

**AGENDA
CITY OF ALLEN
CITY COUNCIL WORKSHOP MEETING
MAY 12, 2009 – 6:00 P.M.
COUNCIL CONFERENCE ROOM
ALLEN CITY HALL
305 CENTURY PARKWAY**

Call to Order and Announce a Quorum is Present.

Questions on Current Agenda.

Items of Interest.

1. Update Regarding Allen Service Center —
John Baumgartner, Director of Engineering
2. Update Regarding New Solid Waste Rates and Fees —
Steve Massey, Director of Community Services
3. Committee Updates from City Council Liaisons —
4. Discussion of Regular Agenda Items —

Adjourn to Regular Meeting.

- open to the public -

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, May 8, 2009, at 5:00 p.m.

Shelley B. George, City Secretary

Allen City Hall is wheelchair accessible. Access to the building and special parking are available at the entrance facing Century Parkway. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 214.509.4105.

CITY COUNCIL AGENDA COMMUNICATION
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AGENDA DATE: May 12, 2009

SUBJECT: Update Regarding Allen Service Center —

STAFF RESOURCE: John Baumgartner, Director of Engineering

PREVIOUS COUNCIL ACTION:

On October 11, 2005, the City Council authorized the City Manager to execute a real estate sales contract for purchase of property for the future City of Allen Service Center in Allen Station Business Park and establish a project budget.

On September 25, 2007, the City Council authorized the City Manager to negotiate and execute on behalf of the City such purchase and sale agreements, restriction agreements and any related instruments for the exchange of the 19.5±acre tract owned by the City of Allen for the 23±acre tract the Allen Economic Development Corporation (AEDC) acquired from the Leach Family Partnership LP.

On June 24, 2008, the City Council authorized the City Manager to execute a professional services contract with Quorum Architects, Inc. for architecture/engineering services for the design of the City of Allen Service Center and Public Safety Training Facility.

BACKGROUND

David Duman and Amy Grafa, of Quorum Architects, Inc. will provide an overview of the Allen Service Center project.

MOTION

Information Item

CITY COUNCIL AGENDA COMMUNICATION
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AGENDA DATE: May 12, 2009

SUBJECT: Update Regarding New Solid Waste Rates and Fees —

STAFF RESOURCE: Steve Massey, Community Services Director
Donna Kliewer, Waste Services Manager

PREVIOUS COUNCIL ACTION: The current rate and service resolution was approved by City Council on May 27, 2008, in Resolution 2743-5-08(R)

BOARD/COMMISSION ACTION: None

ACTION PROPOSED: City Council discuss new rates and fees for commercial and residential solid waste, recycling, and household hazardous waste services

BACKGROUND

Commercial Rate Adjustment

The commercial rates are no longer being adjusted by the annual increase in the Consumer Price Index (CPI) due to the change in the Community Waste Disposal (CWD) contract last year. Commercial rate increases are affected when CWD's Variable Fuel Adjustment Fee (VFAF) applies, through changes in the North Texas Municipal Water District's (NTMWD) disposal rate, and cost increases in the Solid Waste Fund's internal operating expenses.

The VFAF is now set to apply when diesel fuel costs exceed \$2.85 per gallon. VFAF peaked last year at about a 20% cost factor about when the CWD contract was renegotiated in May 2008. The VFAF was stopped completely when fuel price declined last fall. The current VFAF gives commercial customers about \$0.73 "head room" before the VFAF is again applied because diesel fuel costs are now about \$2.13 per gallon.

NTMWD Cost Increases

NTMWD builds its budget for member cities in the solid waste system based on tonnage projections provided by the member cities, their internal operating expenses, and debt service requirements. We typically think of NTMWD solid waste costs as disposal charges per ton. However, what NTMWD actually does is to assign each member city the percentage cost

of their operating budget that is proportionate to the member city's percentage of total tons delivered to the system. For the current Fiscal Year (FY), NTMWD projected 610,241 tons with an operating budget of \$22,128,220; thus yielding an anticipated \$36.26 charge per ton (See attachment). However, at current tonnage projections the "system" will come in about 14 percent below predicted tonnages with Allen at 96 percent of prediction, Frisco at 89 percent of prediction, McKinney at 86 percent of prediction, Plano at 86 percent of prediction, and Richardson at 88 percent of prediction. Because the system cost will not decrease significantly despite the tonnage reduction, the "effective" cost per ton increases from \$36.26 to \$40.94 per ton. Equally as significant from a budgeting perspective is the fact that Allen's share of the total tonnage increases from 8.8 percent to 9.8 percent using the current projections for this Fiscal Year, FY08-09. The table below shows the current projection of where the system will be in tons and member city percentages at year's end versus the original NTMWD budget from last fall.

City	Sep 08 Estimated Tons	Currently Projected Tons	Tonnage Reduction in Percent	Sep 08 Estimated City Percentage	Currently Projected City Percentage	Percent Change in City Percentage
Allen	53,500	50,486	-6%	8.8	9.8	+ 1.0%
Frisco	94,977	76,778	-19%	15.6	14.5	- 1.1%
McKinney	135,026	116,332	-14%	22.1	22.1	0%
Plano	219,678	187,950	-14%	36	35.6	- 0.4%
Richardson	107,060	94,797	-12%	17.5	18	+ 0.5%
Total	610,241	526,334	-14%	100	100	

The situation of member Cities over-forecasting tonnage is due to the recession-driven decrease in consumption and construction activities and is likely to continue into FY09-10. Allen's percentage of the total tons disposed gradually increased over the last eighteen months. A regression analysis of the trend indicates that if tonnages fail to increase as the recession passes, by the end of FY09-10 Allen could be about 11.2 percent of the NTMWD budget while the current NTMWD forecast shows the City as 9.3 percent. The City staff built the FY09-10 solid waste budget estimating that Allen would end up at 10.3 percent of the NTMWD budget due to anticipated easing of the recession. This estimate is still up from our current end of FY08-09 percentage of 9.8 percent by another one-half percent.

Coupled with this cost reallocation is the fact that the NTMWD solid waste disposal cost per ton at full tonnage forecast is set to increase from \$36.26 to \$37.81, a 4.3 percent increase. However, in terms of "effective" cost per ton, FY08-09 will be at \$40.94 per ton and FY09-10 will end up \$41.86 per ton. A table showing the trend in NTMWD disposal costs is provided below.

Fiscal Year	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10
Disposal Cost/Ton	\$22.35	\$23.09	\$24.45	\$29.53	\$30.23	\$29.45	\$32.93	\$36.26*	37.81*
Change	- 0.22	+\$0.74	+\$1.36	+\$5.08	+\$0.70	-\$0.78	+\$3.48	+ \$3.33	+\$1.55
"Effective" Cost/Ton	n/a	\$40.94**	\$41.86**						

* Taken from NTMWD's Preliminary Cost Projection dated < day="23" ls="trans">March 23,

2009.

** “Effective” Cost/Ton estimate is based on analysis of the trend in disposal tonnages actually delivered to NTMWD the last eighteen months.

The full impact of the NTMWD tonnage cost increase plus the costs increases associated with reallocation of disposal costs due to “percentage reallocation” is about \$250,000 in the FY08-09 budget year and \$221,000 in the FY09-10 budget year.

Residential Rate Adjustment

Residential rates are subject to two annual rate increases that benefit CWD; an annual CPI increase plus an increase to compensate CWD for increased composting (yard waste) expenses. The residential rates are also adjusted annually to assure revenues are sufficient to fund increased City Solid Waste Fund expenses and NTMWD Solid Waste operating expenses.

The Department of Labor CPI for the one year period ending < day="15" ls="trans">April 15, 2009, showed a CPI increase of 0.8%. This CPI translates to a residential rate increase for basic services (one trash and recycle cart) of \$0.05 per month, with an additional \$0.03 for each additional trash poly cart per month, and an additional \$0.01 for each additional recycle poly cart per month. The adjustment for compost drop off cost increases accounts for an additional \$0.03 per month for basic services (one trash and recycle cart). Therefore the total rate adjustment for benefit of CWD is \$0.08 per month for basic services, \$0.03 for each additional trash poly cart per month, and \$0.01 for each additional recycle poly cart per month.

Solid Waste Fund Cost Adjustments

The FY09-10 budget that was developed to reflect no additional staffing, equipment, or increased waste services. The budget reflects increased costs to pay NTMWD, cover CWD’s cost adjustments, and keep the fund providing its current level of service while decreasing travel by 25 percent and applying a 3 percent cost reduction in all budget lines that have any cost flexibility. Fund revenues in FY08-09 and FY09-10 are also being impacted by about a two-thirds decrease in interest earnings on the fund’s working capital as interest rates have plummeted.

Rate Increase “Alternative One” - Break Even in FY09-10

The first budget developed reflects the commercial and residential cost increases to approximately balance the Solid Waste fund’s revenues and expenses in FY09-10. This is staff’s typical approach. However, that budget would increase Commercial cost per ton by 8.4 percent, to \$45.00 per ton; and would increase residential rates by 11.1 percent from \$14.35 to \$15.95 per month for a typical monthly bill. It is staff’s goal to keep residential disposal costs in Allen at or below the average cost for the four cities being Allen, Plano, Richardson, and McKinney. We generally do not include Frisco because their waste services fund is operated in a manner to effectively subsidize residential disposal fees and keep them much lower than the waste funds in the other four cities. Under this “break-even” cost alternative, Allen’s cost is \$0.19 above the four city average of \$15.76.

The Opportunity

The Solid Waste Fund is presently extremely healthy in working capital. At the start of FY08-09, the fund had about \$2,454,085 in working capital. At our projected FY09-10 expenditure rate, this is about 153 days of reserve. Typical budget guidelines are to have between 90 to 120 days of reserve, so the fund has considerable working capital that the City can consider utilizing to reduce commercial and residential rate increases over the next two years (FY09-10 and FY10-11). Staff's expectation is that as the recession resolves, disposal tonnages will increase to pre-recession levels and the member city disposal costs per ton will drop from the "effective cost" to be much closer to cost estimates in NTMWD's < day="23" ls="trans">March 23, 2009, long range estimate (Attached).

Recommended Rate Increases

Staff evaluated three Rate Alternatives to "Alternative One" above. One new Alternative gave the best blend of reducing the "break even" rate increase with implementation of a measured reduction in fund reserves. That alternative results in a 6.5 percent increase in commercial disposal tonnage charges compared to the "break even" alternative's 8.4 percent increase. That alternative results in a 6.5 percent residential rate increase compared to the "break even" alternative's 11.2 percent increase in basic residential services.

A typical successful restaurant has one eight cubic yard dumpster collected six times per week. Under the "break even" alternative, their monthly cost would increase \$39.49 per month. Under the recommended alternative, the increase is \$33.47 per month. The complete commercial and residential before and after rate schedule is provided as an attachment.

A typical residential customer has one trash and recycle poly cart. Under the "break even" alternative, residential monthly costs would increase from \$14.35 to \$15.95 per month versus the four city average of \$15.76; making Allen \$0.19 above the four city average. Under the recommended residential alternative, costs would increase from \$14.35 to \$15.28 per month versus the four city average of \$15.59, making Allen \$0.31 below the four city average. The residential cost of \$15.28 reflected here is actually the sum of the new trash fee of \$14.71 and the unchanged Household Hazardous Waste fee of \$0.57 In summary form residential rates:

	<u>Old Rate</u>	<u>New Rate</u>	<u>Rate to CWD</u>
Residential Basic Services	\$13.78	\$14.71	\$6.77
HHW Fee (unchanged)	\$0.57	\$0.57	\$0.00
Total	\$14.35	\$15.28	\$6.77
Additional garbage poly cart	\$8.31	\$8.85	\$3.85

Additional recycle poly cart \$1.96 \$2.08 \$1.97

Residential Cost Comparison in Tubular form

The table below reflects last year's residential collection costs for the four member cities being considered, and the average cost per month against Allen's "break even" and recommended residential alternatives. The historic comparison City rates for May of 2008 are included so City Council can see which cities have increased rates in the last year and by how much.

City	Rates May 08	Current Rates May 09	Using Allen's "Break Even" Rate Alternative	Using Allen's Recommended Rate Alternative
McKinney	\$15.36	\$15.36	\$15.36	\$15.36
Richardson	\$14.78	\$16.63	\$16.63	\$16.63
Plano	\$13.85	\$15.10	\$15.10	\$15.10
Allen	\$12.78	\$14.35	\$15.95	\$15.28
4-City Average	\$14.69	\$15.36	\$15.76	\$15.59

Both before and after implementation of the recommended rate increase, the City of Allen's rate remains competitive among the four NTMWD Solid Waste System member cities. Staff is also aware that several member cities are considering rate increases going into FY09-10 in response to increasing NTMWD disposal costs.

BUDGETARY IMPACT

At the recommended rate increase, the City's Solid Waste fund will remain self-supporting with adequate fund reserves.

Estimated Fund Cash Flows implementing the recommended rate alternative beginning on June 1, 2009, are shown below. The "Working Capital to Maintain 90, 105, and 120 Days of Reserve" are the amounts of working capital in dollars necessary to equal those days of reserve at the FY09-10 operating cost level. The recommended alternative leaves the Solid Waste Fund working capital safely above the 90 and 105 days of reserve level to allow for another Fiscal Year (FY10-11) to draw down fund reserves in the event the economic recovery continues to reduce the total disposal weights taken to the landfill past FY09-10.

Working Capital Start of FY08-09	\$2,454,085
Loss FY08-09	\$142,221
Working Capital Start FY09-10	\$2,311,864
Loss FY09-10	\$223,700
Working Capital Start FY10-11	\$2,088,164
Working Capital to Maintain 90 Days of Reserve	\$1,447,000
Working Capital to Maintain 105 Days of Reserve	\$1,703,000
Working Capital to Maintain 120 Days of Reserve	\$1,929,000

STAFF RECOMMENDATION

Staff recommends the City Council discuss proposed new rates and fees for commercial and residential solid waste, recycling, and household hazardous waste services.

ATTACHMENT

Before and After Rate Resolution

NTMWD's March 23, 2009, Long Range Solid Waste Fund Budget Forecast

(Draft) RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ESTABLISHING FEES AND RATES FOR COMMERCIAL SOLID WASTE COLLECTION SERVICES; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Code of Ordinances of the City of Allen authorizes the City Council to amend the fees and rates for solid waste and household hazardous waste collection services by Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City Council of the City of Allen, Texas, hereby establishes the following residential solid waste and household hazardous waste collection service fees:

- 1. RESIDENTIAL Solid Waste Services- (THESE CHARGES ADJUSTED FOR CWD CPI ADJUSTMENT, CWD COMPOSTING ADJUSTMENT, NTMWD COST INCREASES, AND SOLID WASTE FUND OPERATING BUDGET COST INCREASES)
(Garbage, bulk, recycling, yard waste, Christmas tree haul, and Household Hazardous Waste (HHW))**

	<u><i>Current</i></u>	<u><i>Proposed</i></u>
Residential rate per month to CWD	\$6.69	\$6.77
Residential rate per month to City	\$13.78	\$14.71
Additional garbage poly-cart per month to CWD	\$3.82	\$3.85
Additional garbage poly-cart per month to City	\$8.31	\$8.85
Additional recycle poly-cart per month to CWD	\$1.96	\$1.97
Additional recycle poly-cart per month to City	\$1.96	\$2.08
Replace lost/stolen garbage or recycle poly-cart to CWD	\$71.02	\$71.52
Household Hazardous Waste rate per month to City	\$0.57	\$0.57

- 2. COMMERCIAL Solid Waste Services- (THESE CHARGES ARE ADJUSTED DUE TO THE NTMWD DISPOSAL COST INCREASE AND SOLID WASTE FUND OPERATING BUDGET COST INCREASES)**

All commercial costs in Paragraph 2 include the City of Allen's 15% Franchise Fee

- **Side Loading Commercial Poly-Carts** (All Disposal Weight Charges Included in Cost)

One (1) poly-cart per month	\$17.58	\$18.72
Two (2) poly-carts per month	\$32.72	\$35.00
Three (3) poly-carts per month	\$45.94	\$49.36
Each additional poly-cart thereafter	\$13.22	\$14.37

- **Front Loading Dumpsters** (All Disposal Weight Charges Included in Cost)

2 Cubic Yard Container	N/A	N/A
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Monthly rates:

3 Cubic Yard Container

One time per week	\$91.13	\$93.22
Two times per week	\$176.49	\$180.68
Three times per week	\$242.64	\$248.92

	<u>Current</u>	<u>Proposed</u>
4 Cubic Yard Container		
One time per week	\$99.38	\$102.17
Two times per week	\$186.35	\$191.92
Three times per week	\$269.77	\$278.13
Four times per week	\$342.85	\$354.00
6 Cubic Yard Container		
One time per week	\$121.97	\$126.16
Two times per week	\$227.92	\$236.28
Three times per week	\$325.27	\$337.81
Four times per week	\$414.00	\$430.73
Five times per week	\$494.12	\$515.04
Six times per week	\$564.39	\$589.48
8 Cubic Yard Container		
One time per week	\$143.11	\$148.68
Two times per week	\$265.29	\$276.45
Three times per week	\$379.53	\$396.27
Four times per week	\$483.89	\$506.20
Five times per week	\$578.46	\$606.35
Six times per week	\$663.09	\$696.56
• Extra pickups		
2 cu. yd. containers	N/A	N/A
3 cu. yd. containers	\$43.45	\$43.93
4 cu. yd. containers	\$45.64	\$46.29
6 cu. yd. containers	\$50.03	\$50.99
8 cu. yd. containers	\$54.37	\$55.66
• Refills		
2 cu. yd. containers	N/A	N/A
3 cu. yd. containers	\$31.07	\$31.56
4 cu. yd. containers	\$33.13	\$33.78
6 cu. yd. containers	\$37.71	\$38.67
8 cu. yd. containers	\$42.08	\$43.37
• Front Load Compactors		
2 cu. yd. containers	\$82.56	\$83.88
6 cu. yd. containers	\$128.21	\$132.16
8 cu. yd. containers	\$175.56	\$180.83
• Rolloff Compactor Containers (Disposal Weight Charge of <u>\$41.50 PER TON INCREASES TO \$44.20 per ton added for all tonnage over 6 tons (12,000 pounds)</u>)		
Trip Charge (Dry Run) - weekday	\$117.62	\$117.62
Trip Charge (Dry Run) - weekend	\$152.43	\$152.43
Haul charges -		
20 cu. yd. per load - weekday	\$313.41	\$329.21
20 cu. yd. per load - weekend	\$348.22	\$364.02
35 cu. yd. per load - weekday	\$444.91	\$460.71
35 cu. yd. per load - weekend	\$479.72	\$495.52
42 cu. yd. per load - weekday	\$497.87	\$513.67
42 cu. yd. per load - weekend	\$532.68	\$548.48

<ul style="list-style-type: none"> • Open Top Rolloff Containers (Disposal Weight Charge of <u>\$41.50 PER TON INCREASES TO \$44.20</u> per ton added for all tonnage over 6 tons (12,000 pounds) 	<u>Current</u>	<u>Proposed</u>
Delivery – weekday	\$117.62	\$117.62
Delivery – weekend	\$152.43	\$152.43
Trip Charge (Dry Run) - weekday	\$117.62	\$117.62
Trip Charge (Dry Run) - weekend	\$152.43	\$152.43
Weekly Rental	\$44.83	\$44.83
Monthly Rental	\$194.06	\$194.06
Haul charge to Melissa Landfill - weekday	\$517.60	\$533.40
Haul charge to Melissa Landfill- weekend	\$552.41	\$568.22

3. SPECIAL COLLECTIONS

<ul style="list-style-type: none"> • Appliances: Listed Below 	\$30.17	\$30.17
Stoves, ovens, water heaters, furnaces, garbage compactors, etc, refrigerators, freezers & ice makers (Freon removed)		
<ul style="list-style-type: none"> • Furniture: Listed Below 	\$21.74	\$21.74
Couch, bed, love seat, tables, EZ chairs, etc.		

