on deposit in the Interest and Sinking Fund are insufficient to make such payment.

"Reserve Fund Requirement" shall mean, as of the date of issuance of any series of Parity Obligations, an amount equal to the average Annual Debt Service Requirements on the Parity Obligations Outstanding as of such date.

"Series 2004 Bonds" shall mean the Texoma Area Solid Waste Authority Regional Solid Waste Disposal Contract Revenue Refunding Bonds, Series 2004 (Initial Facility Project). The Series 2004 Bonds are no longer Outstanding.

"Series 2008 Bonds" shall mean the Texoma Area Solid Waste Authority Regional Solid Waste Disposal Contract Revenue Bonds, Series 2008.

"Series 2010 Bonds" shall mean the Texoma Area Solid Waste Authority Regional Solid Waste Disposal Contract Revenue Refunding Bonds, Series 2010.

"Term of Issue" shall mean with respect to any Balloon Parity Debt, a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Parity Debt and ending on the final maturity date of such Balloon Parity Debt or (ii) twenty-five years.

SECTION 8. PLEDGE; RATE COVENANTS. (a) Pledge. The Parity Obligations, and the interest thereon, are and shall be payable from and secured by an irrevocable first lien on and pledge of the Gross Revenues, and the Gross Revenues are further pledged irrevocably to the establishment and maintenance of the Interest and Sinking Fund and the Reserve Fund hereinafter confirmed and maintained.

(b) Covenants Relating to Rates and Charges. The Authority covenants and agrees with the holders of the Parity Obligations as follows:

(i) It will at all times fix, revise, maintain, charge and collect for services rendered by the Initial Facility Project, rates and charges which will produce Gross Revenues at least sufficient (A) to pay the Annual Debt Service Requirements on the Parity Obligations, (B) to pay all Operation and Maintenance Expenses, and (C) to make all deposits now or hereafter required to be made into the Funds created, established, or maintained by this Resolution; and

(ii) If the Initial Facility Project should become legally liable for any other obligations or indebtedness, the Authority shall fix, maintain, charge and collect additional rates and charges for services rendered by the Initial Facility Project sufficient to establish and maintain funds for the payment thereof.

SECTION 9. FUNDS. There is hereby confirmed and shall be maintained on the financial records of the Authority, for the pro rata benefit of all Parity Obligations, the following funds:

(a) Texoma Area Solid Waste Authority - Initial Facility Project Revenue Fund, hereinafter called the "Revenue Fund".

(b) Texoma Area Solid Waste Authority - Regional Solid Waste Disposal Contract Revenue Bonds (Initial Facility Project) Interest and Sinking Fund, hereinafter called the "Interest and Sinking Fund".

(c) Texoma Area Solid Waste Authority - Initial Facility Project Reserve Fund, hereinafter called the "Reserve Fund".

(d) Texoma Area Solid Waste Authority - Initial Facility Project Construction Fund hereinafter called the "Construction Fund".

SECTION 10. REVENUE FUND. All Gross Revenues collected by the Authority shall be deposited upon receipt to the credit of the Revenue Fund. The Funds on deposit in the Revenue Fund shall be used by the Authority, first, to make the deposit into the Interest and Sinking Fund at the times and in the amounts required by Section 11 hereof, and second, to pay all Operation and Maintenance Expenses. The remaining funds on deposit therein shall be transferred from the Revenue Fund into the Reserve Fund hereinafter described, and to satisfy any Reimbursement Obligation, in the manner and amounts hereinafter provided, and each of such Funds and the payment of such Reimbursement Obligation shall have priority as to such deposits in the order in which they are treated in the following sections.

SECTION 11. INTEREST AND SINKING FUND. (a) Use of Funds. The Interest and Sinking Fund shall be used solely to pay the principal of and interest on the Parity Obligations when due, and the Executive Director and the Designated Financial Officer of the Authority are hereby authorized to cause funds to be transferred from the Interest and Sinking Fund to the Paying Agent/Registrar at the times and in the amounts to pay Annual Debt Service Requirements.

(b) Deposit of Accrued Interest and Capitalized Interest. Immediately after the delivery of any series of Parity Obligations, all moneys representing accrued interest, if any, received by the Authority upon the sale and delivery of such Parity Obligations to the initial purchaser thereof, together with all capitalized interest being financed with proceeds of such Parity Obligations, if any (but in no event in excess of the amount permitted by Section 1201.042(a)(1), Texas Government Code, as amended, or other applicable law), shall be deposited to the credit of the Interest and Sinking Fund.

(c) Monthly Deposits. In addition, there shall be transferred Gross Revenues from the Revenue Fund and deposited into the Interest and Sinking Fund the following:

(a) on or before the 25th day of each month, commencing with the month immediately following the issuance of any series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the interest scheduled to come due on all Outstanding Parity Obligations on the next interest payment date.

(b) on or before the 25th day of each month, commencing with the twelfth (12th) month preceding the first principal payment date for a series of Parity Obligations, or commencing with the month immediately following the issuance of any series of Parity Obligations if delivery of such series of Parity Obligations is made less than twelve months preceding the first principal payment date for such series of Parity Obligations, there shall be deposited into the Interest and Sinking Fund in approximately equal installments an amount as will be sufficient, together with other amounts, if any, then on deposit therein and available for such purpose, to pay the principal scheduled to come due (either at stated maturity or due to mandatory sinking fund redemption) on all Outstanding Parity Obligations on the next principal payment date.

(c) on or before any optional redemption date set by the Authority for any Parity Obligations, there shall be deposited into the Interest and Sinking Fund an amount as will be sufficient to pay the principal of, premium, if any, and interest on the Parity Obligations scheduled to be redeemed on such optional redemption date.