4. COMMERCIAL SPECIAL SERVICES

<ul style="list-style-type: none"> • Mandatory commercial apartment recycling 		
Price per month per apartment unit charged to apartment owner/operator	\$0.65	\$0.65

5. COMMERCIAL SPECIAL SERVICES

All commercial costs in paragraph 5 include the City of Allen's 15% Franchise Fee

• Deodorize containers – per cont. (Not subject to VFAF)	\$62.97	\$62.97
• To unlock gates – per pickup	\$8.83	\$8.83
• Caster – per container (<4 cu. yd.)	\$11.32	\$11.32
• Locks – per pickup	\$8.83	\$8.83
• Signed receipts – per pickup	\$8.83	\$8.83

5. OTHER CHARGES

<ul style="list-style-type: none"> • Returned check fee (Not subject to VFAF) 	\$25.00	\$25.00
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SECTION 2. All provisions of the Resolutions of the City of Allen, Texas, in conflict with the provisions of this Resolution be, and the same are hereby, repealed, and all other provisions not in conflict with the provisions of this Resolution shall remain in full force and effect.

SECTION 3. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this Resolution, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Resolution which shall remain in full force and effect.

SECTION 4. This Resolution shall take effect June 1, 2009, in accordance with the provisions of the Charter of the City of Allen, and it is accordingly so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 26TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

North Texas Municipal Water District
Regional Solid Waste System - Projected Cost

3/23/2009 9:01

PRELIMINARY

	Budget FY09	Estimated FY10	Estimated FY11	Estimated FY12	Estimated FY13	Estimated FY14	Estimated FY15	Estimated FY16	Estimated FY17	Estimated FY18	Estimated FY19
Member Charges:											
Allen	\$ 1,939,987	\$ 2,061,498	\$ 2,159,718	\$ 2,334,705	\$ 2,442,529	\$ 2,538,965	\$ 2,635,870	\$ 2,749,366	\$ 2,868,603	\$ 2,994,139	\$ 3,125,958
Frisco	\$ 3,444,003	\$ 3,698,377	\$ 3,897,127	\$ 4,239,657	\$ 4,466,075	\$ 4,659,185	\$ 4,860,609	\$ 5,069,899	\$ 5,289,775	\$ 5,521,266	\$ 5,764,343
McKinney	\$ 4,896,238	\$ 5,227,335	\$ 5,481,522	\$ 5,934,355	\$ 6,220,944	\$ 6,458,449	\$ 6,704,951	\$ 6,959,705	\$ 7,226,289	\$ 7,505,912	\$ 7,798,324
Plano	\$ 7,965,842	\$ 7,204,602	\$ 7,223,259	\$ 7,476,677	\$ 7,723,027	\$ 7,900,519	\$ 8,082,031	\$ 8,266,340	\$ 8,457,369	\$ 8,656,073	\$ 8,861,683
Richardson	\$ 3,882,150	\$ 3,971,094	\$ 4,103,232	\$ 4,377,163	\$ 4,521,372	\$ 4,625,283	\$ 4,731,547	\$ 4,839,449	\$ 4,951,285	\$ 5,067,615	\$ 5,187,987
Total Member Charges	\$ 22,128,220	\$ 22,162,907	\$ 22,864,858	\$ 24,362,556	\$ 25,373,949	\$ 26,182,400	\$ 27,015,009	\$ 27,884,759	\$ 28,793,321	\$ 29,745,006	\$ 30,736,294
Charge per ton	\$ 36.26	\$ 37.81	\$ 38.88	\$ 40.85	\$ 41.78	\$ 42.32	\$ 42.86	\$ 43.40	\$ 43.97	\$ 44.55	\$ 45.16
		4.3%	2.3%	5.6%	2.3%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Billing Tons											
Allen	53,500	54,529	55,840	57,152	58,463	60,000	61,500	63,345	65,245	67,203	69,219
Frisco	94,977	97,826	100,761	103,784	106,897	110,104	113,408	116,810	120,314	123,923	127,641
McKinney	135,026	138,269	141,726	145,269	148,901	152,624	156,440	160,351	164,359	168,468	172,680
Plano	219,678	190,570	186,759	183,024	184,854	186,703	188,570	190,455	192,360	194,283	196,226
Richardson	107,060	105,040	106,090	107,150	108,221	109,303	110,396	111,500	112,615	113,741	114,879
Total	610,241	586,234	591,176	596,379	607,336	618,734	630,313	642,461	654,894	667,619	680,645

a FY09 per budget, thereafter 3% escalation.
b FY09 per budget, thereafter = 1/12 of annual budget x 1%.
c FY09 per budget, thereafter 5% escalation.
d FY09 per budget, FY10 = \$2,025,000, FY11-FY13 5% escalation, thereafter 3% escalation per J Slankiewicz 3/2/09 email to J Parks.
e FY09 per budget, FY10-FY13 per J Slankiewicz 9/16/08 Schedule, thereafter 3% escalation.
f FY09 per budget, thereafter per FSW 2/23/09 Final Aggregate Debt Service Schedule.
g Assumes the issuance of \$18.85 M (\$15.3 M Project Cost [per J Slankiewicz 4/18/08 email] x 1.12 = \$17.14 M plus \$1.71 Insurance Cost) 20 Yr Revenue Bonds at 5% interest in 3/12.
h FY09 per budget, thereafter = Total Expenditures - Interest Income - Customer Charges - Other Revenue, allocated to member cities based on percentage of billing tons.
i FY09 per budget, FY10-FY14 PER Eric Hopes' 3/2/09 email, thereafter 2.5% escalation (same escalation as FY13-FY14).
j FY09 per budget, FY10-FY13 per Pete Spano 03/17/09 email, thereafter 1% escalation (same escalation as FY 12-FY13).
k FY09 per budget, FY10-FY13 and thereafter 1% escalation per David Johnson 2/20/09 email.

**AGENDA
CITY OF ALLEN
CITY COUNCIL REGULAR MEETING
MAY 12, 2009 – 7:00 P.M.
COUNCIL CHAMBERS
ALLEN CITY HALL
305 CENTURY PARKWAY**

Call to Order and Announce a Quorum is Present.

Pledge of Allegiance.

Public Recognition.

1. Citizens' Comments. *[The City Council invites citizens to speak to the Council on any topic not on the agenda or not already scheduled for Public Hearing. Prior to the meeting, please complete a "Public Meeting Appearance Card" and present it to the City Secretary. The time limit is three minutes per speaker, not to exceed a total of fifteen minutes for all speakers.]*
2. Presentation of Blue Star Flags to the Families of Allen Service Personnel Currently Deployed by the U.S. Armed Forces.
3. Presentation of a Proclamation by the Office of the Mayor:
 - Presentation of a Proclamation to Steve Massey, Director, and Representatives of the Community Services Department Proclaiming May 17-23, 2009, as *Public Works Week*.
 - Presentation of a Proclamation to Vikki Francis, Animal Control Supervisor, and Representatives of the Animal Control Division Proclaiming May 17-23, 2009, as *Bite Prevention Week*.
4. Presentation of a Check Indicating 'Volunteer Hours to the Community' by Jo Long, President of the Allen Retired Educators' Association (AREA).
5. Recognition of Rachel Denney, Allen High School Student and Creator of the Logo for the Alliance for a Healthier Allen (AHA).

6. Recognition of the Planning and Development Department's GIS Team for Winning Two Awards at the South Central Arc User Group (SCAUG) Annual Conference GIS Map Application Competition.
7. Presentation of the Keep Allen Beautiful Board's (KAB) Annual Report by Vice-Chair Stacy Gonzales.
8. Recognition of Reuse-a-Shoe Contest Winners.
9. Presentation of the Community Waste Disposal, Inc. (CWD) Annual Report by Greg Roemer, President, and Robert Medigovich, Municipal Coordinator.

Consent Agenda. *[Routine Council business. Consent Agenda is approved by a single majority vote. Items may be removed for open discussion by a request from a Councilmember or member of staff.]*

10. Approve Minutes of the April 28, 2009, Regular Meeting.
11. Motion to Set the Canvass of the May 9, 2009, General Election at 12:00 p.m. on Tuesday, May 19, 2009.
12. Adopt a Resolution Authorizing the City Manager to Execute an Interlocal Agreement between the City of Allen and the City of Plano for Joint Use of the 700/800 MHz Trunked Radio System.
13. Adopt a Resolution Authorizing the City Manager to Apply for, Accept, Reject, Alter, or Terminate a Justice Assistance Grant (JAG) from the State of Texas, Office of the Governor, Criminal Justice Division, to Fund an Internal Camera System for the Police Department and Adjacent Facilities, if Awarded.
14. Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the State of Texas to Accept the Tobacco Compliance Grant, if Awarded.
15. Adopt a Resolution Declaring Continued Election of the City of Allen to Participate in Tax Abatement and Updating the Tax Abatement Guidelines.
16. Authorize the City Manager to Execute a Contract with CB&I, Inc. for the Construction of the Two Million Gallon Hillside Water Tower for an Amount Not to Exceed \$5,583,000.00 and Approve Deductive Change Order No. 1 in the Amount of \$300,000 for a Net Contract Amount of \$5,283,000 and Amend the Project Budget of \$5,980,000.
17. Accept a Resignation and Declare a Vacancy in Place No. 6 of the Library Board.

Regular Agenda.

18. Conduct a Public Hearing to Consider the Establishment of Tax Abatement Reinvestment Zone #30 on Land Located North of the Allen Premium Outlet Mall on Chelsea Boulevard and Adopt an Ordinance Establishing Reinvestment Zone #30 to Approve a Tax Abatement Agreement with Cisco Systems, Inc. Supporting Construction of an Approximately 140,000 – 160,000 Square Foot Tier III Data Center Facility on Chelsea Boulevard.
19. Conduct a Public Hearing and Adopt an Ordinance to Establishing a Planned Development for Data Center Use on Property Currently Zoned CC Corridor Commercial on 34± Acres Located North of Stacy Road and East of Chelsea Boulevard.
20. Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, General Obligation Bonds, Series 2009, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds.

Other Business.

21. Calendar.
 - May 18, 25 - Summer Sounds Concert Series / JFRC / 7 p.m.
22. Items of Interest. *[Council announcements regarding local civic and charitable events, meetings, fundraisers, and awards.]*

Executive Session. (As needed)

Legal, Section 551.071; Property, Section 551.072; Personnel, Section 551.074.
As authorized by Section 551.071(2) of the Texas Government Code, the Workshop Meeting and/or the Regular Agenda may be Convened into Closed Executive Session for the Purpose of Seeking Confidential Legal Advice from the City Attorney on any Agenda Item Listed Herein.

(Closed to Public as Provided in the Texas Government Code.)

23. Reconvene and Consider Action on Items Discussed during Executive Session.

Adjournment.

This notice was posted at Allen City Hall, 305 Century Parkway, Allen, Texas, at a place convenient and readily accessible to the public at all times. Said notice was posted on Friday, May 8, 2009, at 5:00 p.m.

Shelley B. George, City Secretary

Allen City Hall is wheelchair accessible. Access to the building and special parking are available at the entrance facing Century Parkway. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 214.509.4105.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Presentation of Blue Star Flags to the Families of Allen Service Personnel Currently Deployed by the U.S. Armed Forces

STAFF RESOURCE: Shelley B. George, City Secretary

ACTION PROPOSED: Presentation of Blue Star Flags

BACKGROUND

The City of Allen wishes to honor our Allen area service personnel currently deployed by the U.S. Armed Forces by presenting a Blue Star Flag to their families. The Blue Star Flag, whose history dates back to World War I, is displayed in the family's window when a loved one is currently serving in the Armed Forces.

Mayor Terrell and the Allen City Council Members will present a Blue Star Flag to the following family:

Mr. and Mrs. Carl Clemencich, parent-in-laws of Second Lieutenant Abigail Clemencich of the United States Air Force. Second Lieutenant Clemencich was deployed on May 6, 2009, to Kuwait. She joined the Air Force in 2007. Her husband, Ensign Carl Clemencich III, deployed to the region in April 2008 with the United States Navy.

STAFF RECOMMENDATION

Staff recommends the Mayor and Allen City Council honor this servicewoman by presenting a Blue Star Flag to her family.

*Office of the Mayor
City of Allen*

Proclamation

WHEREAS, public works services provided in the City of Allen are an integral part of our citizens' everyday lives; and,

WHEREAS, the support of an understanding and informed community is vital to the efficient operation of public works systems and programs such as water, sewer, streets, drainage, public building maintenance, and collection of solid waste, recyclables, and household hazardous waste; and,

WHEREAS, the health, safety and comfort of this community greatly depend on a quality public works infrastructure and service; and,

WHEREAS, this week seeks to enhance the prestige of the often - unsung heroes of our society - the qualified and dedicated personnel who staff the City of Allen's Community Services and Engineering Departments who work to "Revitalize, Reinvest, Renew" our City.

NOW, THEREFORE, I, STEPHEN TERRELL, MAYOR OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, do hereby proclaim May 17 – 23, 2009, as:

"PUBLIC WORKS WEEK"

in Allen, Texas, and I urge all citizens to take cognizance of this event and participate in all the events related thereto in this community.

Stephen Terrell, MAYOR

*Office of the Mayor
City of Allen*

Proclamation

WHEREAS, almost 400,000 persons are bitten by dogs every year in Texas with children accounting for 60% of all bite victims; and,

WHEREAS, one-quarter of those bitten require medical care representing a major public health problem in children; and,

WHEREAS, the Allen Animal Control Division encourages pet owners and parents to help reduce the risk of a dog bite through supervision, education of children and families, and better training of dogs to accept the actions of children.

NOW, THEREFORE, I, STEPHEN TERRELL, MAYOR OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, do hereby proclaim May 17-13, 2009, as:

“BITE PREVENTION WEEK”

in Allen, Texas, and I urge all citizens to take cognizance of this event and participate in all the events related thereto in this community.

Stephen Terrell, MAYOR

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

May 12, 2009

SUBJECT:

Presentation of a Check Indicating 'Volunteer Hours to the Community' by Jo Long, President of the Allen Retired Educators' Association (AREA)

STAFF RESOURCE:

Shelley George, City Secretary

BACKGROUND

Jo Long, President of the Allen Retired Educators' Association, will present a check indicating the number of volunteer hours the Association has contributed in the Allen community.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Recognition of Rachel Denney, Allen High School Student and Creator of the Logo for the Alliance for a Healthier Allen (AHA)

STAFF RESOURCE: Lori Smeby, Assistant Director of Parks and Recreation

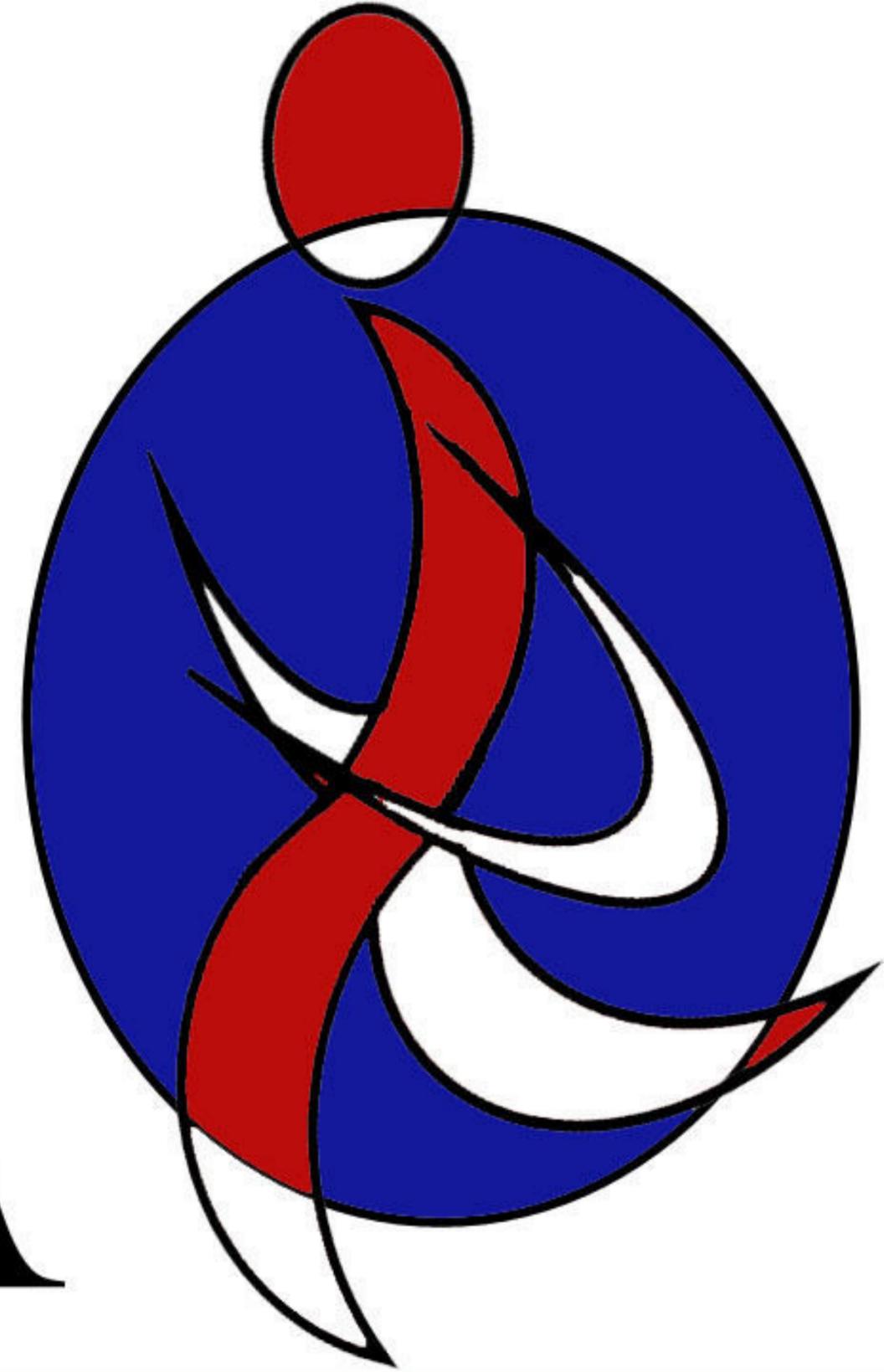
BACKGROUND

The Alliance for a Healthier Allen, which includes the City of Allen, AISD, Texas Health Presbyterian Allen, Allen Chamber of Commerce, and Allen Community Outreach, was formed to introduce healthy community initiatives in Allen. The Business Image Management and Multimedia class at Allen High School was enlisted to develop logo concepts to help brand the AHA. Ms. Rachel Denney, AHS junior, created the logo that was selected and is being recognized for her efforts.

ATTACHMENT

AHA Logo

AHHA



ALLIANCE *for a* HEALTHIER ALLEN

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Recognition of the Planning and Development Department's GIS Team for Winning Two Awards at the South Central Arc User Group (SCAUG) Annual Conference GIS Map Application Competition

STAFF RESOURCE: Ogden "Bo" Bass, AICP
Director of Planning & Development

ACTION PROPOSED: Accept Awards

BACKGROUND

The South Central Arc User Group (SCAUG), held their 19th Annual Conference in Austin, Texas on March 30-April 3, 2009. This conference consists of private as well as public GIS professionals from Texas, Oklahoma, Louisiana, New Mexico and Mississippi. These professionals gather once a year to share new and existing GIS technology and knowledge. One of the highlights of the conference is the GIS map application competition. The objective is to submit GIS map projects to compete against other GIS organizations. There are a total of three categories for submission for the GIS map competition. The categories are Informative, Creative and Map Books. The judge panel is made up of all the attendees whom are attending this conference (95% GIS professionals) to judge the submittal maps.

City of Allen GIS staff submitted maps for all three categories and won two of the three categories. The GIS staff won second place for both the Map Books and Creative categories. This is the sixth year in a row that the City of Allen has competed and received awards at this event.

The awards will be presented to the City Council by Richard Truong, GIS Administrator.