SECTION 12. RESERVE FUND. (a) Use of Funds. The Reserve Fund shall be used to pay the principal of or interest on the Parity Obligations at any time when there is not sufficient money available in the Interest and Sinking Fund for such purpose, or to pay the principal of or interest on the last maturing Parity Obligations. If the amount on deposit in the Reserve Fund consists of cash and investments and a Reserve Fund Credit Facility, all cash and investments shall be liquidated and withdrawn prior to drawing on the Reserve Fund Credit Facility. If more than one Reserve Fund Credit Facility is maintained in the Reserve Fund, any withdrawals on such Reserve Fund Credit Facilities shall be pro rata.

(b) Reserve Fund Requirement; Required Reserve Amount. Upon the delivery of the Bonds to the Purchaser (as defined in Section 30), the Authority shall cause to be deposited to the Reserve Fund an amount at least equal to the Reserve Fund Requirement. Such requirement shall be satisfied by depositing to the credit of the Reserve Fund (i) proceeds of the Bonds, (ii) a Reserve Fund Credit Facility, or (iii) a combination thereof as determined by the Executive Director and the Designated Financial Officer. The Paying Agent/Registrar shall maintain records showing the total amount drawn on, and available to be drawn under, a Reserve Fund Credit Facility to satisfy all or a portion of the Reserve Fund Requirement.

(c) Additional Deposits Upon Issuance of Additional Parity Obligations. As and when Additional Parity Obligations are delivered, the amount on deposit in the Reserve Fund shall be increased, if necessary, to the Reserve Fund Requirement after giving effect to the issuance of such Additional Parity Obligations. Any additional amount required shall be so accumulated by the deposit in the Reserve Fund of all or any part of said required additional amount in cash or a Reserve Fund Credit Facility immediately after the delivery of the then proposed Additional Parity Obligations, or (with the prior written consent of each then-existing Credit Provider of a Reserve Fund Credit Facility) by the deposit of said required additional amount (or any balance of said required additional amount not deposited in cash or a Reserve Fund Credit Facility as permitted below) in not more than sixty (60) approximately equal monthly installments, made on or before the 25th day of each month, commencing with the month immediately following the delivery of the then proposed Additional Parity Obligations.

(d) Additional Deposits to Cure Deficiencies. When and so long as the money and investments in the Reserve Fund total not less than the Reserve Fund Requirement (including the amount available to be drawn under a Reserve Fund Credit Facility), no deposits need be made to the credit of the Reserve Fund; but when and if the Reserve Fund at any time contains less than the Reserve Fund Requirement (other than with respect to the issuance of Additional Parity Obligations), the Authority covenants and agrees to cure the deficiency in the Reserve Fund Requirement within twenty four (24) months from the date the deficiency occurred by (i) making monthly deposits from funds on deposit in the Revenue Fund (but only after making the required deposits into the Interest and Sinking Fund and paying all Operation and Maintenance Expenses then due) on the 25th day of each month in approximately equal amounts required to (A) first, if a draw has been made on the Reserve Fund Credit Facility, pay Reimbursement Obligations to restore the amount available to be drawn under such Reserve Fund Credit Facility to its original amount (and pay all other amounts required by such Reserve Fund Credit Facility) by the end of such 24-month period (or earlier as required in an agreement between the Authority and the Credit Provider providing the Reserve Fund Credit Facility), and (B) second, restore the balance in the Reserve Fund to the Reserve Fund Requirement by the end of such 24-month period, (ii) providing a Reserve Fund Credit Facility (but only if all Reimbursement Obligations on any then-existing Reserve Fund Credit Facility has been paid in full), or (iii) providing a combination of (i) and (ii) above.

(e) Computation of Reserve Fund. For the purpose of determining the amount on deposit to the credit of the Reserve Fund, investments in which money in such account shall have been invested shall be computed at cost, and any Reserve Fund Credit Facility shall be computed at the maximum amount available to be drawn thereunder. The amount on deposit to the credit of the Reserve Fund shall be computed by the Authority at least annually, and shall be computed immediately upon any withdrawal from the Reserve Fund.

SECTION 13. EXCESS REVENUES. Subject to making the deposits into the Interest and Sinking Fund and the Reserve Fund, when and as required by this Resolution in connection with the Parity Obligations, and after satisfying any Reimbursement Obligation in connection with a draw on any Reserve Fund Credit Facility and paying all Operation and Maintenance Expenses then due, the Authority may utilize the remaining funds on deposit in the Revenue Fund for any lawful purpose.

SECTION 14. DEFICIENCIES IN FUNDS. If by the 25th day of any month the Authority shall fail to deposit into the Interest and Sinking Fund or the Reserve Fund the full amounts required by this Resolution, amounts equivalent to such deficiencies shall be set apart and paid into said Funds from the first available and unallocated Gross Revenues for the following month or months, if necessary and whichever is the earliest, and such payments shall be in addition to the amounts otherwise required to be paid into said Funds on the 25th day of each month.

SECTION 15. CONSTRUCTION FUND. All proceeds of the Bonds, other than accrued interest on the Bonds, if any, proceeds used to fund capitalized interest, if any, proceeds used to fund all or a portion of the Reserve Fund Requirement, if any, and purchase the Reserve Fund Credit Facility and/or a municipal bond insurance policy relating to the Bonds, if any, shall be deposited in the Construction Fund. Money in the

Construction Fund shall be subject to disbursements by the Authority for payment of all costs incurred in carrying out the purpose for which the Bonds are issued.