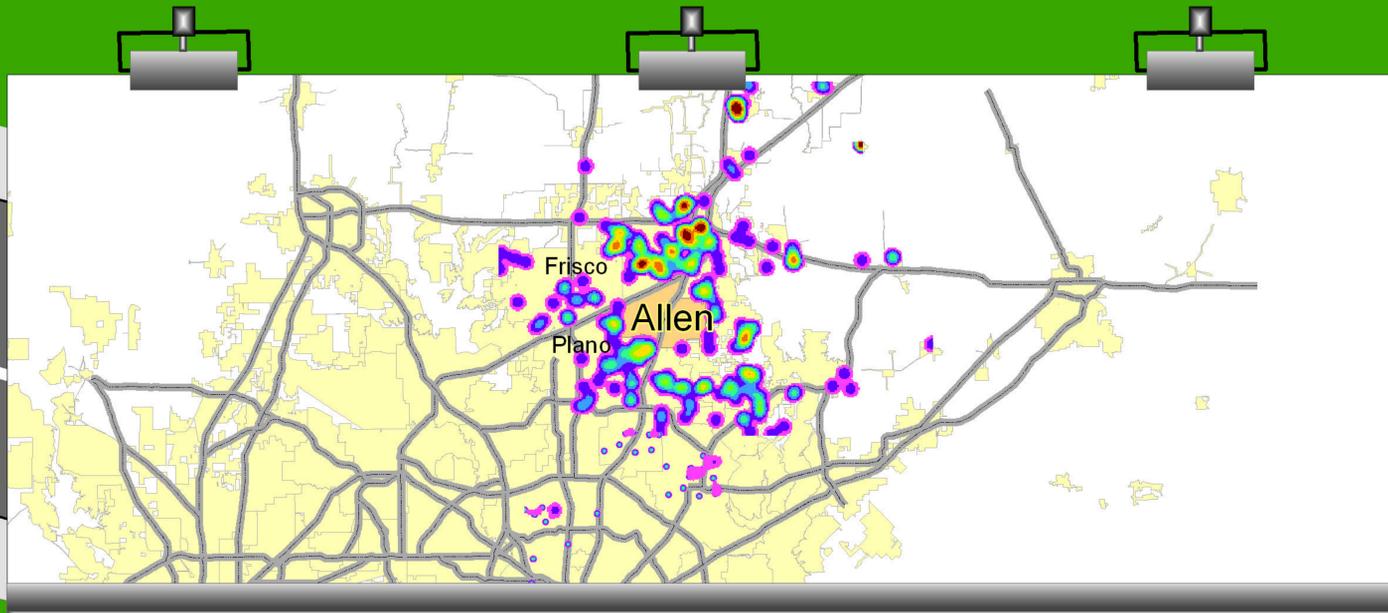
ATTACHMENT

Creative Map
Map Books Map

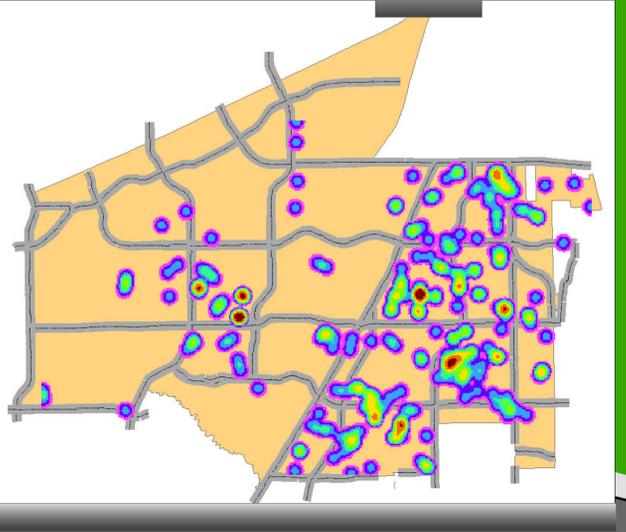
CITY OF ALLEN

Legend

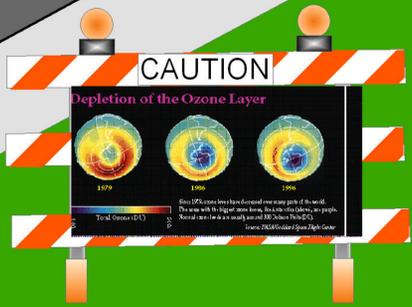
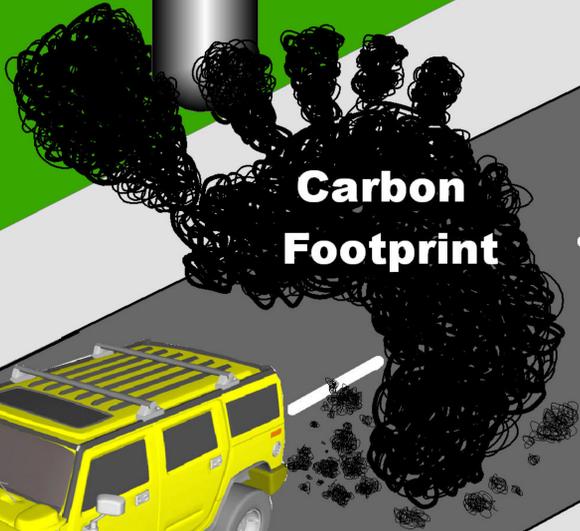
- City Boundary
- Surrounding City
- Allen
- Density City Employee Reside
- 0
- 1-2
- 3-4
- 5-6
- 7-8
- 9-10
- 11-12
- 13-14
- 15 and More



Allen's Employee Commute Carbon Footprint
3.48 Tons/Day



CLEAN WAY
 CARBON DR



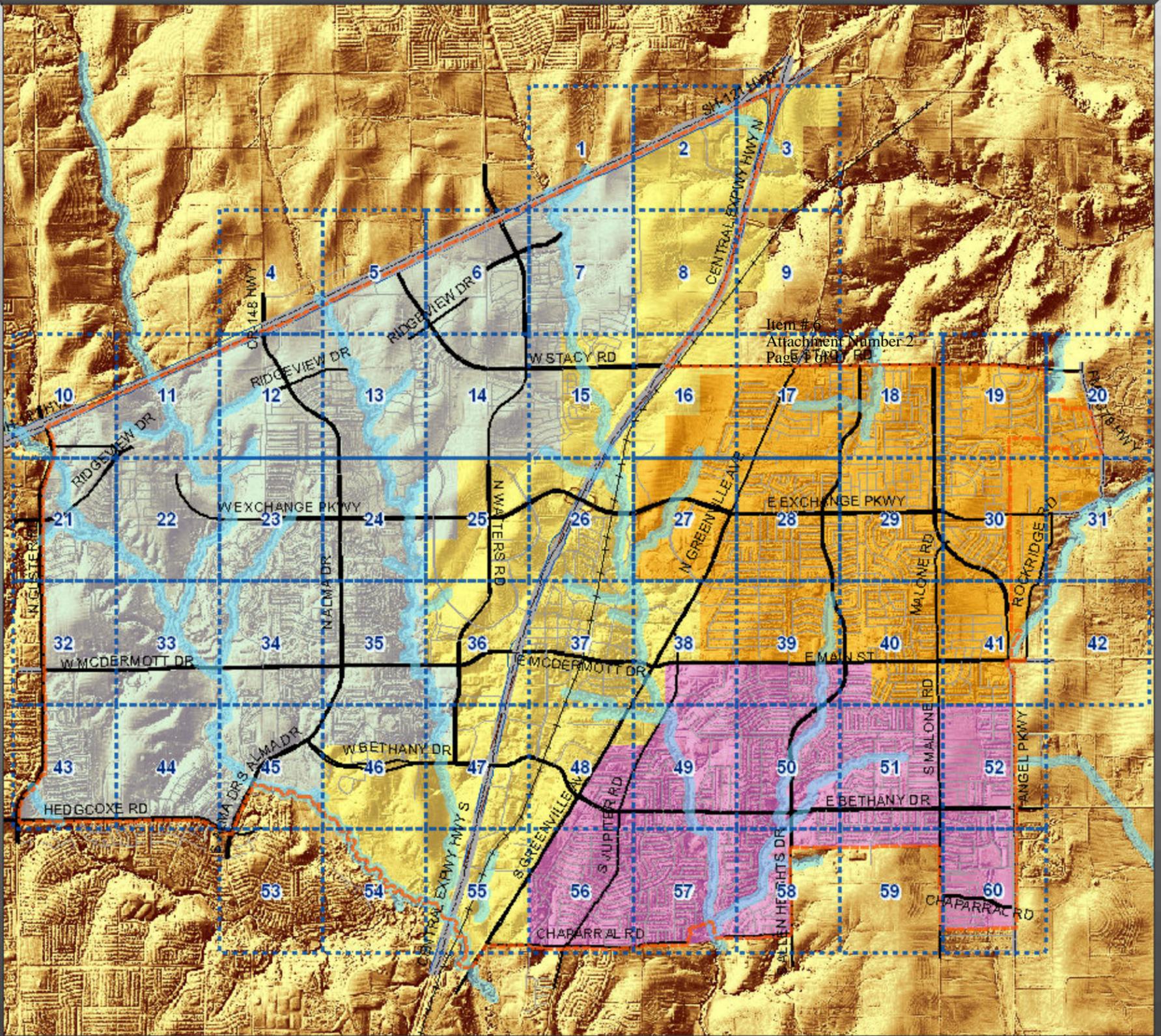
Calculate the CO₂ emissions from a gallon of fuel, the carbon emissions are multiplied by the ratio of the molecular weight of CO₂ (m.w. 44) to the molecular weight of carbon (m.w.12): 44/12.

CO₂ emissions from a gallon of gasoline:
 2,421 grams x 0.99 x (44/12) = 8,788 grams
 8.8 kg/gallon = 19.4 pounds/gallon

CO₂ emissions from a gallon of diesel:
 2,778 grams x 0.99 x (44/12) = 10,084 grams
 10.1 kg/gallon = 22.2 pounds/gallon

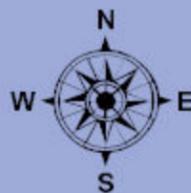
LOCATION OF

FIRE HYDRANTS



Map Legend

	Fire Hydrant ID
	Railroad
	Index Grid
	Sub Grid Index
	Blue
	Others
	Red
	Silver
	Yellow
	1
	2
	3
	4



0 3,800 7,600 Feet

DISCLAIMER:
This map is a graphic representation of City of Aliso Viejo and should not be used for litigation purposes only. It may be used for informational purposes only. The accuracy of the map is not guaranteed for engineering purposes or as a substitute for a Professional Land Surveyor for the State of Texas. For the most accurate information and control of the project, please contact a Registered Professional Land Surveyor for the State of Texas who would have to be performed.

DATE REVISIONS:
City of Aliso Viejo departments: FCTCOG, Civil CAD, Civil County, PIMA, USGS, NWS, AED and US Census Bureau.

PROTECTIVE COORDINATION:
NAD 1983 (FAD), State Plane North Central Zone FIPS 4302.

***GEOGRAPHIC COORDINATE:**
Datum: NAD 83, January 2002 Scale: 10:000, Ground Projection: UTM US Survey feet, Aliso Viejo, CA - SR 3000, Zone 11N.

****ELEVATION CONVERSION:**
Datum: NAD 83, January 2002 2-Dimensional Cartesian and NAD 83 to 2-Dimensional Cartesian, 3-Dimensional Cartesian, 3-Dimensional Cartesian, 3-Dimensional Cartesian, Accuracy at 5-10 vertical, 0.05 Horizontal (MSS).

*Applicable

NOTE: For dual content and history data, please refer to the City of Aliso Viejo GIS Data and Information System.

CONTACT: Planning and Development Geographic Information System
(714) 954-4100 or (714) 954-4107, anand@aliso Viejo.org

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:	May 12, 2009
SUBJECT:	Presentation of the Keep Allen Beautiful Board's (KAB) Annual Report by Vice-Chair Stacy Gonzales.
STAFF RESOURCE:	Steve Massey , Community Services Director Donna Kliewer , Waste Services Manager
PREVIOUS COUNCIL ACTION:	Council has previously received various KAB activity reports
ACTION PROPOSED:	Receive KAB's Annual Report to City Council

BACKGROUND

Keep Allen Beautiful (KAB) was formed in 1996 and became a 501(c)(3) corporation in August 1998. KAB is an affiliate in good standing with Keep Texas Beautiful (KTB) and has held Gold Star affiliate standing with KTB since 2004. KAB became a Keep America Beautiful (KAmB) affiliate on January 24, 2006.

KAB is dedicated to educating Allen citizens, businesses and students about taking care of their community by recycling, beautifying, and not littering. KAB promotes action within the community to accomplish these goals by:

- 1 establishing and maintaining a continuing litter control and education program;
- 1 continuously developing and implementing educational programs in support of solid waste minimization; such as reducing, reusing, and recycling;
- 1 investigating, studying, developing and proposing plans to bring about the improvement of the community's appearance and waste minimization for the betterment of Allen;
- 1 promoting public interest and creating action within the community to maintain a clean, beautiful and environmentally healthy community.

In 2007, water conservation and water quality components were added to KAB initiatives. These initiatives include sponsorship of SmartScape classes, water conservation education opportunities, and Adopt-a-Waterway groups and watershed education.

In the past year, KAB has promoted its goals within the community by implementing, promoting, participating or expanding the following programs:

- 1 Educator's Expo
- 1 Facilitated Strategic Planning Session
- 1 Allen (Texas) Recycles Day
- 1 AISD Recycled Art Contest
- 1 Rotary Holiday Parade (Green Event)
- 1 Free compost program for Allen residents
- 1 Arbor Day Poster Contest
- 1 Arbor Day Celebration
- 1 Trees for Allen Program
- 1 Wildflower Planting Program
- 1 Great American Trash Off
- 1 AISD Reuse-a-Shoe Contest
- 1 Earth Day events and educational support in the AISD schools
- 1 Seeding a Healthy Community – A Festival for Healthy Living
- 1 Reuse-a-Bag Grant
- 1 Community Waste Disposal (CWD) Material Recovery Facility tours and recycling education at CWD's facilities
- 1 Green Living Expo (in Plano)
- 1 Adopt a Highway
- 1 Adopt a Waterway
- 1 Adopt a Spot
- 1 Graffiti Hurts
- 1 USA Celebration (Zero Waste Event)
- 1 Senior Citizen Assistance (Spring & Fall Cleanups)
- 1 Waste Works Award (in partnership with CWD) to AISD schools
- 1 Environmental Grants to Scouts and other groups seeking project funding

KAB continues to achieve state recognition from KTB and has participated in several forums to promote KAB's recognized exemplary programs. As a KTB Gold Star Affiliate, KAB programs have achieved over 90 points on a 100 point system on their Governor's Community Award achievements (GCAA). This year Allen won second place in Category 8 of the GCAA for communities under 150,000 people. KAB was awarded the Sustained Excellence Award for scoring 90 or above for 3 consecutive years on their Governor's Community Award submission. This is the fifth Sustained Excellence Award that KAB has received, representing seven years of achievement. KAB wrote six nominations that were submitted to KTB to recognize the efforts made by individuals and groups to enhance their community and protect the Lone Star State's environment. Two Youth Award nominations were submitted, with results to be received in May. Four other nominations were recognized with places in the top three of their categories. Finisar Corporation was awarded first place in the Ebby Halliday and Maurice Acers Business/Industry Awards – a very competitive category! Keep America Beautiful presented KAB with a President's Circle Recognition Award, which recognized the standards of excellence achieved by KAB in 2008. This is the third year KAB has received this award.

KAB continues to partner with AISD, Collin County, and local entities to support our mission of fostering a clean and beautiful city and state. KAB continues to promote and participate in projects to enhance the beauty and quality of life for citizens of the City of Allen.

STAFF RECOMMENDATION

Staff recommends City Council receive Keep Allen Beautiful's annual report.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Recognition of Reuse-a-Shoe Contest Winners

STAFF RESOURCE: Donna Kliewer, Waste Services Manager
Kathy Keller-Mielke, Education Specialist

ACTION PROPOSED: Present Certificates of Appreciation

BACKGROUND

Five environmentally-themed events were celebrated in Allen during the month of April: Seeding a Healthy Community on April 4th, Reuse-A-Shoe Contest Wrap-up on April 17th, Live Green Festival on April 18th, Earth Week (April 20th to the 24th) and The Great American Clean Up on April 25th.

Responsible solid waste management subscribes to the hierarchy of Reduce, Reuse, and Recycle. To involve the students of Allen Independent School District in an event representing these concepts, Keep Allen Beautiful (KAB) invited all schools in the AISD to participate in the month's activities by collecting adult athletic shoes and all types of children's shoes for reuse. Keep Allen Beautiful partners with The Shoe Bank which takes the collected shoes and furnishes athletic shoes and children's shoes for approximately 20,000 people in the Dallas-Fort Worth Metroplex and worldwide each year - primarily children. Shoes that cannot be reused are sent to Nike for the Nike-Grind program which recycles those shoes into athletic resurfacing material.

Twelve Allen ISD schools participated in 2009: Bolin, Boon, Boyd, Chandler, Evans, Green, Kerr, Norton, Story and Vaughan Elementary Schools, and Ereckson and Ford Middle Schools.

KAB would like to honor Evans Elementary, the Grand Prize winner of the school competition. Evans's 564 students and staff will receive ice cream sundaes for their efforts in collecting 1,319 pairs of shoes. This figure represents 2.34 pairs of shoes per capita for Evans students. In a neck and neck race, Kerr Elementary came in second with 1,368 pairs of shoes collected by 697 students. This represents 1.96 pairs of shoes per capita. Vaughan Elementary placed third with 935 pairs of shoes. This represents 1.58 pair of shoes per capita from 632 students. KAB would also like to honor Mrs. Slaton's third graders from Kerr Elementary as the individual classroom collecting the most shoes per capita...an incredible 333 pairs total which amounts to 16.65 pairs per student! The third graders will celebrate with an ice cream party later in May. One third grader from Kerr Elementary, Maya Bullock, brought in

over 200 pairs of shoes all by herself! A total of 5,786 pairs of shoes were collected during the competition, breaking all previous records by 1,002 pairs of shoes!

STAFF RECOMMENDATION

Staff recommends the Mayor and KAB members, along with Mike Barringer of The Shoe Bank, present certificates of appreciation to the honored groups and student.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:	May 12, 2009
SUBJECT:	Presentation of the Community Waste Disposal, Inc. (CWD) Annual Report by Greg Roemer, President, and Robert Medigovich, Municipal Coordinator
STAFF RESOURCE:	Steve Massey, Community Services Director Donna Kliewer, Waste Services Manager
PREVIOUS COUNCIL ACTION:	Council has received CWD's Annual Report in previous years
ACTION PROPOSED:	Receive Community Waste Disposal's Annual Report to City Council

BACKGROUND

CWD's current residential solid waste and recycling contract with the City of Allen runs from June 1, 2008 to May 31, 2014. At the end of this period, the contract may be renewed for one additional period of five years. As a contract provision, the contractor meets with City staff quarterly to review their performance in order to improve service. CWD annually provides City Council a presentation concerning their performance. The report provides information contrasting various statistics from one year to the next.

CWD provided service to 22,457 single family homes in 2008. According to City and CWD records, CWD's complaint performance is at 0.67 complaints per 1,000 service opportunities and is well under their goal of being <1.1 complaints per 1,000 service opportunities. Staff has found CWD to be responsive in addressing all complaints regarding their service. In 2008, in addition to regular trash and recycling service:

- 1 Continued recycling promotion through the use of two recycling vehicles wrapped with graphic images and Allen's recycling slogan;
- 1 Participated in Allen Recycles Day at Allen City Hall;
- 1 Assisted KAB with the annual Great American Cleanup;
- 1 Supported KAB and Allen Parks and Recreation with the Allen USA Celebration; provided assistance in making this a Green Event (with recycling and zero waste opportunities);
- 1 Participated in the Adopt-a-Highway Program by adopting a portion of Main Street;
- 1 Participated in and sponsored prizes for the annual KAB Educator's Expo;

- 1 Assisted KAB in making the Rotary Holiday Parade a litter free event and promoted recycling;
- 1 Continued community education to AISD schools and scout groups by providing no-waste lunches at the CWD facilities during toursof the Materials Recovery Facility (MRF);
- 1 Supported the Rudolph Run and the Allen Foundation for Schools first Fun Run;
- 1 Continued work with Allen ISD to divert recyclables and decrease their waste costs;
- 1 Provided Recycling Revenue Share funding to Allen ISD PTA's;
- 1 Partnered with Keep Allen Beautiful in the Waste Works Award for AISD schools;
- 1 Participated in Boon Elementary School GOLD Days;
- 1 Sponsored the Casino Tables at the Allen Chamber of Commerce Awards;
- 1 Donated Dallas Cowboy, Rangers, and Texas Motor Speedway tickets to the United Way campaign, the Employee Recognition Banquet, KAB and ACO;
- 1 Donated open top containers for use by the Kiwanis Circus;
- 1 Supported Allen Eagle Football Team by placing an ad in the football programs; and
- 1 Donated toys for the Toys-for-Tots Program.