SECTION 16. INVESTMENTS. (a) In General. Funds on deposit in the Revenue Fund, the Interest and Sinking Fund, the Reserve Fund, and the Construction Fund shall be secured by the depository bank of the Authority in the manner and to the extent required by law to secure other public funds of the Authority and may be invested from time to time in any investment authorized in the Public Funds Investment Act (Chapter 2256, Texas Government Code) and in accordance with the Authority's Investment Policy; provided, however, that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times when expected to be needed. Interest and income derived from such deposits and investments shall be credited to the Revenue Fund, except for interest and income derived from the Construction Fund which may remain in such Fund or be transferred to the Revenue Fund, at the discretion of the Designated Financial Officer (but in no event shall such earnings be used to pay Operation and Maintenance Expenses). Such investments shall be sold promptly when necessary to prevent any default in connection with the Parity Obligations.

(b) Transfer of Certain Investment Earnings to Rebate Fund. Notwithstanding the provisions of the preceding paragraph, interest and income derived from any investment of money on deposit in the Construction Fund, the Interest and Sinking Fund, and the Reserve Fund shall first be transferred to the Rebate Fund established by Section 30(b) of this Resolution at the times and in the amounts required to pay (or provide for the payment of) "Excess Earnings" as defined in Section 148(f) of the Internal Revenue Code of 1986, as amended.

SECTION 17. SECURITY FOR FUNDS. All Funds created by this Resolution shall be secured in the manner and to the fullest extent permitted or required by law, and such Funds shall be used only for the purposes and in the manner permitted or required by this Resolution.

SECTION 18. INSURANCE. The Authority shall cause the Initial Facility Project to be insured as would usually be insured by entities operating similar facilities, with a responsible insurance company or companies, against risks, accidents, or casualties against which and to the extent insurance is usually carried by entities operating similar facilities, including, to the extent reasonably obtainable, fire and extended coverage insurance, but excluding insurance against damage by floods. Public liability and property damage insurance also shall be carried. At any time while any contractor engaged in construction work shall be fully responsible therefor, the Authority shall not be required to carry insurance on the work being constructed if the contractor is required to carry appropriate insurance. All such policies shall be open to the inspection of the Bondholders and their representatives at all reasonable times. Upon the happening of any loss or damage covered by insurance from one or more of said causes, the Authority shall make due proof of loss and shall do all things necessary or desirable to cause the insuring companies to make payment in full directly to the Authority. The proceeds of insurance covering such property, together with any other funds necessary and available for such purpose, shall be used forthwith by the Authority for repairing the property damaged or replacing the property destroyed; provided, however, that if said insurance proceeds and other funds are insufficient for such purpose, then said insurance proceeds pertaining to the Initial Facility Project shall, at the option of the Authority, be (i) deposited in a special and separate fund, at an official depository of the Authority, to be designated the Insurance Account or (ii) deposited in the Interest and Sinking Fund and used to redeem the Outstanding Parity Obligations, but only if such insurance proceeds, together with all funds then on deposit in the Interest and Sinking Fund and in the Reserve Fund, are sufficient to immediately redeem all Outstanding Parity Obligations. The Insurance Account shall be held until such time as other funds become available which, together with the Insurance Account, will be sufficient to make the repairs or replacements originally required.

SECTION 19. OPERATION AND MAINTENANCE. While any of the Parity Obligations are Outstanding the Authority covenants and agrees to keep and cause to be kept the Initial Facility Project in good condition, repair, and working order, and to operate and maintain and cause to be operated and maintained the Initial Facility Project in an efficient manner.

SECTION 20. ACCOUNTS AND RECORDS. The Authority shall keep or cause to be kept proper books of records and accounts in which complete and correct entries shall be made of all transactions relating to the Gross Revenues, Net Revenues and the Funds created pursuant to this Resolution, and all books, documents and vouchers relating thereto shall at all reasonable times be made available for inspection upon request of any Holder.

SECTION 21. AUDITS. After the close of each Fiscal Year while any of the Parity Obligations are Outstanding, an audit will be made of the books and accounts relating to the Gross Revenues and Net Revenues, and the Funds created pursuant to this Resolution, by an independent certified public accountant or the Texas State Auditor. As soon as practicable after the close of each such Fiscal Year, and when said audit has been completed and made available to the Authority, a copy of such audit for the preceding year shall be mailed to the Paying Agent/Registrar and to any Holders who shall so request in writing. The annual audit reports shall be open to the inspection of the Holders and their agents and representatives at all reasonable times.

SECTION 22. SPECIAL COVENANTS. The Authority further covenants and agrees that:

(a) Encumbrance and Sale. (i) Other than with respect to the Parity Obligations and except as provided in this Resolution, the Gross Revenues have not been pledged in any manner to the payment of any Debt of the Authority, or otherwise, and while any of the Parity Obligations are Outstanding, the Authority will not incur additional Debt secured by the Gross Revenues in any manner, except as permitted by this Resolution in connection with Additional Parity Obligations, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of this Resolution and any resolution authorizing the issuance of Parity Obligations.

(ii) So long as the Parity Obligations are Outstanding, and except as hereinafter specifically permitted in subparagraph (iii) below, the Authority shall not mortgage, encumber, sell, lease, or otherwise dispose of the Initial Facility Project or any significant or substantial part thereof.

(iii) Notwithstanding the provisions in subparagraph (ii) hereof prohibiting the sale of any substantial part of the Initial Facility Project, the Authority shall be authorized from time to time to sell any personal property contained in the Initial Facility Project if such personal property is no longer needed or is no longer useful, and the sale thereof will not adversely affect the Initial Facility Project or the operation and maintenance thereof. The proceeds from the sale of any personal property shall be used to replace or provide substitutes for the property sold, if, and to the extent, deemed necessary by the Authority, and all such proceeds which are not so used shall be deposited into the Interest and Sinking Fund.

(b) Title. The Authority represents that it lawfully owns or will lawfully own, and has or will have fee simple title and/or easement rights to the land upon which the Initial Facility Project is or will be located, that the Initial Facility Project will be constructed and completed in accordance with the plans to be approved and adopted by the Authority, that it warrants that it has or will obtain and will defend the title or easement rights to the aforesaid land for the benefit of the owners of the Parity Obligations against the claims and demands of all persons whomsoever, and that it is lawfully qualified to pledge the Gross Revenues to the payment of the Parity Obligations, in the manner prescribed herein, and has lawfully exercised such rights.

(c) Liens. The Authority will from time to time and before the same become delinquent pay and discharge all taxes, assessments, and governmental charges, if any, which shall be lawfully imposed upon it, or on the Initial Facility Project, that it will pay all lawful claims for rents, royalties, labor, materials, and supplies which if unpaid might by law become a lien or charge upon the Initial Facility Project, the lien of which would be prior to or interfere with the liens hereof, so that the priority of the liens granted hereunder shall be fully preserved in the manner provided herein, and that it will not create or suffer to be created any mechanic's, laborer's, materialman's or other lien or charge which might or could be prior to the liens hereof, or do or suffer any matter or thing whereby the liens hereof might or could be impaired; provided, however, that no such tax, assessment, or charge, and that no such claims which might be or other lien or charge, shall be required to be paid so long as the validity of the same shall be contested in good faith by the Authority.

(d) Performance. It will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Resolution and each resolution authorizing the issuance of Additional Parity Obligations, and in each and every Parity Obligation and pay from the Gross Revenues the principal of and interest on every Parity Obligation on the dates and in the places and manner prescribed in this Resolution; and that it will, at the times and in the manner prescribed, deposit or cause to be deposited from the Gross Revenues the amounts required to be deposited into the Interest and Sinking Fund and the Reserve Fund; and the owner of the Parity Obligations may require the Authority, its officials, agents, and employees to carry out, respect, or enforce the covenants and obligations of this Resolution, including, but without limitation, the use and filing of mandamus proceedings, in any court of competent jurisdiction, against the Authority, its officials, agents, and employees.

(e) Legal Authority. The Authority is duly authorized under the laws of the State of Texas to create and issue the Parity Obligations; that all action on its part for the creation and issuance of the Parity Obligations has been duly and effectively taken, and that the Parity Obligations in the hands of the owners thereof are and will be valid and enforceable special obligations of the Authority in accordance with their terms.

(f) Permits. The Authority will comply with all of the terms and conditions of any and all franchises, permits, and authorizations applicable to or necessary with respect to the Initial Facility Project, and which have been obtained from any governmental agency; and the Authority has or will obtain and keep in full force and effect all franchises, permits, authorizations, and other requirements applicable to or necessary with respect to the acquisition, construction, equipment, operation, and maintenance of the Initial Facility Project.

(g) Compliance with Member City Landfill Contract and Additional Member City Landfill Contracts. The Authority will comply with the terms and conditions of the Member City Landfill Contract and Additional Member City Landfill Contracts and will cause the parties to such agreements, their officials, and employees to comply with all of their obligations under their agreements by all legal and equitable means, including specifically, but without limitation, the use and filing of mandamus proceedings in any court of competent jurisdiction; and the Member City Landfill Contract and Additional Member City Landfill Contracts will not be rescinded, modified, or amended in any way which would have a materially adverse effect on the rights of the owners of the Parity Obligations. If the Authority obtains written confirmation from each Rating Agency that any rescission, modification or amendment to the Member City Landfill Contract or one or more of the Additional Member City Landfill Contracts would not cause such Rating Agency to reduce or withdraw such Rating Agency's then current rating on the Parity Obligations, such written confirmation will serve as conclusive evidence that such rescission, modification or amendment would not have a materially adverse effect on the rights of the owners of the Parity Obligations for purposes of this subsection.

SECTION 23. ADDITIONAL PARITY OBLIGATIONS. (a) Authority to Issue. The Authority shall have the right and power at any time and from time to time, and in one or more series or issues, to authorize, issue, and deliver additional parity revenue bonds (herein called "Additional Parity Obligations"), in accordance with law, in any amounts, for the purpose of constructing extensions and improvements to, and acquiring equipment for, the Initial Facility Project, or for the purpose of refunding any Parity Obligations and/or the interest thereon. Such Additional Parity Obligations, if and when authorized, issued, and delivered in accordance with the provisions hereof, shall be secured by and made payable equally and ratably on a parity with the Parity Obligations, from a first lien on and pledge of the Gross Revenues.

(b) Provisions Related to Interest and Sinking Fund and Reserve Fund. The Interest and Sinking Fund and the Reserve Fund established pursuant to this Resolution shall secure and be used to pay all Additional Parity Obligations as well as the Parity Obligations, all on a parity. However, each resolution under which Additional Parity Obligations are issued shall provide and require that, in addition to the amounts required by the provisions of this Resolution and the provisions of each resolution authorizing Additional Parity Obligations to be deposited to the credit of the Interest and Sinking Fund, the Authority shall deposit to the credit of the Interest and Sinking Fund at least such amounts as are required for the payment of all principal of and interest on said Additional Parity Obligations then being issued, as the same come due; and that the aggregate amount to be accumulated and maintained in the Reserve Fund shall be increased (if and to the extent necessary) to an amount and in the manner set forth in Section 12 of this Resolution.