STAFF RECOMMENDATION

Staff recommends City Council receive CWD's annual report.

ALLEN CITY COUNCIL

REGULAR MEETING

APRIL 28, 2009

Present:

Stephen Terrell, Mayor

Councilmembers:

Debbie Stout, Mayor Pro Tem

Ross Obermeyer

Joey Herald

Robin L. Sedlacek

Gary L. Caplinger

Jeff McGregor

City Staff:

Peter H. Vargas, City Manager

Shelli Siemer, Assistant City Manager

Shelley B. George, City Secretary

Pete Smith, City Attorney

Workshop Session

With a quorum of the Councilmembers present, the Workshop Session of the Allen City Council was called to order by Mayor Terrell at 6:14 p.m. on Tuesday, April 28, 2009, in the Council Conference Room of the Allen City Hall, 305 Century Parkway, Allen, Texas:

- Briefing Regarding the 2009 Strategic Plan
- Update Regarding the Proposed Health Clinic
- Committee Updates from City Council Liaisons
- Discussion of Regular Agenda Items

With no further discussion, the Workshop Session of the Allen City Council was adjourned at 7:08 p.m. on Tuesday, April 28, 2009.

Call to Order and Announce a Quorum is Present

With a quorum of the Councilmembers present, the Regular Meeting of the Allen City Council was called to order by Mayor Terrell at 7:12 p.m. on Tuesday, April 28, 2009, in the Council Chambers of the Allen City Hall, 305 Century Parkway, Allen, Texas.

Pledge of Allegiance

Public Recognition

1. Citizens' Comments.

ALLEN CITY COUNCIL
REGULAR MEETING
APRIL 28, 2009

PAGE 2

2. **Presentation of a Proclamation by the Office of the Mayor:**
 - Presentation of a Proclamation to Representatives of the Allen Police Department Proclaiming April 26 - May 2, 2009, as *Crime Victims' Rights Week*.
3. **Recognition of Les Folse, Code Inspection Supervisor, Building & Code Department, for Receiving the 'Building Official/Building Inspector of the Year' Award.**

Consent Agenda

MOTION: Upon a motion made by Mayor Pro Tem Stout and a second by Councilmember Obermeyer, the Council voted seven (7) for and none (0) opposed to adopt the items on the Consent Agenda as follows:

4. **Approve Minutes of the April 6, 2009, TRIAD Meeting.**
5. **Approve Minutes of the April 14, 2009, Regular Meeting.**
6. **Adopt a Resolution Authorizing Establishment of an Identity Theft Prevention, Detection and Mitigation Program.**

RESOLUTION NO. 2818-4-09(R): A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ESTABLISHING AN IDENTITY THEFT PREVENTION, DETECTION AND MITIGATION PROGRAM; AND PROVIDING AN EFFECTIVE DATE.
7. **Adopt a Resolution Authorizing the City Manager to Enter into an Interlocal Agreement between the City of Allen, City of Plano, City of Frisco, City of McKinney, City of Wylie and the Collin County Sheriff's Office for the Recovery Act: Edward Byrne Memorial Justice Assistance Grant (JAG) Formula Grant.**

RESOLUTION NO. 2819-4-09(R): A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF AN INTERLOCAL AGREEMENT BETWEEN THE CITY OF ALLEN, THE CITY OF PLANO, THE CITY OF FRISCO, THE CITY OF MCKINNEY, AND THE CITY OF WYLIE AND THE COUNTY OF COLLIN, TEXAS FOR THE DISBURSEMENT OF THE RECOVERY ACT: EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT (JAG) FORMULA AWARD FUNDS; AUTHORIZING ITS EXECUTION BY THE CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.
8. **Authorize the City Manager to Execute a Facilities Agreement with Blue Star Allen Land, L.P., for the Construction of a Portion of Chelsea Boulevard and Associated Infrastructure, as it Relates to Property Owned by Blue Star Allen Land, L.P.**
9. **Authorize the City Manager to Execute a Conveyance and Dedication Agreement with Allen Commerce Center, L.P. for Right-of-Way for Commerce Parkway and Chelsea Boulevard and Approve the Expenditure of Funds Customary with the Closing of Real Property.**
10. **Authorize the City Manager to Execute a Professional Services Agreement with Weir & Associates, Inc. for an Amount not to Exceed \$150,000 for Engineering and Design Services for**

**ALLEN CITY COUNCIL
REGULAR MEETING
APRIL 28, 2009**

PAGE 3

Chelsea Boulevard from the Allen Outlet Mall to Commerce Parkway and Commerce Parkway to US 75 and Establish a Project Budget of \$160,000.

- 11. Authorize the City Manager to Execute a Contract with BW2 Engineers, Inc., in the Amount of \$66,400 for Engineering Services as it Relates to the Timbercreek Sanitary Sewer Replacement Project and Establish an Initial Project Budget of \$100,000.**
- 12. Award Bid and Authorize the City Manager to Execute a Contract with J. T. Dersner, Inc. in the Amount of \$599,170.60 for the Construction of the High Meadows Sanitary Sewer Replacement Project and Amend the Project Budget to \$650,000.**
- 13. Receive Investment Report for the Period Ending March 31, 2009.**
- 14. Receive Financial Report for the Period Ending March 31, 2009 (unaudited).**
- 15. Receive the Summary of Property Tax Collections as of March 2009.**
- 16. Receive the CIP (Capital Improvement Program) Status Report.**

The motion carried.

Regular Agenda.

- 17. Conduct a Public Hearing and Adopt an Ordinance Amending PD Planned Development No. 54 from CF/SF Community Facilities/Single Family to Single Family Residential R-5 and Modify Front Yard and Side Yard Setbacks for Lots 1- 12, Block E in the Waterford Parks Phase IV Subdivision on 2± Acres Located East of Bray Central Drive and South of Everglades Drive.**

Mayor Terrell opened the public hearing and asked anyone wishing to speak for or against this item to do so at this time.

With no one speaking, Mayor Terrell closed the public hearing.

ORDINANCE NO. 2820-4-09: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AMENDING THE ALLEN LAND DEVELOPMENT CODE ZONING REGULATIONS AND ZONING MAP, AS PREVIOUSLY AMENDED, BY AMENDING (PD) PLANNED DEVELOPMENT NO. 54, ORDINANCE NO. 1172-5-93, AND SUBSEQUENT AMENDMENTS TO SAID PD-54, AS HERETOFORE AMENDED, TO REZONE A 2.8± ACRE PORTION OF TRACT 30 LOCATED IN THE MICHAEL SEE SURVEY, ABSTRACT NO. 544, CITY OF ALLEN, COLLIN COUNTY, TEXAS, FROM "CF/SF" COMMUNITY FACILITIES/SINGLE FAMILY TO "R-5" SINGLE FAMILY RESIDENTIAL AND AMENDING THE FRONT YARD AND SIDE YARD SETBACKS IN SAID 2.8± ACRE TRACT; PROVIDING A REPEALING CLAUSE; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Upon a motion made by Councilmember Obermeyer and a second by Councilmember Herald, the Council voted seven (7) for and none (0) opposed to adopt Ordinance No. 2820-4-09, as previously captioned, amending PD Planned Development No. 54, Tract 30 from

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CF/SF Community Facilities/Single Family to Single Family Residential R-5 and modifying the front yard and side yard setbacks for Lots 1-12, Block E in the Waterford Parks Phase IV Subdivision, with the additional requirement that the minimum dwelling size is 1,900 square foot. The motion carried.

18. Conduct a Public Hearing and Adopt an Ordinance to Amend the Allen Land Development Code by Amending 'Article V. Special Zones' to Adopt New Flood Insurance Rate Maps Issued by the Federal Emergency Management Agency.

Mayor Terrell opened the public hearing and asked anyone wishing to speak for or against this item to do so at this time.

With no one speaking, Mayor Terrell closed the public hearing.

ORDINANCE NO. 2821-4-09: AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AMENDING THE ALLEN LAND DEVELOPMENT CODE, BY AMENDING IN ITS ENTIRETY ARTICLE V "SPECIAL ZONES"; PROVIDING A SEVERABILITY CLAUSE; PROVIDING A REPEALING CLAUSE; PROVIDING A SAVINGS CLAUSE; PROVIDING A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

MOTION: Upon a motion made by Councilmember Caplinger and a second by Councilmember Sedlacek, the Council voted seven (7) for and none (0) opposed to adopt Ordinance No. 2821-4-09, as previously captioned, authorizing the City Manager to amend the Allen Land Development Code by amending 'Article V. Special Zones' to adopt new Flood Insurance Rate Maps issued by the Federal Emergency Management Agency, to provide a penalty section, and make general clerical updates to the existing language. The motion carried.

Other Business

19. Calendar.

- May 9 - General Election

20. Items of Interest. [Council announcements regarding local civic and charitable events, meetings, fundraisers, and awards.]

- May 1 - Battle of the Badges fundraiser
- May 4 - Councilmember Herald announced he and his wife, Charity, are celebrating their 19 year of marriage.
- May 7 - Council wished happy birthday to Councilmember Caplinger.
- Councilmember McGregor requested a future agenda item be presented on the 2009 preliminary values of appraised properties in the City of Allen.

Executive Session

The Executive Session was not held.

21. Reconvene and Consider Action on Items Discussed during Executive Session.

**ALLEN CITY COUNCIL
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Adjourn

MOTION: Upon a motion made by Mayor Pro Tem Stout and a second by Councilmember Herald, the Council voted seven (7) for and none (0) opposed to adjourn the Regular Meeting of the Allen City Council at 7:55 p.m. on Tuesday, April 28, 2009. The motion carried.

These minutes approved on the 12th day of May, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Motion to Set the Canvass of the May 9, 2009, General Election at 12:00 p.m. on Tuesday, May 19, 2009

STAFF RESOURCE: Shelley B. George, City Secretary

BACKGROUND

Section 7.08 of the Allen City Charter states:

"Returns of all municipal elections, both general and special, shall be made in accordance with the Texas Election Code, at which time the council shall canvass the votes, declare the results of such election . . ."

and Section 67.003 of the Texas Election Code states:

"For an election held on the uniform election date in May, the local canvass must occur not later than the eleventh day after election day and not earlier than the later of the third day after election day."

STAFF RECOMMENDATION

Staff recommends that Council set the canvass of the May 9, 2009, General Election at 12:00 p.m. on Tuesday, May 19, 2009.

MOTION

I make a motion to set the canvass of the May 9, 2009, General Election at 12:00 p.m. on Tuesday, May 19, 2009.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Interlocal Agreement between the City of Allen and the City of Plano for Joint Use of the 700/800 MHz Trunked Radio System

STAFF RESOURCE: Kimberly Sylvester, Police Captain

PREVIOUS COUNCIL ACTION: Adopted a resolution and approving an Interlocal Agreement that established a tri-cities public safety radio communications system.

ACTION PROPOSED: Adopt a Resolution

BACKGROUND

The City of Allen has partnered with the Cities of Plano and Frisco for the past 10 years to own and operate our own radio system. The City of Frisco has made notice of its intent to withdraw from the joint radio partnership. The Allen Police Department desires to continue its partnership with the City of Plano to own and operate a public safety radio system. The Allen City Council has passed numerous Interlocal Agreements in reference to the radio system over the past decade.

Under this Interlocal Agreement the City will increase its ownership from 1/6 owner to 1/3 owner. The City of Plano will remain 2/3 owner.

BUDGETARY IMPACT

The City of Allen will increase its ownership responsibilities from 1/6 to 1/3 owner. Subsequently, cost of ownership may increase including fees for maintenance and technical staff. However, the City will also receive a greater amount of revenue generated by users of the joint radio system. Additionally, changes are being proposed that will reduce maintenance service agreements with Motorola under the new system.

STAFF RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing the City Manager to execute an Interlocal Agreement between the City of Allen and the City of Plano for joint use of the 700/800 MHz trunked radio system.

MOTION

I make a motion to adopt Resolution No. _____ authorizing the City Manager to execute an Interlocal Agreement between the City of Allen and the City of Plano for the joint use of the 700/800 MHz trunked radio system.

ATTACHMENT

Resolution
ILA Ownership Exhibit

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL FOR THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, APPROVING THE TERMS AND CONDITIONS OF THE ATTACHED INTERLOCAL COOPERATION AGREEMENTS BY AND AMONG THE CITIES OF ALLEN AND PLANO; AUTHORIZING EXECUTION OF THE INTERLOCAL AGREEMENTS BY THE CITY MANAGER; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform government functions and services under the terms thereof; and,

WHEREAS, the City Council has been presented with the attached Interlocal Cooperation Agreement (“Agreement”) by and among the Cities of Allen and Plano for the joint ownership of the 700/800 MHz trunked radio system; and,

WHEREAS, the attached Agreements serve a valid public purpose of governmental services including public safety in that the use of the radio system allows emergency personnel to communicate thereby protecting the health, safety and welfare of residents; and,

WHEREAS, upon full review and consideration of the attached Agreements, and all matters attendant and related thereto, the City Council is of the opinion that the terms and conditions of the attached Agreements should be approved, and that the City Manager should be authorized to execute the attached Agreements on behalf of the City of Allen.

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

SECTION 1. The terms and conditions of the attached Agreements having been reviewed by the City Council of the City of Allen, Texas, and are hereby in all things approved.

SECTION 2. The City Manager is hereby authorized to execute the attached Agreements and all other documents in connection therewith on behalf of the City of Allen, Texas.

SECTION 3. This Resolution shall become effective from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

**AGREEMENT BETWEEN THE CITY OF PLANO AND THE
CITY OF ALLEN FOR A JOINT RADIO COMMUNICATIONS SYSTEM
FOR MUNICIPAL SERVICES**

This Agreement is made between the **CITY OF PLANO, TEXAS**, a home-rule municipal corporation with the authorization of its governing body, (hereinafter referred to as “Plano”), and the **CITY OF ALLEN, TEXAS**, a home rule municipal corporation with the authorization of its governing body, (hereinafter referred to as “Allen”) as follows:

W I T N E S S E T H:

WHEREAS, Plano and Allen are political subdivisions within the State of Texas, and each is engaged in the provision of governmental services for the benefit of its citizens; and

WHEREAS, the Interlocal Cooperation Act, Texas Government Code, Chapter 791, as amended (the “Act”) provides authority for local governments of the State of Texas to enter into interlocal agreements with each other for the purpose of performing governmental functions and services as set forth in the Act; and

WHEREAS, municipalities owns and operates radio systems for the purpose of providing radio communications in support of its governmental operations; and

WHEREAS, each of the municipalities has investigated and determined that it would be advantageous and beneficial to the citizens within its respective municipality to jointly operate a radio system; and

WHEREAS, in order to provide dependable/mission-critical voice radio service for use by each of the municipalities and its respective users, Plano and Allen desire to enter into an Interlocal Agreement to provide a Joint Radio Communications System for Municipal Services (hereinafter “Joint System”); and

WHEREAS, use of this Joint System will provide for system coverage for each City to ensure safe, effective and efficient communications, and benefit the greatest number of citizens both now and in the future; and

WHEREAS, this Agreement will provide the framework for administering the Joint System, and the costs associated with implementation, maintenance and operation of the Joint System distributed among Plano and Allen.

NOW, THEREFORE, Plano and Allen (hereinafter collectively referred to as “Party” or Parties”), for and in consideration of the mutual benefits and obligations set forth in this Agreement, agree as follows:

I.
ADMINISTRATION OF THE JOINT COMMUNICATIONS SYSTEM

1.01 Coordinating Committee. Operation, administration and policy development of the Joint System shall be the responsibility of a Coordinating Committee, comprised of one (1) member from each City, appointed by the respective City Manager (hereinafter “Coordinating Committee”). Additional ex-officio members may be selected by the City Managers to service on the Coordinating Committee and to assist the Committee, but shall have no voting authority.

The Coordinating Committee’s duties will be to make recommendations to the respective Parties’ governmental bodies of system changes, upgrades, additional uses and any other aspects of the Joint System. Payment of Monies pursuant to the terms and obligations of this Agreement must be approved by the governing bodies or their designees of each of the Parties as required by their respective City Charters and ordinances. Administrative decisions may be made by the Coordinating Committee.

1.02 Technical Committee. A committee of technical personnel shall be selected to advise the Coordinating Committee (hereinafter “Technical Committee”). Each City’s Coordinating Committee member shall be able to appoint up to four (4) persons to serve on the Technical Committee.

Technical Standards for the operation of the Joint System shall be developed by the Technical Committee and approved by mutual agreement of the Coordination Committee. Once approved, these standards must be compatible with existing equipment and may not violate any of the terms of this agreement or of any existing maintenance or hardware agreement.

II.
FUTURE EXPANSION OF THIS AGREEMENT

2.01 Parties to this Agreement. All third parties who are serviced by the respective radio systems of Plano and Allen at the time of signing of this Agreement may participate in the Joint System created by this Agreement. However, for purposes of this Agreement, including its intended operation and effect, the Parties specifically agree and contract that: (1) this agreement only affects the Parties hereto, and is in no way intended by the Parties to benefit or otherwise affect any third person or entity not a party hereto, notwithstanding the fact that such third person or entity may be in a contractual relationship with Plano or Allen, either individually or collectively; and (2) the terms of this Agreement are not intended to release, either by contract or operation of law, any third person or entity from obligations owed by them to any of the Parties or to create any rights for the benefit of third parties, unless expressly provided herein.

III.
OWNERSHIP INTERESTS OF THE PARTIES

3.01 Radio License Modification. Within ninety (90) days of execution of this Agreement, the Parties agree to make application to transfer their respective individually owned

Federal Communications Commission (“FCC”) licenses to the City of Plano Radio Manager, for single entity titling, as required by FCC standards.

3.02 Hardware/Software. Each Party shall retain individual ownership of its respective hardware and software purchased prior to, or as a part of this Agreement. Allen shall retain the master communication site equipment located in Allen and Plano will retain the master communications site equipment located in Plano should this agreement be terminated. All communications and operating equipment owned by each Party will continue to be separately owned by such Party.

3.03 Recommendations regarding changes, upgrades, and maintenance costs for the Joint System will be made to the Coordinating Committee for joint resolution and policy determination.

IV. FINANCING AND INFRASTRUCTURE COST SHARING

4.01 Each Party incurring costs has the sole responsibility to make payment to Vendors providing equipment and services for the Joint System to that Party. In no event shall any Party be held liable for debts incurred by any other Party as a result of expenditures made pursuant to this Agreement.

4.02 Full Time Radio Technician. Plano and Allen shall equally fund a full time radio technician. The technician will provide programming service and maintenance of radios on the system. Plano shall provide the necessary office space, supplies, equipment and training for this technician. The salary and benefits cost for the technician shall be divided equally between the Cities of Plano and Allen.

4.03 Maintenance Agreements. Plano will maintain a high tech support agreement with the manufacturer to provide system infrastructure technical expertise and guidance to the Plano Radio Shop personnel. The cost of the high tech support agreement will be shared between Plano and Allen using the 2/3 Plano, 1/3 Allen formula referenced in section 4.04.

In addition, all Parties agree that consistent with and to the extent allowed by all laws governing purchases made by municipalities, each Party shall pay their agency’s maintenance agreement to include software, mobile and portable radios directly to the manufacturer. The manufacturer will invoice each agency individually. The agency may elect to pay per repair or enter into a comprehensive maintenance agreement. Each agency is responsible for the type of service they choose. The Radio Shop will serve as a centralized shipping and receiving point for all agencies, ensuring proper programming, database maintenance and fault analysis. Any agency that does not enter into a maintenance agreement will be required to directly pay the manufacturer’s time and material charges on a per unit repair basis.

4.04 Subscriber Revenue Fund. The Parties agree that there will be participants who receive beneficial use of the Joint System although not a party hereto. The Parties agree to charge participants a reasonable fee, as set by the Coordinating Committee, for this use and such

fees shall be remitted to Plano for the benefit of the Parties to this Joint Agreement. Plano shall establish a fund, which shall be used as recommended by the Coordinating Committee and approved by each Parties governing body. These funds shall be used to pay expenses associated with the operation of the joint radio system. Any additional monies or fees shall be used for repairs, upgrades or other enhancements to the Joint System. Plano's share of the fund shall be 2/3 and Allen will retain 1/3.