SECTION 24. FURTHER REQUIREMENTS FOR ADDITIONAL PARITY OBLIGATIONS. Additional Parity Obligations shall be issued only in accordance with the provisions hereof, but notwithstanding any provisions hereof to the contrary, no installment, series, or issue of Additional Parity Obligations shall be issued or delivered unless the President of the Board of Directors of the Authority, the Executive Director of the Authority, or the Designated Financial Officer of the Authority signs a written certificate to the effect that (i) the Authority is not in default as to any covenant, condition, or obligation in connection with all Outstanding Parity Obligations and the resolutions authorizing such Parity Obligations, that the Interest and Sinking Fund and the Reserve Fund both contain the amount then required to be therein, and (ii) the Member City Landfill Contract and Additional Member City Landfill Contracts, if any, are in full force and effect.

SECTION 25. RESOLUTION A CONTRACT; AMENDMENTS. (a) Resolution a Contract. This Resolution shall constitute a contract with the registered owners of the Parity Obligations, binding on the Authority and its successors and assigns, and shall not be amended or repealed by the Authority as long as any Parity Obligation remains Outstanding except as permitted in this Section.

(b) Amendments Without Notice to or Consent of Registered Owners. The Authority may, with notice to the provider of each Reserve Fund Credit Facility but without the consent of or notice to any registered owners, amend, change, or modify this Resolution (i) as may be required for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (ii) in connection with any other change (other than any change described in clauses (i) through (iv) of the first sentence in subsection (c) below) with respect to which the Authority receives written confirmation from each Rating Agency then maintaining a rating on the Parity Obligations at the request of the Authority that such amendment would not cause such Rating Agency to withdraw or reduce its then current rating on the Parity Obligations.

(c) Amendments With Notice to and Consent of Registered Owners. In addition, the Authority may, with the written consent of the provider of each Reserve Fund Credit Facility and the registered owners of at least a majority in aggregate principal amount of the Parity Obligations then Outstanding affected thereby, amend, change, modify, or rescind any provisions of this Resolution; provided that without the consent of all of the registered owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Parity Obligations, reduce the principal amount thereof or the rate of interest thereof, (ii) give any preference to any Parity Obligation over any other Parity Obligation, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Parity Obligations required for consent to any such amendment, change, modification, or rescission.

(d) Notice of Amendment. Whenever the Authority shall desire to make any amendment or addition to or rescission of this Resolution requiring consent of the provider of each Reserve Fund Credit Facility and/or the registered owners of the Parity Obligations, the Authority shall cause notice of the amendment, addition, or rescission to be sent by first class mail, postage prepaid, to (i) the provider of each Reserve Fund Credit Facility, and (ii) the registered owners (if the registered owners of all Parity Obligations or least a majority in aggregate principal amount of the Parity Obligations are required to consent) at the respective addresses shown on the Registration Books. Whenever at any time within one year after the date of the giving of such notice, the Authority shall receive an instrument or instruments in writing executed by the provider of each Reserve Fund Credit Facility and the registered owners of all or a majority (as the case may be) in aggregate principal amount of the Parity Obligations then Outstanding affected by any such amendment, addition, or rescission requiring the consent of the registered owners, which instrument or instruments shall refer to the proposed amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the Authority may adopt such amendment, addition, or rescission in substantially such form, except as herein provided.

(e) Effect of Amendment on Registered Owners. No Registered Owner may thereafter object to the adoption of any amendment, addition, or rescission which is accomplished pursuant to and in accordance with the provisions of this Section, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

SECTION 26. DEFEASANCE OF BONDS. (a) Defeased Bonds. Any Bond and the interest thereon shall be deemed to be paid, retired and no longer Outstanding (a "Defeased Bond") within the meaning of this Resolution, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or other lawful entity, which entity, together with the Paying Agent/Registrar, is referred to collectively in this Section as the "Defeasance Agent"), which may include the use of an escrow agreement or other similar instrument - the "Future Escrow Agreement": (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Authority with the Defeasance Agent for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Series Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the Gross Revenues, and such principal and interest shall be payable solely from such money or Defeasance Securities. Notwithstanding any other provision of this Resolution to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Authority expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Investment in Defeasance Securities. Any moneys so deposited with the Defeasance Agent may at the written direction of the Authority be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Defeasance Agent that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Authority, or deposited as directed in writing by the Authority. Any account or Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsections (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Defeasance Agent which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Authority or deposited as directed in writing by the Authority.

(c) Definition of Defeasance Securities. The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Paying Agent/Registrar Services. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Authority shall make proper arrangements to provide and pay for such services as required by this Resolution.

(e) Selection of Bonds for Defeasance. In the event that the Authority elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

SECTION 27. DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED BONDS. (a) Replacement Bonds. In the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the Authority and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the Authority and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Bond, the Authority may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Authority whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Resolution equally and proportionately with any and all other Bonds duly issued under this Resolution.

(e) Authority for Issuing Replacement Bonds. This Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Authority or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(b) of this Resolution for Bonds issued in conversion and exchange for other Bonds.

SECTION 28. CUSTODY, APPROVAL AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The President of the Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Authority's Bond Counsel, and any assigned CUSIP numbers may, at the option of the Authority, be printed on the Bonds issued and delivered under this Resolution, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds.

SECTION 29. COVENANTS REGARDING TAX-EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of $5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code In furtherance of such intention, the Issuer hereby authorizes and directs the Superintendent to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Resolution (the "Project") on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bond, or (2) the date the Bond is retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bond. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the property constituting the projects financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Designation as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Bonds as a "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Bonds, will result in more than $10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds is issued, by the Issuer (or any subordinate entities) will not exceed $10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, hereof, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 30. SALE OF BONDS AND APPROVAL OF OFFICIAL STATEMENT; FURTHER PROCEDURES. (a) The Bonds are hereby initially sold and shall be delivered to _______________ (the "Purchaser"), for cash for the par value thereof, pursuant to the bond purchase contract dated the date of the adoption of this Resolution which the President of the Board of Directors of the Authority is hereby authorized to execute and deliver. The Bonds shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

(b) The Authority hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated __________, 2012, prior to the date hereof is hereby ratified and confirmed.

SECTION 31. AUTHORITY FOR OFFICERS TO EXECUTE DOCUMENTS AND APPROVE CHANGES. The President, Vice President and the Secretary of the Board of Directors of the Authority, the Executive Director and the Designated Financial Officer of the Authority, and all other officers, employees, and agents of the Authority, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Authority a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the Letter of Representations, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Resolution in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Furthermore, at any time prior to the delivery of the Bonds, the President or Vice President of the Board and the Executive Director each are hereby individually authorized and directed to approve any changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transaction contemplated and approved by this Resolution, (ii) obtain a rating from any of the Rating Agencies, (iii) to obtain a municipal bond insurance policy to further secure the Bonds, or (iv) obtain a Reserve Fund Credit Facility and (v) obtain the approval of the Bonds by the Texas Attorney General's office.

(b) The obligation of the Purchaser to accept delivery of the Bonds is subject to the Purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Authority, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the Purchaser. The engagement of such firm as bond counsel to the Authority is hereby approved and confirmed. The execution and delivery of an engagement agreement between the Authority and such firm, with respect to such services as bond counsel for the term therein stated, is hereby authorized in such form as may be approved by the President of the Board and the President of the Board is hereby authorized to execute such engagement agreement.

SECTION 32. COMPLIANCE WITH RULE 15c2-12. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

(b) Annual Reports.

(i) The Issuer shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 10 of this Ordinance, being the information described in Exhibit A hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit A hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer 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 Issuer shall provide unaudited financial information by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

(ii) If the Issuer changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. 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 that is available to the public on the MSRB's internet website or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices.

(i) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, if such event is material within the meaning of the federal securities laws:

1. Non-payment related defaults;

2. Modifications to rights of Certificateholders;

3. Certificate calls;

4. Release, substitution, or sale of property securing repayment of the Certificates;

5. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and

6. Appointment of a successor or additional trustee or the change of name of a trustee.

(ii) The Issuer shall notify the MSRB in an electronic format as prescribed by the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event) of any of the following events with respect to the Certificates, without regard to whether such event is considered material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701–TEB) or other material notices or determinations with respect to the tax-exempt status of the Certificates, or other events affecting the tax-exempt status of the Certificates;

6. Tender offers;

7. Defeasances;

8. Rating changes;

9. Bankruptcy, insolvency, receivership or similar event of an obligated person

(iii) The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (b) of this Section by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the

Certificates within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Ordinance or applicable law that causes Certificates no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

(iv) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

(v) Should the Rule be amended to obligate the Issuer to make filings with or provide notices to entities other than the MSRB, the Issuer hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended. The provisions of this Section may be amended by the Issuer 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 Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision 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 Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided.

(e) Continuing Disclosure Agreement. (a) Pursuant to Section 8.06 of the Member City Landfill Contract, the Authority and Denison, Gainesville and Sherman have undertaken for the benefit of the beneficial owners of the Series 2004 Bonds and any series of bonds to be issued by the Authority pursuant to the Member City Landfill Contract, to the extent set forth therein, to provide continuing disclosure of financial information and operating data with respect to the Authority and Denison, Gainesville and Sherman, respectively, in accordance with the Rule as promulgated by the SEC.

(f) Future Continuing Disclosure Agreements. In the event the Authority executes an Additional Member City Landfill Contract with a public entity or executes a landfill service contract with a private entity, the Authority shall obligate the contracting public or private entity to abide by the terms of a Continuing Disclosure Agreement, in the form approved by Bond Counsel in order to comply with the then-current requirements of the Rule, if such contracting public or private entity's payments to the Authority for the use of or service from the Facility in any previous calendar year, throughout the term of the contract, exceeded 10% of the Gross Revenues of the Facility.

(g) The Authority shall be obligated to observe and perform or cause a Member City or Additional Member City to observe and perform the covenants specified in this Section for so long as, but only for so long as, such Member City or other Additional Member City remains a "Significant Obligated Person" with respect to the Bonds, except that the Authority in any event will give notice of any deposit made in accordance with this Resolution that causes the Bonds to no longer be outstanding.

SECTION 33. INCORPORATION OF RECITALS. The Authority hereby finds that the statements set forth in the recitals of this Resolution are true and correct, and the Authority hereby incorporates such recitals as a part of this Resolution.

SECTION 34. EFFECTIVE DATE. This Resolution shall become effective immediately after its adoption.

[The remainder of this page is intentionally left blank.]

ADOPTED BY THE BOARD OF DIRECTORS OF THE TEXOMA AREA SOLID WASTE AUTHORITY AT A REGULAR MEETING HELD ON THE ____ DAY OF _________, 2012.

APPROVED:

____
President, Board of Directors
Texoma Area Solid Waste Authority

ATTEST:

____
Secretary, Board of Directors
Texoma Area Solid Waste Authority

(SEAL)

EXHIBIT A

Annual Financial Statements and Operating Data

The following information is referred to in Section 32(b) of this Ordinance:

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

-- Tables 1 through 4, inclusive.