4.05 Infrastructure Members. Any city building infrastructure such as a tower with communications repeaters and backhaul infrastructure connected to the Plano/Allen system are considered to be Infrastructure Members. Infrastructure Member's participation will require approval by Allen and Plano. In addition, they will be required to meet the minimum system requirements for site hardening, maintenance and reliability as defined by Allen and Plano.

Ex-officio members may be selected by the Infrastructure Members to serve on the Technical Committee and to assist the Committee, but shall have no voting authority. Infrastructure members may select ex-officio members to represent them on the committee, at their sole discretion. Infrastructure Members may select up to two persons from each agency to act as ex-officio representatives.

Infrastructure Members shall fund an additional technician to support the existing radio system infrastructure. The purpose of the additional technician is to offset the costs of an annual system maintenance agreement. The shared costs of the technician by the infrastructure members are expected to result in a costs savings over the typical manufactures' maintenance agreement. The technician will be stationed at the City of Plano radio shop and will be assigned maintenance and repair tasks in a prioritized manner. The technician will also provide after hours call out service for the radio system and dispatch agencies. The technician will be on-call after hours, holidays and weekends for members and associate member agencies. Infrastructure members may avoid the monthly airtime and talk group charges. However, this benefit includes only the infrastructure member and its internal departments.

Infrastructure Members will be exempt from user fees associated with leased airtime on the radio system. The cities of Allen and Plano reserve the right to seek additional airtime lease subscribers from other municipal and private agencies within the corporate limits Infrastructure Members. The revenue from any such additional subscribers will be held by Plano and Allen and used to support the jointly owned radio system infrastructure.

V. JOINT SYSTEM USE AND STANDARDS

5.01 Rules. To maintain an effective and safe system, the following rules shall apply:

a. Talk Groups. A talk group is comparable to a "channel" used on a conventional system. The term "talk group" shall mean a group of radio users in a common functional responsibility that transmit and talk among themselves. The number of talk groups that each Party to this Agreement may maintain shall not exceed fifteen percent (15%) of the total number of their respective subscriber

units as hereinafter defined. For example, a city with 500 subscriber units shall have no more than 75 talk groups. The number of talk groups used by subscribers shall be determined by the Coordinating Committee.

b. Subscriber Units. Subscriber Units are individual radios. The number of subscriber radios permitted on the system shall be reviewed and approved by the Coordinating Committee.

c. Equipment. No Party shall purchase, install or use equipment on the Joint System, unless such use is approved by the other Party in writing. If at the time of signing of this Agreement, any Party hereto does not have fully type-accepted equipment, such Party shall replace such nonconforming equipment with conforming equipment. All subscriber units shall be equipped with P-25 phase 1 or phase 2 digital architecture. Additionally, agencies may request subscriber units that are backwards compatible to Motorola Privacy Plus Smartnet systems for interoperability with other agencies.

d. Patching. Cross connecting or patching of radio, talk groups to talk groups or channels on other radio systems shall be done only as necessary for a specific event or emergency. Continuous patching to other systems or agencies requires the prior written approval of the coordinating committee.

5.02 Joint System Priorities. The Parties agree that radio transmission for the Joint System is as follows from highest to least priority:

1. Emergency Activation
2. Community Warning Systems
3. Police/Fire/EMS
4. Non Public Safety – Special Events
5. Non Public Safety – Schools
6. Non Public Safety

VI. ACQUISITION/DISPOSITION OF ASSETS

Except as otherwise provided herein, assets acquired under this Agreement by each Party must be acquired and disposed of in accordance with applicable law and the Parties' respective City Charters. Proceeds for assets shall be divided in accordance with the same procedure required for cost sharing applied to the Parties at the time the asset was acquired. For example, each Party shall receive a percentage of the proceeds. The percentage received by each Party shall be based upon the amount of money paid by such Party, individually, after the initial investment identified in this Agreement. This amount would be proportionate to the total amount of money paid by the Parties after such initial investment.

Each Party paying for assets to be acquired or making any type of payment pursuant to this Agreement shall make such payments from current revenues legally available to that respective Party.

VII. SYSTEM MANAGEMENT AND OPERATION

The City of Plano shall perform the day-to-day operation and management of the Joint System. Policies and procedures for specific management issues shall be pre-determined and approved by the Coordinating Committee. The Coordinating Committee shall make all decisions regarding matters other than the day-to-day operation and management of the Joint System.

VIII. TERMINATION OF THE AGREEMENT

8.01 This Agreement shall be automatically renewed annually for a period of ten (10) one year terms in order to allow each Party the opportunity to recover its investment, unless terminated earlier as provided herein. Should circumstances exist that require one or more Parties to terminate this Agreement, then such termination shall be with the following conditions:

8.02 This Agreement may be terminated upon one (1) year written notice from the Party seeking termination to the other Party. Upon termination, the Party terminating shall be entitled to seek an FCC license with the same frequencies which the Party had prior to the execution of this Agreement.

8.03 Upon termination, Plano will receive ten (10) 700Mhz or 800 Mhz and Allen will receive two (2) 700Mhz or 800 Mhz radio frequency channels from the joint use system.

8.04 Reimbursement. The Party terminating this Agreement shall reimburse the remaining Parties for reconfiguring of the system such as microwave realignment and licensing fees'.

IX. RELEASE AND HOLD HARMLESS

Each of the Parties does hereby agree to waive all claims against, release, and hold harmless the other Party and their respective officials, officers, agents, representatives, and employees, in both their public and private capacities, from any and all liability, claims, suits, demands, losses, damages, attorneys' fees, and costs, including all expenses of litigation or settlement, or causes of action which may arise by reason or injury to or death of any person or for loss of, damage to, or loss of use of any property arising out of or in connection with the acts or omissions of their respective officials, officers, agents, representatives, and employees related to or arising out of the performance of this Agreement. In the event that a claim is filed, each Party shall be responsible for its proportionate share of liability. The Parties agree that each shall be liable only for damages, including attorneys' fees and costs, related to or arising out of the

intentional or negligent act or omission of their respective officials, officers, agents, representatives, and employees in the performance of this Agreement.

**X.
IMMUNITY**

It is expressly understood and agreed that, in the execution of this Agreement, no Party waives, nor shall be deemed hereby to have waived any immunity or defense that would otherwise be available to it against claims arising in the exercise of governmental powers and functions. By entering into this Agreement, the Parties do not create any obligations, express or implied, other than those set forth herein, and this Agreement shall not create any rights in parties not signatories hereto.

**XI.
ASSIGNMENT AND SUBLETTING**

The Parties shall not assign, sublet, subcontract or transfer any interest in the Agreement without the prior written consent of the other Parties. No assignment, delegation of duties or subcontract under this Agreement will be effective without the written consent of the Parties.

**XII.
ENTIRE AGREEMENT**

This Agreement represents the entire and integrated agreement between Plano and Allen and supersedes all prior negotiations, representations and/or agreements, either written or oral with regard to the subject matter hereof. This Agreement may be amending and modified only by written instrument signed by all Parties.

**XIII.
NOTICES**

Unless notified otherwise in writing in accordance with this section, all notices required to be given to any Party hereto shall be in writing and delivered in person or sent by certified mail, return receipt requested, to the respective Parties at the following addresses:

Allen Representative:
Chief of Police
Allen Police Department
205 W. McDermott
Allen, Texas 75013
(214) 509-4200

Plano Representative:
Director of Public Safety
Communications
1520 K Avenue, Suite 010
Plano, TX 75074
(972) 941-7930

**XIV.
AUTHORITY TO SIGN/CITY COUNCIL AUTHORIZATION**

The undersigned officer and/or agents of the Parties hereto are the properly authorized officials and have the necessary authority to execute this Agreement on behalf of the Parties hereto. Plano has executed this Agreement pursuant to duly authorized action of the City Council on _____. Allen has executed this Agreement pursuant to duly authorized action of the City Council on _____.

**XV.
SEVERABILITY**

The provisions of this Agreement are severable. If any paragraph, section, subdivision, sentence, clause, or phrase of this Agreement is for any reason held to be contrary to the law or contrary to any rule or regulation having the force and effect of the law, such decisions shall not affect the remaining portions of the Agreement. However, upon the occurrence of such event, any Party may terminate this Agreement by giving the other Party thirty (30) days written notice.

**XVI.
VENUE**

This Agreement and any of its terms or provisions, as well as the rights and duties of the Parties hereto, shall be governed by the laws of the State of Texas. The Parties agree that this Agreement shall be enforceable in Collin County, Texas, and, if legal action is necessary, exclusive venue shall lie in Collin County, Texas.

**XVII.
INTERPRETATION OF AGREEMENT**

This is a negotiated document. Should any part of this Agreement be in dispute, the Parties agree that the terms and provisions of this Agreement shall not be construed more favorable for or strictly against any Party.

**XVIII.
REMEDIES**

No right or remedy granted herein or reserved to the Parties is exclusive of any right or remedy granted by law or equity; but each shall be cumulative of every right or remedy given hereunder. No covenant or condition of this Agreement may be waived without the express written consent of the parties. It is further agreed that one (1) or more instances of forbearance by any Party in the exercise of its respective rights under this Agreement shall in no way constitute a waiver thereof.

**XIX.
SUCCESSORS AND ASSIGNS**

The Parties bind themselves, their respective successors, executors, administrators and assigns, to the other Parties to this contract. References in this Agreement to Plano and Allen whether individually or collectively, includes the successors and assigns of each of the respective Parties.

**XX.
DISPUTE RESOLUTION**

In the event of a dispute regarding any aspect of this Agreement, the Coordinating Committee shall act as mediator. If the Coordinating Committee is unable to agree on a resolution, then the issue shall be referred to a joint meeting of the City Managers of each of the Parties. If the matter continues to remain unresolved after this process, the Parties shall refer the matter to outside mediation for resolution prior to engaging in litigation.

**XXI.
GOVERNMENTAL FUNCTION**

The Parties have determined by their execution of this Agreement that this Agreement and the obligations of the Parties contained herein are in discharge of a governmental function as set forth in the Interlocal Cooperation Act, and participation in this Agreement by one Party shall not be construed as creating any kind of agency relationship, partnership, or joint enterprise between the Parties.

**XXII.
HEADINGS**

The headings of this Agreement are for convenience of reference only and shall not affect in any manner any of the terms and conditions of this Agreement.

**XXIII.
DUPLICATE ORIGINAL DOCUMENTS**

This Agreement will be executed in duplicate counterparts, each of which shall be deemed an original for all purposes.

(signature page to follow)

EXECUTED this _____ day of _____, 2009.

CITY OF PLANO, TEXAS

BY: _____
Thomas H. Muehlenbeck
City Manager

APPROVED AS TO FORM:

Diane C. Wetherbee, City Attorney

EXECUTED this _____ day of _____, 2009.

CITY OF ALLEN, TEXAS

BY: _____
Peter H. Vargas
City Manager

APPROVED AS TO FORM:

Peter G. Smith, City Attorney
(3653)

ACKNOWLEDGMENTS

STATE OF TEXAS)
)
COUNTY OF COLLIN)

This instrument was acknowledged before me on the _____ day of _____, 2009, by **THOMAS H MUEHLENBECK**, City Manager of the **CITY OF PLANO, TEXAS**, a home-rule municipality, on behalf of such corporation.

Notary Public, State of Texas

STATE OF TEXAS)
)
COUNTY OF COLLIN)

This instrument was acknowledged before me on the _____ day of _____, 2009, by **PETER H. VARGAS**, City Manager, of the **CITY OF ALLEN, TEXAS**, a home-rule municipality, on behalf of such Municipality.

Notary Public, State of Texas

CITY COUNCIL AGENDA COMMUNICATION
--

- AGENDA DATE:** May 12, 2009
- SUBJECT:** Adopt a Resolution Authorizing the City Manager to Apply for, Accept, Reject, Alter, or Terminate a Justice Assistance Grant (JAG) from the State of Texas, Office of the Governor, Criminal Justice Division, to Fund an Internal Camera System for the Police Department and Adjacent Facilities, if Awarded
- STAFF RESOURCE:** Michael A. Stephens, Deputy Chief of Police
Kenneth Myers, Police Sergeant
- PREVIOUS COUNCIL ACTION:** None
- ACTION PROPOSED:** Adopt a resolution authorizing the City Manager to apply for, accept, reject, alter, or terminate a Justice Assistance Grant from the State of Texas, Office of the Governor, Criminal Justice Division grant to fund a internal camera system for the police department and adjacent facilities

BACKGROUND

Justice Assistance Grant (JAG) funding will be an open solicitation available to units of local government. JAG funding can be used to support activities which prevent and control crime and improve the criminal justice system. There is a \$40 million allocation that will be administered by the Governor's Criminal Justice Division through competitive grants, with the North Central Texas Council of Government (NCTCOG) allocation being approximately \$9,000,000. JAG applications will be handled by the NCTCOG in the same manner as other criminal justice funding sources.

The police department completed a needs analysis and believes that it should apply for a grant to cover the costs of installing a new video system in the police department. Currently, there are 5 separate systems in the department that record video separately. This equipment is out-of-date and has not met the needs of the department as it has grown and expanded.

BUDGETARY IMPACT

None. Equipment grants with the State of Texas do not require matching funds.

STAFF RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to enter into an agreement with the State of Texas, Office of the Governor, Criminal Justice Division to apply for, accept, reject, alter, or terminate a grant to fund an internal camera system for the police department and adjacent facilities, if awarded.

MOTION

I make a motion to adopt Resolution No. _____ authorizing the City Manager to enter into an agreement with the State of Texas, Office of the Governor, Criminal Justice Division to apply for, accept, reject, alter, or terminate a grant to fund an internal camera system for the police department and adjacent facilities, if awarded.

ATTACHMENT

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, TO APPLY FOR, ACCEPT, REJECT, ALTER, OR TERMINATE A JUSTICE ASSISTANCE GRANT FROM THE STATE OF TEXAS, OFFICE OF THE GOVERNOR, CRIMINAL JUSTICE DIVISION PROVIDING FUNDING FOR AN INTERNAL DIGITAL VIDEO CAMERA SYSTEM FOR THE POLICE DEPARTMENT AND ADJACENT FACILITIES, IF AWARDED.

WHEREAS, the City of Allen, and its police department, maintains a police department that utilizes digital video camera systems in its headquarters building for a variety of security reasons; and,

WHEREAS, the Allen Police Department must have a digital video recording system in order to interview witnesses, victims and suspects for use in criminal investigations; and,

WHEREAS, the Allen Police Department has a need to digitally record administrative investigations and interviews to insure a thorough, complete and fair investigation; and,

WHEREAS, the Allen Police Department also has a need to digitally record events that may occur throughout the building including areas of the lobby, jail, training room, and other areas of the department.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City of Allen has agreed that in the event of loss or misuse of the Justice Assistance Grant funds provided through the Criminal Justice Division for a digital video camera system will be returned to the State of Texas, Office of the Governor, Criminal Justice Division in full.

SECTION 2. The City Manager is hereby authorized to apply for, accept, reject, alter, or terminate this grant from the State of Texas, Office of the Governor, Criminal Justice Division to assist the City of Allen and the Allen Police Department to fund an additional Child Abuse Investigator position.

SECTION 3. This resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Allen, and it is accordingly so resolved.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Adopt a Resolution Authorizing the City Manager to Execute an Agreement with the State of Texas to Accept the Tobacco Compliance Grant, if Awarded

STAFF RESOURCE: Michael A. Stephens, Deputy Chief of Police
Kenneth Myers, Police Sergeant

PREVIOUS COUNCIL ACTION: Acceptance of 2008-2009 Tobacco Compliance Grant

ACTION PROPOSED: Adopt a Resolution accepting the 2009-2010 Tobacco Compliance Grant, if awarded

BACKGROUND

The State of Texas distributes grants to local law enforcement agencies in an effort to limit the access of tobacco to minors. Local law enforcement agencies are then charged with the responsibility to educate the general public regarding tobacco compliance/reduction, perform inspections at tobacco retailers to insure compliance, and conduct undercover sting operations to enforce tobacco laws.

The State of Texas has previously awarded the City of Allen Police Department grants in the amount of \$4,000 to continue the police department's effort to limit access to tobacco by minors.

BUDGETARY IMPACT

None; The Tobacco Compliance Grant does not require any local matching funds.

STAFF RECOMMENDATION

Staff recommends that the Council authorize the City Manager to accept and execute an agreement with the State of Texas to accept the Tobacco Compliance Grant, if awarded.

MOTION

I make a motion to adopt Resolution No. _____ authorizing the City Manager to execute an agreement with the State of Texas to accept the Tobacco Compliance Grant, if awarded.

ATTACHMENT

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AUTHORIZING AN AGREEMENT WITH THE STATE OF TEXAS, TO ACCEPT THE TOBACCO COMPLIANCE GRANT AWARD, IF AWARDED.

WHEREAS, it is in the best interest of the residents of the City of Allen and its citizens to actively prevent access of tobacco products to the youth of the community; and,

WHEREAS, the City of Allen believes that through tobacco education, tobacco retailer inspections, and through the enforcement of tobacco laws, the access of tobacco available to minors can be drastically reduced; and,

WHEREAS, the City of Allen will agree to the conditions outlined in the Tobacco Compliance Grant; and will agreed to accept the grant, if awarded; and,

WHEREAS, the City of Allen agrees that in the event of loss or misuse of the Tobacco Compliance Grant funds, the City of Allen assures that the funds will be returned to the State of Texas in full.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City of Allen has agreed that in the event of loss or misuse of Tobacco Compliance Grant Funds all or partial funding will be returned to the State of Texas, Office of the Comptroller of Public Accounts.

SECTION 2. The City Manager is hereby authorized to apply for, accept, reject, alter, or terminate a grant from the State of Texas, Comptroller of Public Accounts for a Tobacco Compliance Grant for Local Law Enforcement Agencies.

SECTION 3. This Resolution shall become effective immediately from and after its passage.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Adopt a Resolution Declaring Continued Election of the City of Allen to Participate in Tax Abatement and Updating the Tax Abatement Guidelines

STAFF RESOURCE: Robert Winningham, AEDC Executive Director / CEO

PREVIOUS COUNCIL ACTION: None

ACTION PROPOSED: Adopt a Resolution Declaring Continued Election of the City of Allen to Participate in Tax Abatement and Updating the Tax Abatement Guidelines

BACKGROUND

Cisco Systems, Inc. has approached the Allen Economic Development Corporation (AEDC) Board of Directors and the Allen City Council to request approval of incentives to support construction of a data center facility in Allen. Specifically, the company will be approaching the Allen City Council to request approval of a reinvestment zone and tax abatement agreement at the May 12, 2009, City Council meeting. The attorney for Cisco Systems, Inc. has requested that the Allen City Council approve a resolution expressing the election of the City Council to continue to participate in tax abatement, as required by the Tax Code.

The Allen City Council already made such an election at the time when the City Council adopted its first tax abatement agreement. However, Cisco Systems, Inc. has requested a restatement in order to ensure that such a statement is on record. This resolution also clarifies that the City of Allen Tax Abatement Guidelines apply to both new facilities and the expansion or modernization of existing facilities. The current Tax Abatement Guidelines already apply to both types of facilities; however, Cisco Systems, Inc. has requested a resolution clarifying the matter.

BUDGETARY IMPACT

None

STAFF RECOMMENDATION

It is the recommendation of AEDC and City staff that the Allen City Council approve the resolution declaring continued election of the City of Allen to participate in tax abatement and updating the Tax Abatement Guidelines.

MOTION

I make a motion to adopt Resolution No. _____ declaring continued election of the City of Allen to participate in Tax Abatement and updating the Tax Abatement Guidelines.

ATTACHMENT

Resolution

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, CONTINUING THE ELECTION TO BECOME ELIGIBLE TO PARTICIPATE IN TAX ABATEMENT; UPDATING THE CITY OF ALLEN TAX ABATEMENT GUIDELINES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Allen City Council previously approved Resolution No. 2720-3-08(R) adopting a Policy Statement for Tax Abatement Guidelines; and,

WHEREAS, Section 312.002 of the Texas Tax Code requires any taxing unit that enters into a tax abatement agreement under Chapter 312, and the governing body of any municipality that designates an area as a reinvestment zone, to adopt a resolution stating that the taxing unit elects to become eligible to participate in tax abatement; and,

WHEREAS, Section 312.002 of the Texas Tax Code requires tax abatement guidelines to provide for the availability of tax abatement for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City of Allen hereby continues its election to become eligible to participate in tax abatement pursuant to Chapter 312 of the Texas Tax Code.