-- APPENDIX B (FINANCIAL STATEMENTS FOR THE LAST COMPLETED FISCAL YEAR WHICH WILL BE UNAUDITED, UNLESS AN AUDIT IS PERFORMED IN WHICH EVENT THE AUDITED FINANCIAL STATEMENTS WILL BE MADE AVAILABLE)

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph above.

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. D.1

**** OTHER BUSINESS***

Consider Request of the 2012 Earth Day Planning Committee to Temporarily Close Certain Streets for the "4th Annual Earth Day Festival" on Saturday, April 21, 2012

Issue

The 2012 Earth Day Planning Committee proposes to hold the "4th Annual Earth Day Festival" on Saturday, April 21st and requests barricades and street closures.

Background

Ms. Amy Hoffman-Shehan, representing the 2012 Earth Day Planning Committee, proposes to hold the "4th Annual Earth Day Festival" in the Sherman Municipal Building Ballroom and on the Municipal Building grounds from 8:00 a.m. to 5:00 p.m. on Saturday, April 21st. In order to accommodate the festival, the Committee requests delivery and pick up of barricades and street closures around the Municipal Building.

Origination

Ms. Amy Hoffman-Shehan, Event Organizer, 2012 Earth Day Planning Committee

Financial Consideration

The event will require minimal staff overtime to close and open the streets on the day of the event. The event organizers will pay non-profit usage fees and provide security in the Ballroom and on the Municipal Building grounds.

Staff Recommendation

It is recommended that the City Council authorize the street closures, the utilization of the Municipal Building Ballroom and grounds, and City staff overtime and resources to accommodate this event.

Alternatives

As directed by the Council

Attachments

Written request received March 12, 2012
Barricade Location Map

Prepared by:
Don Keene, Director of Public Works

Approved by:
George Olson, City Manager

Earth Day Festival
Amy Hoffman-Shehan
1503 S Travis St
Sherman TX 75090
www.earthdaytexoma.org

City of Sherman
George Olson, City Manager
Robby Hefton, Assistant City Manager
Scott Taylor, Assistant Director of Public Works
Members of the Sherman City Council

March 12, 2012

The 4th Annual Earth Day Festival is scheduled for April 21, 2012. It will be held at the Sherman Municipal Ballroom and Grounds. Please place our street closure request on the agenda for the March 21, 2011 City Council Meeting. The street and parking lot closures will be needed from 6:00 am until 5:00 pm on April 21. We would like to close South Rusk Street between Mulberry and Pecan Streets and South Elm Street between Mulberry and Pecan Streets. We would also like to close the parking lot on the south side of City Hall. It will be used for a free, community wide paper shredding event, an E-waste collection (fees will be charged for CRTs, TVs, and certified hard drive swipes), Styrofoam, plastic medicine bottles, ink and toner cartridge collection, and baseball cap and sunglasses collection. Please see the attached map.

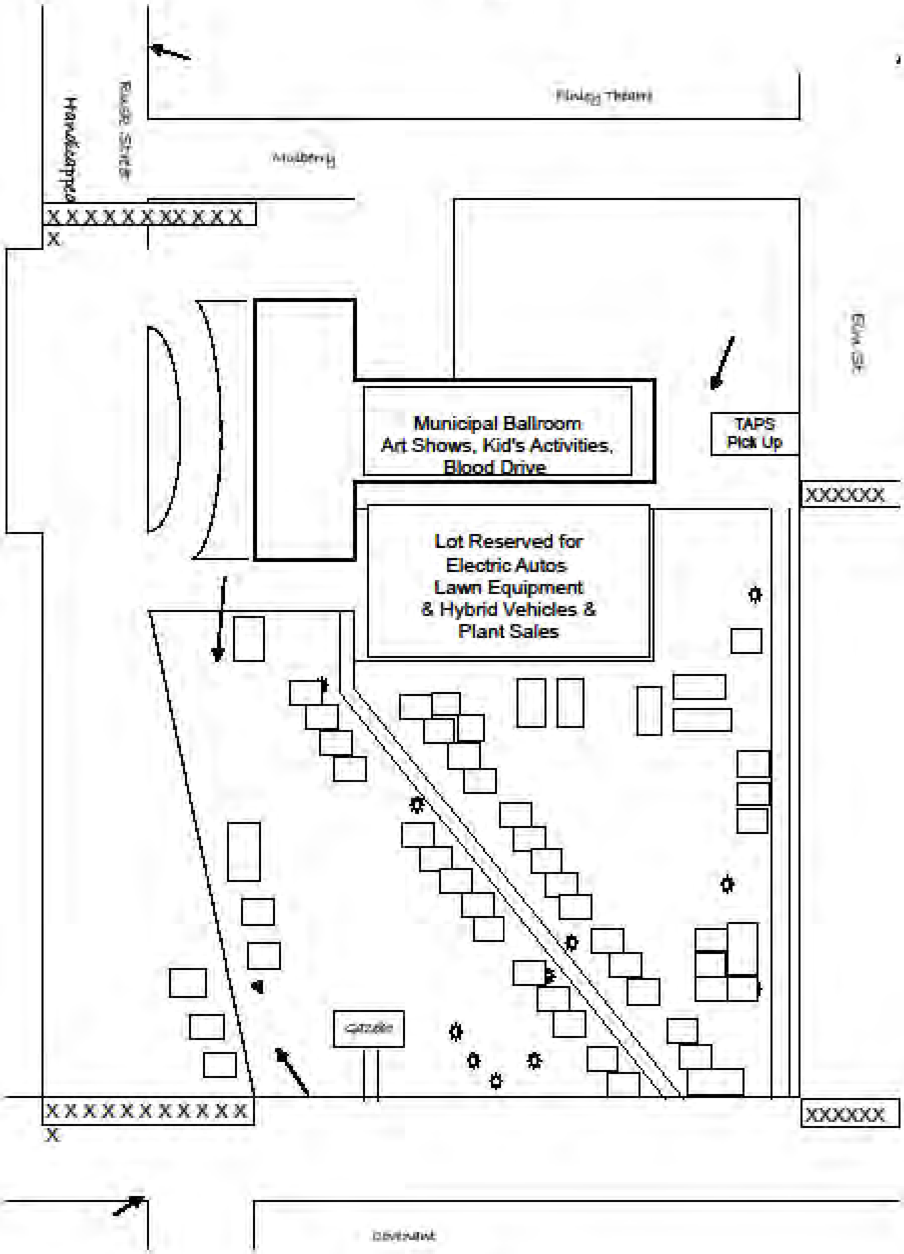
Please watch the Earth Day website, as it is updated on a regular basis as the event evolves. All of the coordinated events of last year will be repeated, and we have added a few new ones. The coordinated events that are repeats from last year are a children's art show, the paper shredding event, continuing education from the Texas Illegal Dumping Resource Center, a blood drive, and plant sales, the used book sale through the Friends of the Sherman Library. Newer events include the electronic waste collection, the ink and toner cartridge collection, and ballcap and sunglasses collection. The ballcaps and sunglasses will go to farm workers, who usually have permanent eye damage by the age of 30 due to lack of protective gear. A recycled sculpture show sponsored by Grayson College Art Department is a new addition to the festival.

After three years of creating inroads, we have fostered a relationship with the Choctaw Nation Going Green program. The Choctaw Nation will open the festival with a blessing in Choctaw and English, provide recycling of Styrofoam and plastic medicine bottles, and provide a workshop on challenges of meeting the recycling needs of our region. We are pleased to announce our keynote speaker, Robyn Sowton. Ms. Sowton is well known in the Dallas area for her involement with the Dallas Sierra Club and her online magazine Dallasgreenzine. Her specialty is in making existing and older homes more energy efficient. The Keynote Address will be at 11:00 a.m. in the Municipal Ballroom.

We greatly appreciate our partnership with the City of Sherman and encourage all of your participation.

Sincerely,

Amy Hoffman-Shehan
Event Organizer


Mulberry
XXXXXXXXXXX
X
Municipal Ballroom
Art Shows, Kid's Activities,
Blood Drive
TAPS
Pick Up
XXXXXX
Lot Reserved for
Electric Autos
Lawn Equipment
& Hybrid Vehicles &
Plant Sales
XXXXXXXXXXX
X
XXXXXX

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. D.2

CITIZEN REQUESTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. D.3

MEDIA QUESTIONS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. D.4

COUNCIL COMMENTS

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. E.1

EXECUTIVE SESSION
In Accordance with Chapter 551, Government Code, V.T.C.S. (Open Meetings Law), "The City Council Will Now Hold a Closed Executive Meeting Pursuant to the Provisions of the Open Meetings Law, Chapter 551, Government Code, Vernon's Texas Codes Annotated, in Accordance with the Authority Contained in the Following Sections"

Section 551.087 **Deliberation Regarding Economic Development Negotiations**

(a) **Deliberate Regarding Commercial or Financial Information that the City has Received from Business Prospects and Deliberate any Offers or Incentives to the Business Prospects, including the following:**

(i) **Property at 4344 Loy Lake Road, Sherman, Texas**

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. F.1

OPEN MEETING
Reconvene into Open Meeting and consider action, if any, on items discussed in Executive Session

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL
Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. F.2

ADJOURNMENT

The Honorable Bill Magers, Mayor

SHERMAN CITY COUNCIL

Agenda Communication Form

From: The Office of the City Manager **Date:** 3-19-2012

Subject: Agenda Item No. N/A

COUNCIL CALENDAR

2012
CITY COUNCIL MEETINGS

JANUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	**16**	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

FEBRUARY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	7	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	23	24	25
26	27	28	29			

MARCH

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	28	29	30	31

APRIL

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	**16**	17	18	19	**20**	21
22	23	24	25	26	27	28
29	30					

MAY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	**7**	8	9	10	11	12
13	14	15	16	17	18	19
20	**21**	22	23	24	25	26
27	28	29	30	31		

JUNE

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	**4**	5	6	7	8	9
10	11	12	13	14	15	16
17	**18**	19	20	**21**	**22**	23
24	25	26	27	28	29	30

JULY

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	**2**	3	4	5	6	7
8	9	10	11	12	13	14
15	**16**	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	**6**	7	8	9	10	11
12	13	14	15	16	17	18
19	**20**	21	22	23	24	25
26	27	28	29	30	31	

SEPTEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	**4**	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30						

OCTOBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	**15**	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

NOVEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	**5**	6	7	8	9	10
11	12	13	14	15	16	17
18	**19**	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	**3**	4	5	6	7	8
9	10	11	12	13	14	15
16	**17**	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

01/02/12 - January 2nd Council meeting cancelled
01/16/12 - M.L.K., Jr. Birthday / Regular Council Meeting
02/20/12 - Washington's Birthday / Regular Council Meeting
04/20/12 - 12 Noon Budget Planning Meeting in Council Chambers
06/21-22/12 - Budget Workshop in Council Chambers
09/03/12 - Labor Day / Called Council Meeting on 09/04/12