SECTION 2. The criteria and guidelines adopted by the City of Allen pursuant to Resolution No. 2720-3-08(R) are hereby modified to make clear that tax abatement is available for both new facilities and structures and for the expansion or modernization of existing facilities and structures.

SECTION 3. This resolution shall become effective upon its adoption.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

ATTEST:

Shelley B. George, CITY SECRETARY

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE:

May 12, 2009

SUBJECT:

Authorize the City Manager to Execute a Contract with CB&I, Inc. for the Construction of the Two Million Gallon Hillside Water Tower for an Amount Not to Exceed \$5,583,000.00 and Approve Deductive Change Order No. 1 in the Amount of \$300,000 for a Net Contract Amount of \$5,283,000 and Amend the Project Budget of \$5,980,000

STAFF RESOURCE:

John Baumgartner, Director of Engineering

PREVIOUS COUNCIL ACTION:

On March 25, 2008, the City Council authorized the City Manager to execute a professional services contract with Birkhoff, Hendricks & Conway, L.L.P. (BHC) for the design of the Hillside Water Tower, and establish the project budget

ACTION PROPOSED:

Authorize the City Manager to Execute a Contract with CB&I, Inc. for the Construction of the Two Million Gallon Hillside Water Tower for an Amount Not to Exceed \$5,583,000.00 and Approve Deductive Change Order No. 1 in the Amount of \$300,000 for a Net Contract Amount of \$5,283,000 and Amend the Project Budget of \$5,980,000

BACKGROUND

Identified in the City of Allen Water Master Plan (2002), additional water storage is required to accommodate build-out projections for water consumption. Within that plan, a 2.0 million gallon elevated tank was recommended to replace the existing tank at Hillside Park along East Main Street.

Due to the City's growing need for storage space, the proposed elevated tank will also contain three floors within the pedestal providing approximately 6,870 square feet of gross storage space. The pedestal will include an elevator for convenient transport of items to their

designated storage floor. The elevated tank will conform to all current building and energy codes and thus will be equipped with a fire sprinkler system, insulation, and dual exits. Further, restrooms on the ground floor are also included. This bid also includes all site landscaping, irrigation, and site lighting.

In anticipation of leasing space to telecommunication companies for cellular antennas, the site was designed to fully facilitate antenna use. The telecommunication companies will have access to an area of the site designated for their use, meaning that City crews will not have to open the site and remain present while the telecommunication companies do routine maintenance on their systems as is the case on several of the City's existing elevated tank sites. Further, conduit vaults will be installed to eliminate the need for drilling into the pedestal from the outside providing a cleaner, more organized conduit arrangement. In addition, the proposed tower will be constructed to facilitate a future repeater for future Traffic Management System.

City staff looked at using Federal stimulus funds on this project; however, requirements were extremely cumbersome: National Environmental Policy Act (NEPA), Buy American, Davis-Bacon Wage Act to name a few. Additionally, the funds would be in the form of a 20-year loan and not a grant.

Based on the changes in the economy and cost of materials the contractor has now proposed a \$300,000 deductive change order to lower the contract amount to a net amount of \$5,283,000.

The table below summarizes the bids received for this work:

Contractor	Calendar Days (Complete)	Bid Amount
CB&I, Inc.	590	\$5,583,000.00
Landmark Structures L.P.	690	\$5,725,000.00

BUDGETARY IMPACT

The proposed project budget is as follows:

DESCRIPTION	FUND	EXISTING FUNDED BUDGET	PROPOSED BUDGET
Engineering	290	\$250,000	
Construction Contract	290		\$5,583,000
Change Order No. 1	290		(\$300,000)
Contingency	290		\$447,000
TOTAL			\$5,980,000

The proposed funding sources are:

DESCRIPTION	FUND	PROPOSED BUDGET
Approved Budget (Engineering)	290	\$250,000
Water Impact Fees (WA8000)	290	\$4,839,676
Budgeted 2009 Fund 200 to 290 Transfer In for Undesignated Projects	200	\$432,939
Custer Road Pump Station (WA0240)	290	\$183,800
Oversizing W/S (WA0305) – Closed	290	\$118,891
Westside Waterline (WA0335)	290	\$73,033
Unallocated Funds (WA9999)	290	\$74,756
Beacon Hill/McDermott Waterline (WA0703)	290	\$6,718
Stacy Tank Cathodic Protection (WA0806)	290	\$187
TOTAL		\$5,980,000

Redistribution of funds from near complete or completed projects. Future impact fees will be used to offset some of the costs and returned to Capital Improvement Project funds.

STAFF RECOMMENDATION

Staff recommends that Council authorize the City Manager to execute a contract with CB&I, Inc. for the construction of the Hillside Water Tower for an amount not to exceed \$5,583,000 and approve deductive Change Order No. 1 in the amount of (\$300,000) for a net contract amount of \$5,283,000 and revise the project budget to \$5,980,000.

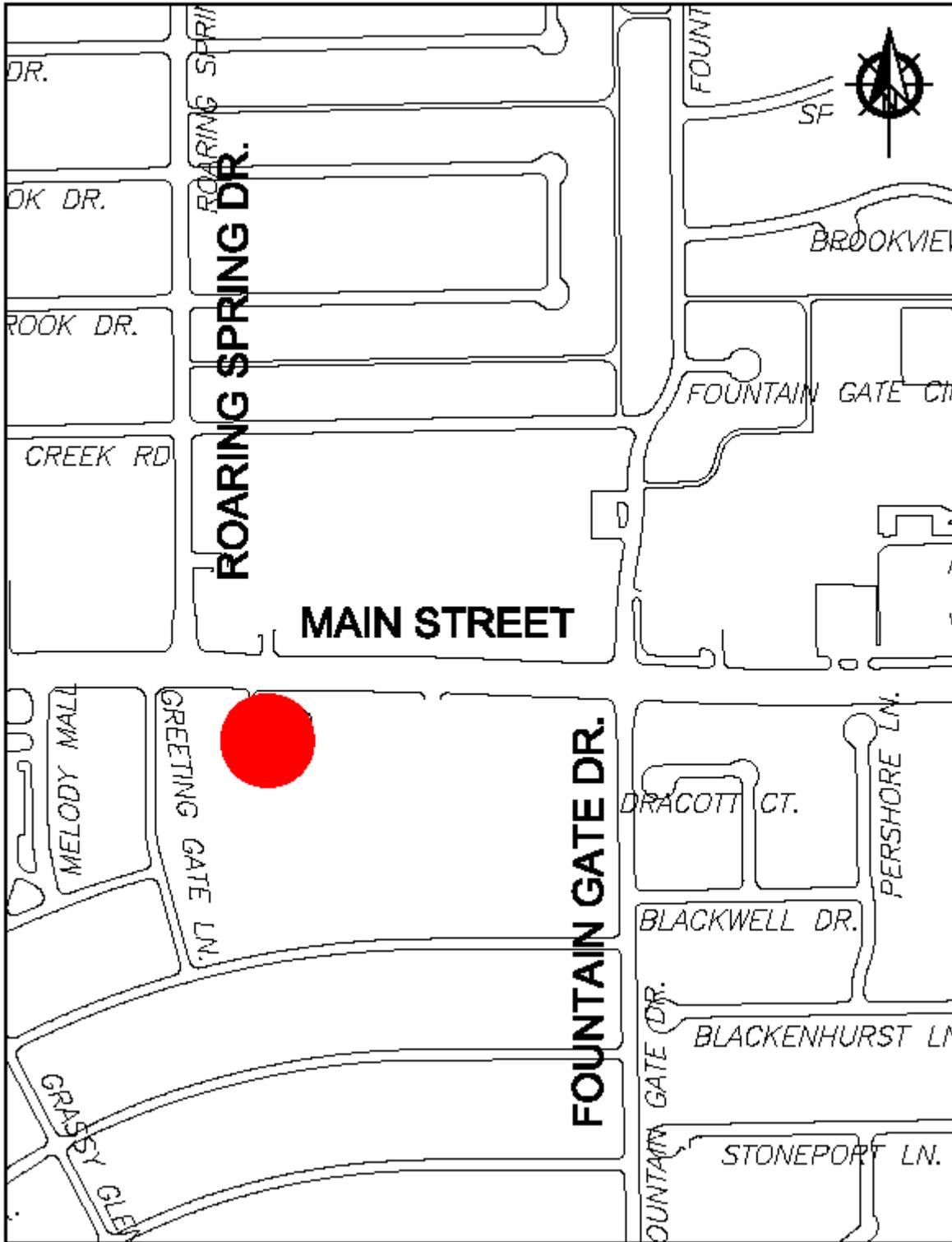
MOTION

I make a motion to authorize the City Manager to execute a contract with CB&I, Inc. for the construction of the two million gallon Hillside Water Tower for an amount not to exceed \$5,583,000.00 and approve deductive Change Order No. 1 in the amount of \$300,000 for a net contract amount of \$5,283,000 and amend the project budget of \$5,980,000.

ATTACHMENT

Location Map
Standard Form Agreement
Change Order #1

Location Map Hillside Water Tower (CIP#WA0805)



STANDARD FORM OF AGREEMENT

STATE OF TEXAS }

COUNTY OF COLLIN }

THIS AGREEMENT, made and entered into this _____ day of _____, A.D. 2009, by and between _____ The City of Allen, Texas _____, a municipal corporation, of the County of _____ Collin _____ and State of Texas, acting through _____ Its City Manager _____ thereunto duly authorized so to do, Party of the First Part, hereinafter termed OWNER, and **CB&I, Inc.** _____ 2103 Research Forest Drive _____

of the City of _____ Woodland _____, County of _____ Montgomery _____ and State of _____ Texas _____, Party of the Second Part, hereinafter termed CONTRACTOR.

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the Party of the First Part (OWNER), and under the conditions expressed in the bond bearing even date herewith, the said Party of the Second Part (CONTRACTOR), hereby agrees with the said Party of the First Part (OWNER) to commence and complete the construction of certain improvements described as follows:

**CIP No. WA0805 – CONSTRUCTION OF HILLSIDE WATER TOWER
BID # 2008-7-335**

and all extra work in connection therewith, under the terms as stated in the General Conditions of the Agreement and at his (or their) own proper cost and expense to furnish all the materials, supplies, machinery, equipment, tools, superintendence, labor, insurance, and other accessories and services necessary to complete the said construction, in accordance with the conditions and prices stated in the Proposal attached hereto, and in accordance with the Notice to Contractors, General and Special Conditions of Agreement, Plans and other drawings and printed or written explanatory matter thereof, and the Specifications and addenda therefor, as prepared by **City of Allen, 305 Century Parkway, Allen, TX 75013** herein entitled the ENGINEER, each of which has been identified by the CONTRACTOR and the ENGINEER, together with the CONTRACTOR'S written Proposal, and the General Conditions of the Agreement hereto attached; all of which are made a part hereof and collectively evidence and constitute the entire contract.

The CONTRACTOR hereby agrees to commence work within ten (10) days after the date written notice to do so shall have been given to him, and to substantially complete the same within _____ **calendar days** after the date of the written notice to commence work, subject to such extensions of time as are provided by the General and Special Conditions.

THE OWNER agrees to pay the CONTRACTOR in current funds the price or prices shown in the proposal, which forms a part of this contract, such payments to be subject to the General and Special Conditions of the contract.

IN WITNESS WHEREOF, the parties to these presents have executed this Agreement in the year and day first above written.

CITY OF ALLEN, TEXAS

Party of the First Part (OWNER)

CB&I, Inc.

Party of the Second Part (CONTRACTOR)

By: _____
Peter H. Vargas, City Manager

By: _____

Attest: _____
Shelley B. George, City Secretary

Attest: _____

CITY OF ALLEN, TEXAS

**2.0-MG HILLSIDE ELEVATED STORAGE TANK
(C.I.P. No. WA 0805); (C.O.A. Bid No. 2008-7-335-B)**

CHANGE ORDER NO. 1

A. INTENT OF CHANGE ORDER

The intent of this change order is to modify the provisions of the contract entered into between the City of Allen, Texas and CB&I, Inc., 2103 Research Forest Dr., The Woodlands, Texas 77380, for construction of the 2.0 MG Hillside Elevated Storage Tank, dated May 12, 2009.

B. DESCRIPTION OF CHANGE

This change includes an adjustment in the contract amount for reduction in material costs for this project.

C. EFFECT OF CHANGE ON CONTRACT AMOUNT

This change order will have the following effect on the cost of this project:

Item No.	Description	Original Price	Price Reduction This C.O.	Revised Unit Price	Amount of Change
1	Constructing an 2.0-MG Composite Elevated Water Storage Tank	\$5,202,000.00	(\$300,000.00)	\$4,902,000.00	(\$300,000.00)
Total:					\$ (300,000.00)

Original Contract Amount: \$ 5,583,000.00
 Change Order No. 1 \$ (300,000.00)
Revised Contract Amount: \$ 5,283,000.00

D. EFFECT OF CHANGE ON CONTRACT TIME

The work required under this change order will not add any additional calendar days to this project.

Original Contract Time 590 calendar days
 Change Order No. 1 0 calendar days
Revised Contract Time: 590 calendar days

E. AGREEMENT

By the signatures below of duly authorized agents, the City of Allen, Texas and CB&I, Inc., do hereby agree to append this Change Order No. 1 to the original contract between themselves, dated May 12, 2009.

City of Allen, Texas
 Owner

CB&I, Inc.
 Contractor

By: _____
 (signature)

By: Orville A. Earhart
 (signature)

Name: _____
 (please print)

Name: ORVILLE A. EARHART
 (please print)

Title: _____

Title: BUSINESS DEVELOPMENT MANAGER

Date: _____

Date: MAY 7, 2009

Attest: _____

Attest: [Signature]

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Accept a Resignation and Declare a Vacancy
in Place No. 6 of the Library Board

STAFF RESOURCE: Shelley B. George, City Secretary

ACTION PROPOSED: Accept Resignation / Declare Vacancy

BACKGROUND

On May 1, Mark Carpenter submitted a letter of resignation as a Board Member of the Library Board.

MOTION

I move to accept the resignation of Mark Carpenter and to declare a vacancy in Place No. 6 of the Library Board.

ATTACHMENT

Resignation Letter

Shelley George

From: Mark Carpenter
Sent: Thursday, April 30, 2009 4:22 PM
To: Shelley George
Cc: Jeff Timbs
Subject: Library Board Resignation

Mr. Mayor and Members of the City Council:

I wish to inform you that due to changes in my job responsibilities, I am unable to effectively fulfill my position as a member of the library board. I appreciate your confidence in me, evidenced by my appointment. However, after missing the past several meetings due to an extensive travel schedule, I feel someone else would better serve our community in this position as I see no let up in sight to my job commitments.

Regards,
[Mark D. Carpenter](#)

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Conduct a Public Hearing to Consider the Establishment of Tax Abatement Reinvestment Zone #30 on Land Located North of the Allen Premium Outlet Mall on Chelsea Boulevard and Adopt an Ordinance Establishing Reinvestment Zone #30 to Approve a Tax Abatement Agreement with Cisco Systems, Inc. Supporting Construction of an Approximately 140,000 – 160,000 Square Foot Tier III Data Center Facility on Chelsea Boulevard

STAFF RESOURCE: Robert Winningham, AEDC Executive Director/CEO

PREVIOUS COUNCIL ACTION: None

BOARD/COMMISSION ACTION: On March 18, 2009, the Board of Directors of the Allen Economic Development Corporation approved a recommendation to the Allen City Council and Collin County Commissioners Court for approval of a 10 year tax abatement on real property and business personal property for Cisco Systems, Inc. in support of the construction of a 140,000 – 160,000 square foot Tier III data center facility on Chelsea Boulevard in Allen

ACTION PROPOSED: Conduct a Public Hearing to consider the establishment of Tax Abatement Reinvestment Zone #30 on land located north of the Allen Premium Outlets on Chelsea Boulevard, adopt an Ordinance establishing Reinvestment Zone #30 and to approve a Tax Abatement Agreement with Cisco Systems, Inc. supporting construction of an approximately 140,000 – 160,000 square foot Tier III Data Center Facility on Chelsea Boulevard

BACKGROUND

On March 18, 2009, the Board of Directors of the Allen Economic Development Corporation (AEDC) unanimously approved a recommendation to the Allen City Council for approval of a 10 year tax abatement on real property and business personal property for Cisco Systems, Inc. in support of the construction of a 140,000 – 160,000 square foot Tier III data center facility on Chelsea Boulevard in Allen.

AEDC staff began working with Cisco Systems, Inc. in 2008 to find a suitable location for the company's proposed data center facility. At the time, the company was considering a variety of locations in the Dallas-Fort Worth area. After a period of due diligence, the company has identified a 34-acre tract on Chelsea Boulevard as the primary site under consideration for the construction of this data center project that will ultimately consist of 200,000 – 350,000 square feet of data center space.

Cisco Systems, Inc. is a financially sound Fortune 100 company with the ability and commitment to complete this project in Allen. Company officials have indicated that they plan to be a long-term partner with the City of Allen and community organizations. The construction of the facility will also facilitate the development of offsite underground dual-feed electrical infrastructure that will provide electrical capacity to support additional data center projects in the future.

The approval of this Tax Abatement is a key requirement for the company to proceed with development. The company has agreed to maintain a benchmark level of employment and taxable value as part of the proposed tax abatement agreement. At this time, the company is still in the process of working with AEDC staff to determine the exact benchmark employment and taxable value figures to be included in the contract. The final Tax Abatement agreement will be presented for Council consideration on May 26th, pending negotiations.

STAFF RECOMMENDATION

It is the recommendation of the AEDC Board of Directors and City staff that the Allen City Council table the decision to establish Tax Abatement Reinvestment Zone #30 and the proposed tax abatement and consider the adoption of the ordinance at the May 26, 2009, City Council meeting.

MOTION

I make a motion to table consideration of this item to the May 26, 2009, Council meeting.

ATTACHMENT

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, DESIGNATING REINVESTMENT ZONE NO. 30 (CISCO SYSTEMS, INC. DATA CENTER); PROVIDING ELIGIBILITY OF THE ZONE FOR COMMERCIAL-INDUSTRIAL TAX ABATEMENT; CONTAINING FINDINGS THAT THE AREA QUALIFIES TO BE DESIGNATED AS A REINVESTMENT ZONE AND THE IMPROVEMENTS SOUGHT ARE FEASIBLE AND PRACTICABLE AND OF BENEFIT TO THE LAND AND THE CITY; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A REPEALING CLAUSE; AND PROVIDING FOR THE EFFECTIVE DATE OF SAID ORDINANCE.

WHEREAS, the City Council of the City of Allen, Texas, has caused notice to be published in a newspaper having general circulation in the City and has delivered such notice to the presiding officer of the governing body of each taxing unit that includes in its boundaries real property described herein; and,

WHEREAS, the City Council of the City of Allen, Texas, has conducted a public hearing on the designation of the area described herein as a reinvestment zone; and,

WHEREAS, the proposed Tax Abatement Agreement by and between the City of Allen, Texas, and Cisco Systems, Inc., attached hereto as Exhibit "B," has been presented to the City Council; and the City Council is of the opinion and finds that the terms and conditions thereof should be approved and that the Mayor should be authorized to execute the Agreement on behalf of the City of Allen.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The City Council of the City of Allen, Texas, finds that the area described herein will, if designated as a reinvestment zone, be reasonably likely to contribute to the rendition or expansion of primary employment, or to attract major investment in the zone that will be of benefit to the property and contribute to the economic development of the City. The City Council further finds that the improvements sought are feasible and practicable and would be of benefit to the land to be included in the zone and to the City after the expiration of a tax abatement agreement.

SECTION 2. Pursuant to the provisions of Section 312.201 of the Texas Tax Code, the real property described in Exhibit "A" and made a part hereof for all purposes is hereby designated as a reinvestment zone and for identification is assigned the name "Reinvestment Zone No. 30" or "CISCO Data Center Zone".

SECTION 3. The property within Reinvestment Zone No. 30 is eligible for commercial-industrial tax abatement effective on January 1, 2010.

SECTION 4. The Agreement attached hereto as Exhibit "B" having been reviewed by the City Council and found to be acceptable and in the best interests of the City and its citizens, is hereby approved, and the Mayor is hereby authorized to execute the Agreement on behalf of the City of Allen, Texas.

SECTION 5. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this ordinance be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said ordinance or as amended hereby, which shall remain in full force and effect.

SECTION 6. All ordinances of the City of Allen in conflict with the provisions of this ordinance shall be, and the same are hereby, repealed; provided, however, that all other provisions of said ordinances not in conflict herewith shall remain in full force and effect.

SECTION 7. This ordinance shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Allen, and it is accordingly so ordained.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, MAYOR

APPROVED AS TO FORM:

ATTEST:

Peter G. Smith, CITY ATTORNEY

Shelley B. George, CITY SECRETARY

Exhibit A
Legal Description for Zone 30

EXHIBIT "A"
34.000 ACRE TRACT

Joseph Dixon Survey, Abstract No. 276
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 20061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

EXHIBIT "A"
34.000 ACRE TRACT
(continued)

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

EXHIBIT B
Tax Abatement Agreement to be attached.

CITY COUNCIL AGENDA COMMUNICATION
--

AGENDA DATE: May 12, 2009

SUBJECT: Conduct a Public Hearing and Adopt an Ordinance to Establishing a Planned Development for Data Center Use on Property Currently Zoned CC Corridor Commercial on 34± Acres Located North of Stacy Road and East of Chelsea Boulevard

STAFF RESOURCE: Ogden "Bo" Bass, Director of Planning and Development

BOARD/COMMISSION ACTION: A Public Hearing was held at the May 5, 2009 Planning and Zoning Commission meeting and a recommendation was made

ACTION PROPOSED: Adopt an ordinance

BACKGROUND

The property is located north of Stacy Road and east of Chelsea Boulevard. The property to the north is zoned AO Agriculture Open Space, the property to the east is zoned CC Corridor Commercial; the property to the south is zoned PD Planned Development No. 78 for CC Corridor Commercial; the property to the west, across Chelsea Blvd., is zoned PD Planned Development No. 92 for R7 Residential and SC Shopping Center; the property northwest of the subject property is zoned PD Planned Development No. 36 for IT Industrial Technology.

The applicant, TX DC2, is proposing to construct a data center on the 34 acre site which is currently zoned CC Corridor Commercial. Due to the particular individuality of the applicant's use, a Planned Development has been prepared to outline the uses and design for the property. The data center will store, manage, and process data and information. Additionally, on site electricity generation will occur and comply with the Allen Land Development Code. A Concept Plan is included in the PD application and illustrates the building location, site circulation, accessory uses, parking, phasing, and setbacks. The applicant is proposing to secure and screen the data center with a combination of an eight to ten foot wrought iron picket style fence with trees and landscaped berms.

The use and site are compatible with adjacent land uses and zoning and staff supports the PD request.

This item was discussed at the May 5, 2009 Planning and Zoning Commission meeting and a public hearing was held. The Planning and Zoning Commission recommended approval of the zoning amendment at that meeting.

PROPERTY NOTICES

Notices mailed to property owners within 200 ft. - April 24, 2009

Newspaper notice was published - April 23, 2009

Public hearing sign installed - April 24, 2009

STAFF RECOMMENDATION

Staff concurs with the recommendation of the Planning and Zoning Commission.

MOTION

I make a motion to adopt Ordinance No. _____ establishing PD Planned Development No. 102 for a data center use.

ATTACHMENT

Concept Plan

Fence and Landscaping

Building Elevations

Property Notice Information

Landscape Sections (color)

Minutes- P&Z 5-5-09

Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, AMENDING THE ALLEN LAND DEVELOPMENT CODE ZONING REGULATIONS AND ZONING MAP, AS PREVIOUSLY AMENDED, BY GRANTING A CHANGE IN ZONING FROM “CC” CORRIDOR COMMERCIAL, TO “PD” PLANNED DEVELOPMENT NO. 102 FOR DATA CENTER RELATED USES ON 34.0± ACRES OUT OF THE JOSEPH DIXON SURVEY, ABSTRACT NO. 276, BEING FURTHER DESCRIBED IN EXHIBIT “A,” ATTACHED HERETO; PROVIDING FOR DEVELOPMENT REGULATIONS; PROVIDING FOR A CONCEPT PLAN, ATTACHED HERETO AS EXHIBIT “B”; PROVIDING FOR BUILDING ELEVATIONS ATTACHED HERETO AS EXHIBIT “C”; PROVIDING FOR A SCREENING PLAN ATTACHED HERETO AS EXHIBIT “D”; PROVIDING FOR A REPEALING CLAUSE; PROVIDING FOR A SEVERABILITY CLAUSE; PROVIDING FOR A SAVINGS CLAUSE; PROVIDING FOR A PENALTY OF FINE NOT TO EXCEED THE SUM OF TWO THOUSAND DOLLARS (\$2,000) FOR EACH OFFENSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Planning and Zoning Commission and the governing body of the City of Allen, Texas, in compliance with the laws of the State of Texas and the Ordinances of the City of Allen, Texas, have given the requisite notices by publication and otherwise, and after holding due hearings and affording a full and fair hearing to all the property owners generally and to all persons interested and situated in the affected area, and in the vicinity thereof, and in the exercise of its legislative discretion, the City Council has concluded that the Allen Land Development Code Zoning Regulations and Zoning Map of the City of Allen, Texas, as previously amended, should be further amended as follows:

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, THAT:

SECTION 1. The Allen Land Development Code Zoning Regulations and Zoning Map of the City of Allen, Texas, as heretofore amended be amended by granting a change in zoning from “CC” Corridor Commercial District, to “PD” Planned Development No. 102 for Data Center Related Uses on 34.0± acres of land out of the Joseph Dixon Survey, Abstract No. 276, City of Allen, Collin County, Texas, and being further described in Exhibit “A,” attached hereto, and being made a part hereof for all purposes (referred to hereafter as “the Property”).

SECTION 2. The Property shall be developed and used only in accordance with the following Development Regulations:

- A. **Base Zoning District:** The Property shall be developed and used only in accordance with “CC” Corridor Commercial Zoning District regulations except as otherwise provided herein.
- B. **Site Plan:** The Property shall be developed and used only in accordance with the Concept Plan attached hereto as Exhibit “B”, and which is hereby approved.
- C. **Building Elevations:** The Property shall be developed and used only in accordance with the Building Elevations attached hereto as Exhibit “C.”
- D. **Screening Plan:** The Property shall be developed and used only in accordance with the Screening Plan attached hereto as Exhibit “D.”

- E. **Permitted Uses.** The Property may be developed and used for any purpose allowed in the CC Corridor Commercial Zoning District as well as the following additional uses:
- (1) Data Center, which for purposes of this ordinance means a centralized repository for the storage, management, processing, conversion, and dissemination of data and information which may also house equipment that supports communications network infrastructure without actually being part of the physical network. A data center may house equipment that includes, but is not limited to, computers, servers, data storage devices, and related equipment. A data center may include, but shall not be limited to, accessory uses that include offices and accessory structures that include water storage tanks, cooling towers, network systems, fuel storage tanks, guardhouses and security offices, storage, chillers, electrical transformers, and engine generators. For purposes of this ordinance, the term “load bank” means a device that develops an electrical load, applies the load to an electrical power source, and converts or dissipates the resultant power output of the source for the purpose of placing electrical systems under load for periodic maintenance testing.
 - (2) On-site electricity generation in accordance with the City of Allen noise ordinance, except as otherwise provided herein for emergencies. Any other on-site wind or solar generation must be clearly depicted on the Concept Plan or Site Plan. City staff may require City Council review and approval of any on-site electricity generation facilities shown on a Site plan if the facilities are visible from an adjacent public street.
 - (3) On-site water wells for irrigation and emergency use only.
 - (4) Utility substation allowed by Specific Use permit.
- F. **Minimum Yard Depth and Width.** The minimum front yard setback shall be 25 feet. The minimum side yard setback shall be 20 feet. There is no minimum setback for fencing or guardhouses. Fencing and guardhouses shall be subject to site distance requirements in the Allen Land Development Code. Guard houses and gates shall provide for a turnaround of a wb-50 vehicle without the vehicle reentering the street.
- G. **Off-Street Parking and Loading.** Off-street parking for a data center and its accessory uses shall be provided as shown on the Concept Plan, or as otherwise approved on a Site Plan.
- H. **Access.** Access shall be provided as generally shown on the Concept Plan. Divided entry drives shall be allowed.
- I. **Screening.** Service yards shall be screened as shown on the Concept Plan.
- J. **Landscaping.** The landscaping requirements applicable to the Corridor Commercial (CC) Zoning District shall apply, except as otherwise shown on an approved Concept Plan or Site Plan in instances in which security or LEED certification requirements necessitate modifications to the landscaping requirements applicable to the Corridor Commercial (CC) Zoning District. Without limiting the generality of the foregoing, low water planting material selections and yard maintenance procedures may be approved through the Site Plan approval process to achieve LEED certification. Staff may require City Council review and approval of any Site Plan that does not meet the landscaping requirements applicable to the Corridor Commercial (CC) Zoning District due to security or LEED certification requirements.
- K. **Project Phasing and Scheduling.** The Property may be developed in at least two phases.
- L. **Fencing.**

(1) Fences are permitted at any location on the Property, including within 20 feet of intersections, subject to the site distance requirements in the Allen Land Development Code. Perimeter fencing shall be between eight and ten feet in height, excluding the height of the pickets, unless otherwise approved on a Concept Plan or Site Plan. Security fences may be topped with outward turned pickets which may extend an additional two feet above the maximum height permitted by this subsection. Perimeter fencing may be constructed of impact resistant steel, wrought iron or any other material identified on an approved Concept Plan or Site Plan. Staff may require City Council review and approval of any Site Plan showing perimeter fencing that does not meet the height or material requirements of this subsection.

(2) In addition to fences, perimeter security bollards, vehicle barriers, boulders, knee-walls, and retaining walls shall be allowed as part of a continuous perimeter security system.

M. Miscellaneous.

(1) Building elevations may include metal wall louvers and metal panels, which may be significant components of the building facades. Buildings are not required to have a minimum glazing percentage.

(2) Outdoor storage is permitted within the service yard identified on the Concept Plan. The service yard shall be screened as shown on the Concept Plan.

(3) The Concept Plan shall meet the submittal requirements of a Concept Plan and a General Development Plan, and the Concept Plan thus serves as the General Development Plan required by the Subdivision Regulations.

(4) Lighting that does not meet the technical requirements of Section 7.03.4 of the Allen Land Development Code may be approved through the Site Plan approval process to the extent the modifications to lighting are necessary (1) to achieve credit towards LEED certification; (2) for security in connection with a data center use; or (3) for the typical operations of a data center use.

(5) The operation of generators and other emergency equipment is allowed during and to the extent of any emergency as needed to maintain operations of the facility for a period not to exceed 45 days. The City of Allen may approve an extension of said 45 day period following receipt and review of a written request for such extension setting forth the nature of the emergency and the reasons for the extension.

(6) Except as otherwise set forth herein, there are no restrictions on the hours of operation of a data center or its accessory uses, including, but not limited to, the hours of operation for generators, water storage tanks, or other uses or structures. There are no restrictions on staging and use of emergency vehicles and structures on the Property, including, but not limited to, mobile water trucks, mobile generators, mobile load banks, and mobile chillers. In addition, noise levels associated with the use of emergency equipment, including, but not limited to, generators, are permitted to exceed the maximum noise levels authorized by the City of Allen Code of Ordinances for a period not to exceed 45 days. The City of Allen may approve an extension of said 45 day period following receipt and review of a written request for such extension setting forth the nature of the emergency and the reasons for the extension. In the event of a conflict between other City ordinances and the ordinance creating this PD, the ordinance creating this PD controls. Normal testing of generators shall occur indoors and shall comply with maximum noise levels authorized by the City of Allen Code of Ordinances.

(7) Mechanical equipment, exhaust stacks, and water storage tanks may be visible above screen walls or parapet conditions, assuming the majority is screened from grade level view at the property line.

(8) Fuel storage and water storage shall be allowed on site in either above or below ground tanks, assuming tank construction and installation comply with applicable State law. There shall be no volume limits on fuel or water storage, assuming use is restricted to providing power or water supply to the data center or its related operations. Storage facilities shall be located in the service yard and screened from public street view.

(9) Gas well drilling is prohibited on the Property.

SECTION 3. All Ordinances of the City of Allen in conflict with the provisions of this Ordinance shall be, and the same are hereby, repealed; provided, however, that all other provisions of said Ordinances not in conflict herewith shall remain in full force and effect.

SECTION 4. Should any word, sentence, paragraph, subdivision, clause, phrase or section of this Ordinance, or of the Allen Land Development Code, as amended hereby, be adjudged or held to be void or unconstitutional, the same shall not affect the validity of the remaining portions of said Ordinance or the Allen Land Development Code, as amended hereby, which shall remain in full force and effect.

SECTION 5. An offense committed before the effective date of this Ordinance is governed by prior law and the provisions of the Allen Land Development Code Zoning Regulations, as amended, in effect when the offense was committed and the former law is continued in effect for this purpose.

SECTION 6. Any person, firm or corporation violating any of the provisions or terms of this Ordinance shall be subject to the same penalty as provided for in Allen Land Development Code Zoning Regulations as previously amended, and upon conviction shall be punished by a fine not to exceed the sum of Two Thousand Dollars (\$2,000) for each offense.

SECTION 7. This Ordinance shall take effect immediately from and after its passage and publication of the caption in accordance with the provisions of the Charter of the City of Allen, and it is accordingly so ordained.

DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF ALLEN, COLLIN COUNTY, TEXAS, ON THIS THE 12TH DAY OF MAY, 2009.

APPROVED:

Stephen Terrell, Mayor

APPROVED AS TO FORM:

ATTEST:

Peter G. Smith, City Attorney
(36832)

Shelley B. George, City Secretary

EXHIBIT "A"

LEGAL DESCRIPTION

34.000 ACRE TRACT

Joseph Dixon Survey, Abstract No. 276
City of Allen, Collin County, Texas

DESCRIPTION, of a 34.000 acre tract of land situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, Texas; said tract being part of that tract of land described in General Warranty Deed to Allen Commerce Center, L.P. recorded in Instrument No. 20061127001670390 of the Deed Records of Collin County, Texas; said 34.000 acre tract being more particularly described as follows:

COMMENCING, at a point for corner in Chelsea Boulevard (County Road No. 196) (a variable width right-of-way); said point being the southwest corner of said Allen Commerce Center tract;

THENCE, North 89 degrees, 32 minutes, 34 seconds East, along the south line of said Allen Commerce Center tract, passing at a distance of 55.00 feet the northwest corner of Lot 1-R, Block 1, Allen Premium Outlets, an addition to the City of Allen, Texas according to the plat recorded in Instrument No. 20061213010005400 of the Plat Records of Collin County, Texas; continuing in all a total distance of 60.00 feet to the POINT OF BEGINNING;

THENCE, along the proposed east right-of-way line of said Chelsea Boulevard, the following four (4) calls:

North 00 degrees, 28 minutes, 22 seconds West, departing the said south line of the Allen Commerce Center tract and the north line of said Lot 1-R, a distance of 605.50 feet to an angle point;

North 03 degrees, 20 minutes, 29 seconds East, a distance of 150.33 feet to a point at the beginning of a non-tangent curve to the right;

In a northeasterly direction, along said curve to the right, having a central angle of 06 degrees, 20 minutes, 30 seconds, a radius of 1,130.00 feet, a chord bearing and distance of North 02 degrees, 41 minutes, 53 seconds East, 125.01 feet, an arc distance of 125.07 feet to a point at the end of said curve;

North 50 degrees, 56 minutes, 59 seconds East, a distance of 35.69 feet to a point at the beginning of a non-tangent curve to the left;

THENCE, in an easterly direction along the south line of a proposed right-of-way dedication, the following four (4) calls:

Along said curve to the left, having a central angle of 09 degrees, 10 minutes, 16 seconds, a radius of 1,070.00 feet, a chord bearing and distance of South 89 degrees, 45 minutes, 07 seconds East, 171.09 feet, an arc distance of 171.27 feet to a point at the end of said curve;

North 85 degrees, 39 minutes, 46 seconds East, a distance of 125.00 feet to a point at the beginning of a tangent curve to the right;

Along said curve to the right, having a central angle of 04 degrees, 01 minutes, 01 seconds, a radius of 965.00 feet, a chord bearing and distance of North 87 degrees, 40 minutes, 17 seconds East, 67.64 feet, an arc distance of 67.66 feet to a point at the end of said curve;

North 89 degrees, 40 minutes, 47 seconds East, a distance of 1228.69 feet to a point for corner;

THENCE, Due South, departing the said south line of the proposed right-of-way dedication, a distance of 658.95 feet to a point for corner;

THENCE, South 36 degrees, 53 minutes, 08 seconds West, a distance of 488.74 feet to a point for corner in the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract;

THENCE, in a northwesterly direction along the said north line of Lot 1-R and the said south line of the Allen Commerce Center tract, the following three (3) calls:

North 53 degrees, 27 minutes, 28 seconds West, a distance of 30.69 feet to a point at the beginning of a tangent curve to the left;

In a northwesterly direction, along said curve to the left, having a central angle of 36 degrees, 59 minutes, 59 seconds, a radius of 600.00 feet, a chord bearing and distance of North 71 degrees, 57 minutes, 28 seconds West, 380.76 feet, an arc distance of 387.46 feet to a point at the end of said curve;

South 89 degrees, 32 minutes, 34 seconds West, a distance of 949.33 feet to the POINT OF BEGINNING;

CONTAINING; 1,481,039 square feet or 34.000 acres of land, more or less.

EXHIBIT "B"
CONCEPT PLAN

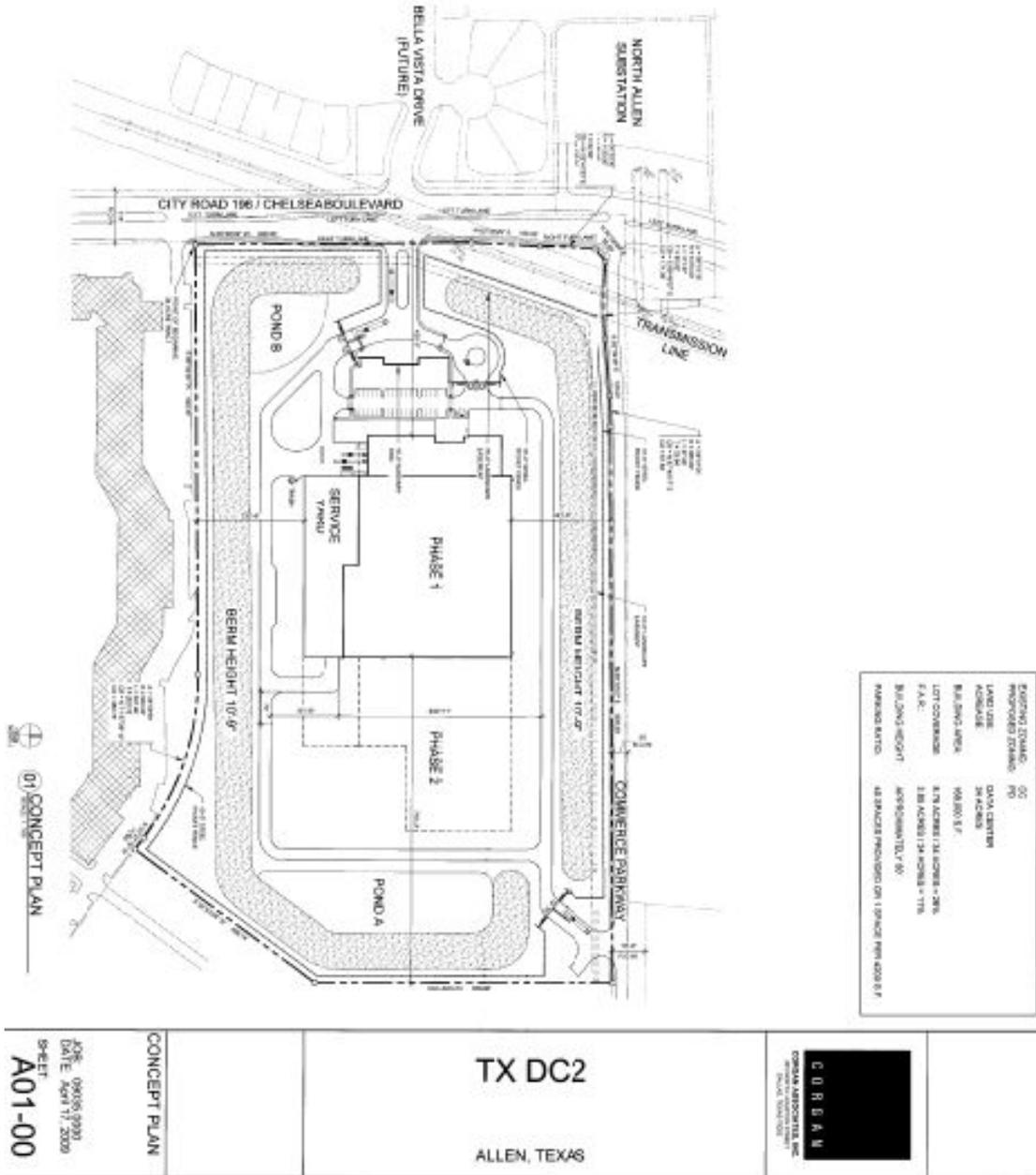
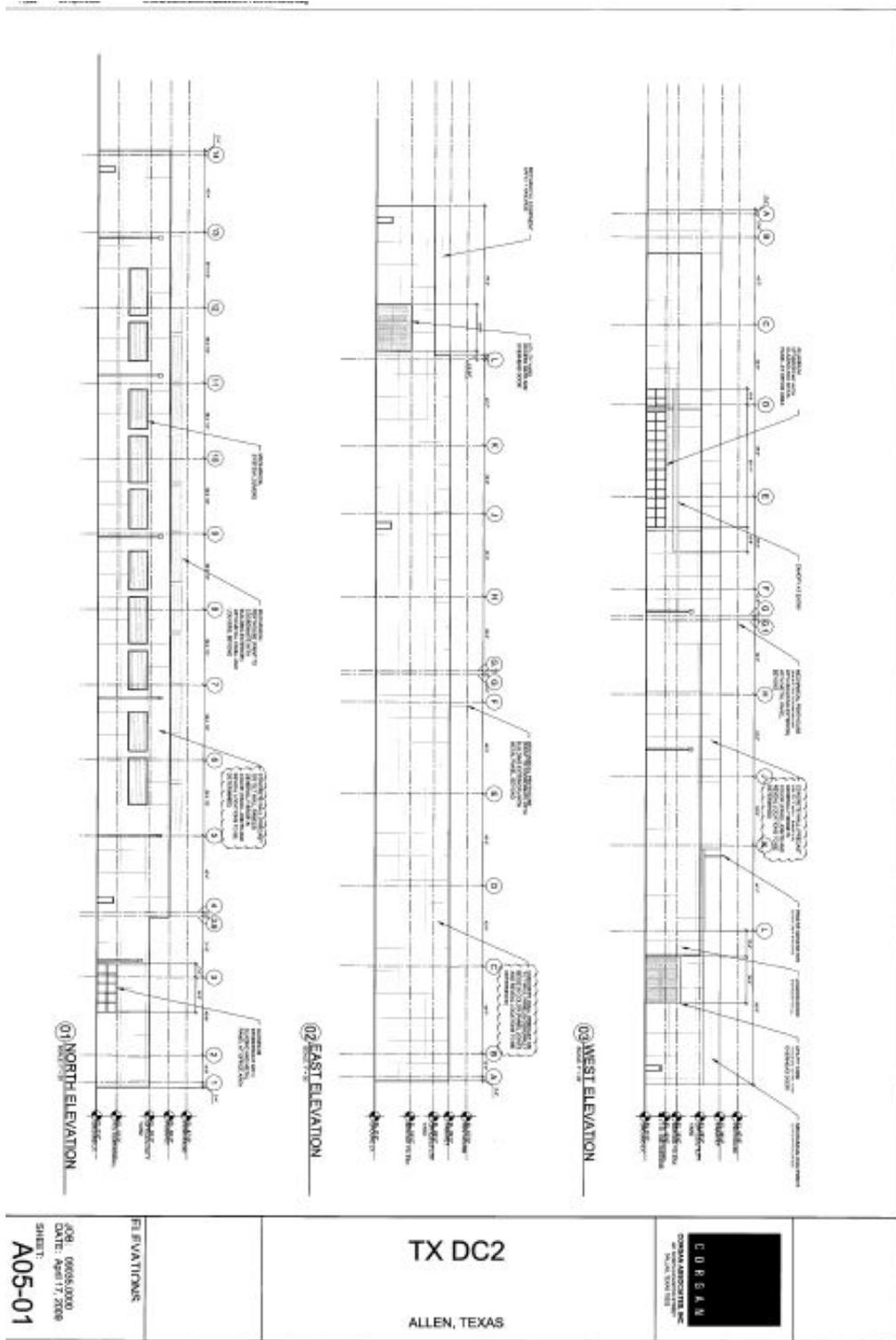


EXHIBIT "C"
BUILDING ELEVATIONS

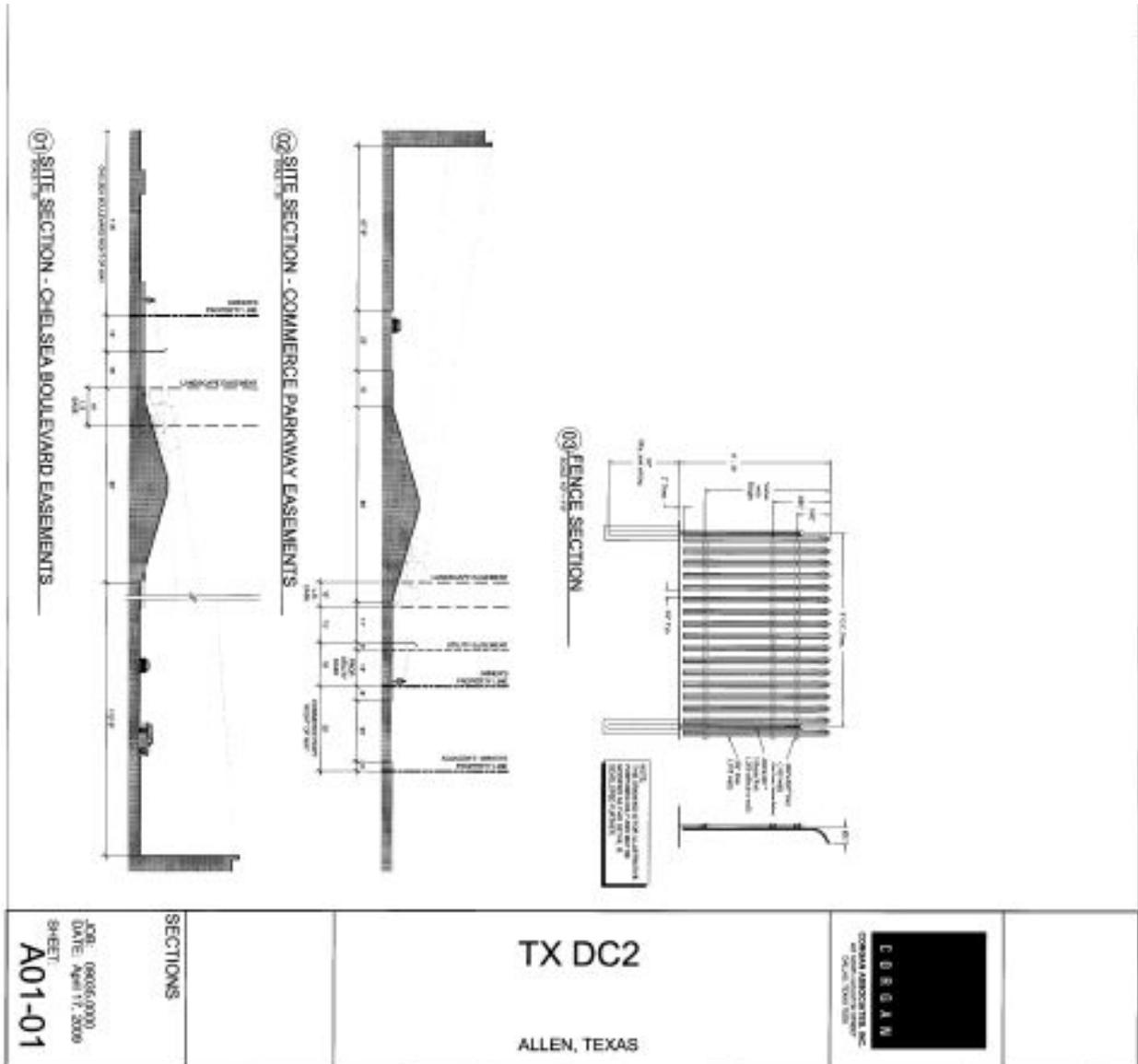


TX DC2
 ALLEN, TEXAS

ELEVATIONS
 JOB: 06058.0000
 DATE: April 17, 2009
 SHEET:
A05-01

EXHIBIT "D"

SCREENING PLAN



Agenda Item #4: Public Hearing – Conduct a Public Hearing and consider a request to establish a Planned Development for a data center use on property currently zoned CC Corridor Commercial. The property is 34.0± acres situated in the Joseph Dixon Survey, Abstract No. 276, Collin County, City of Allen, Texas; located north of Stacy Road and east of Chelsea Blvd. (Z-4/16/09-32, TX DC2)

Ogden “Bo” Bass, Director of Planning and Development, presented the item to the Commission. The property is located north of Stacy Road and east of Chelsea Boulevard. The applicant, TX DC2, is proposing to construct a data center on the 34 acre site which is currently zoned CC Corridor Commercial. Due to the particular individuality of the applicant’s use a Planned Development has been prepared to outline the uses and design for the property. The data center will store, manage, and process data and information. The applicant is proposing to secure and screen the data center with a combination of an eight to ten foot wrought iron picket style fence with trees and landscaped berms. Additionally, on site electricity generation will occur and comply with the *Allen Land Development Code*.

The use and site are compatible with adjacent land uses and zoning.

Staff recommends approval.

Chairman Wendland opened the Public Hearing.

With no one wishing to speak, Chairman Wendland closed the Public Hearing.

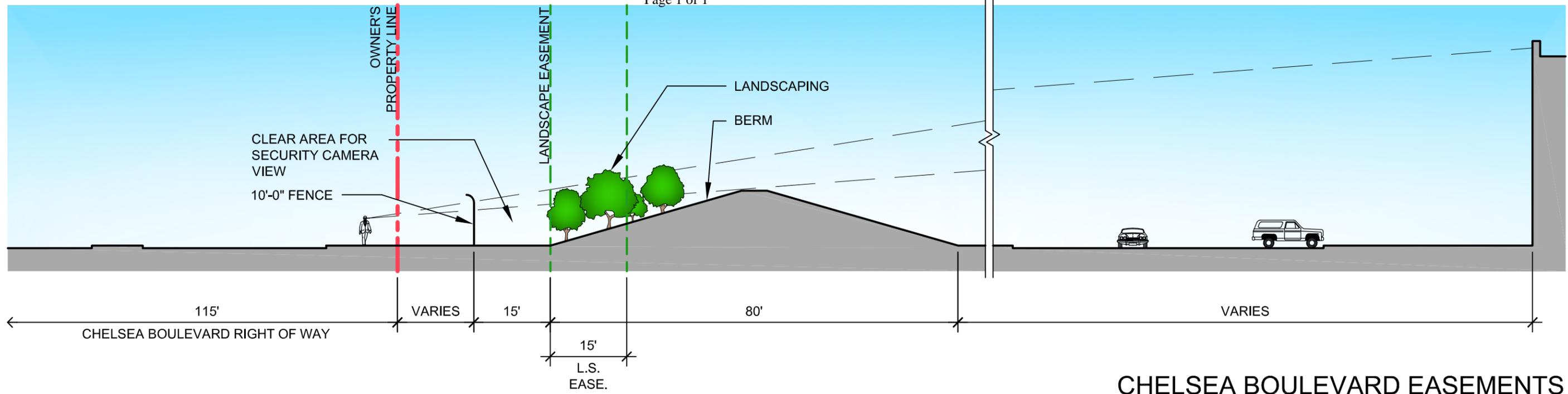
David Stack, 4949 Gulf Stream, Dallas, Texas, applicant representative, spoke to the Commission. Mr. Stack thanked City staff for their assistance with this project.

Commissioner Cocking recommended that a definition of the length of time for an emergency should be included in the PD language.

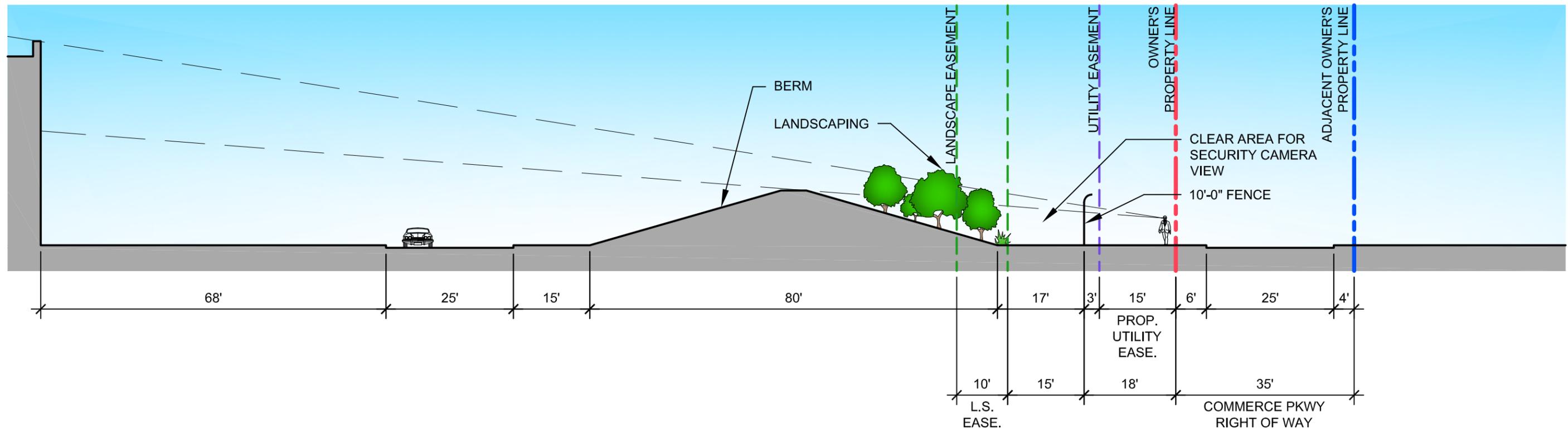
Motion: Upon a motion by Commissioner Cocking, and a second by Commissioner Grimes, the Commission voted 7 IN FAVOR, 0 OPPOSED, to approve Item 4 with the following provision:

- City staff works with the applicant to define what an emergency is in respect to duration of time.

The motion carried.



CHELSEA BOULEVARD EASEMENTS



COMMERCE PARKWAY EASEMENTS

**TX DC 2
 Site Easement Sections**



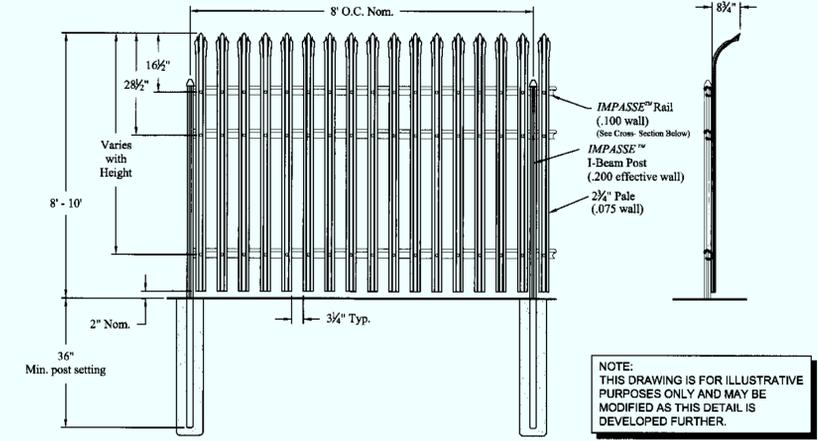
May 06, 2009



CORGAN ASSOCIATES, INC.
401 NORTH HOUSTON STREET
DALLAS, TEXAS 75202

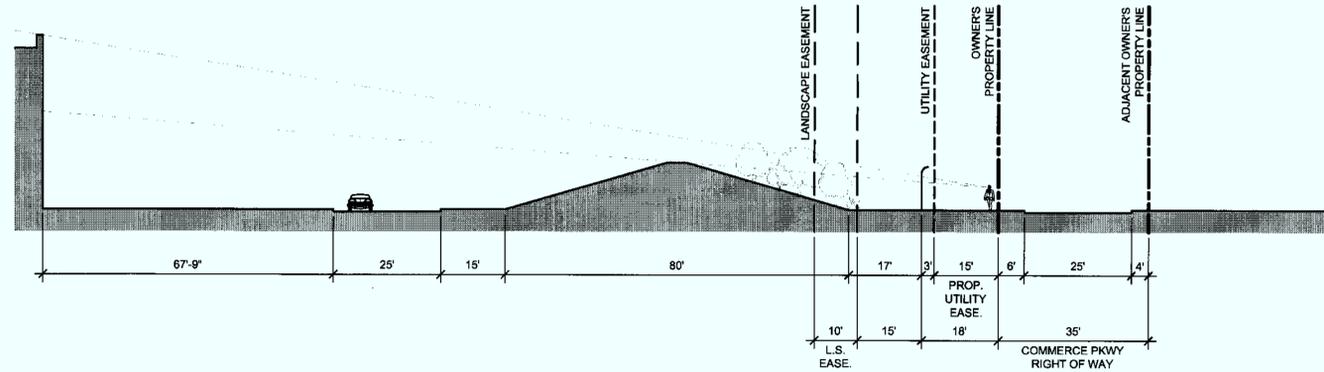
TX DC2

ALLEN, TEXAS

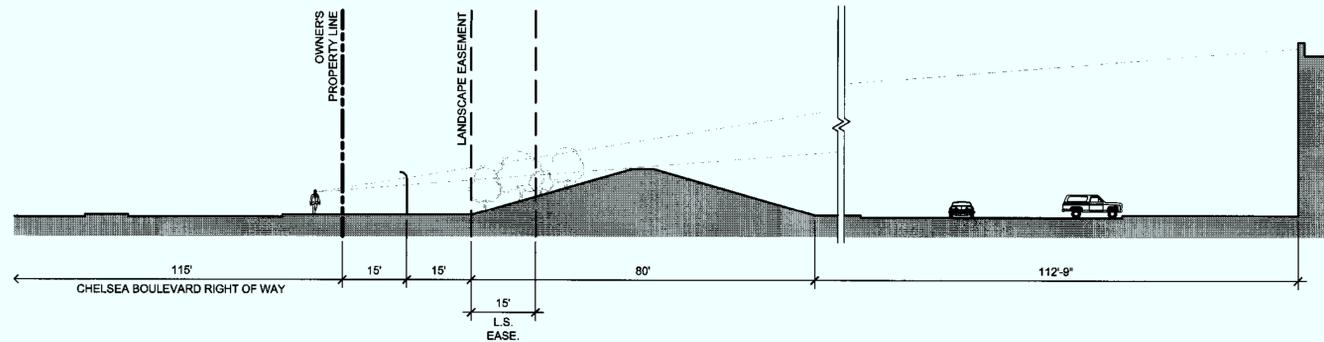


03 FENCE SECTION
SCALE: 1/2" = 1'-0"

Item # 19
Attachment Number 5
Page 1 of 1



02 SITE SECTION - COMMERCE PARKWAY EASEMENTS
SCALE: 1 : 20



01 SITE SECTION - CHELSEA BOULEVARD EASEMENTS
SCALE: 1 : 20

SECTIONS

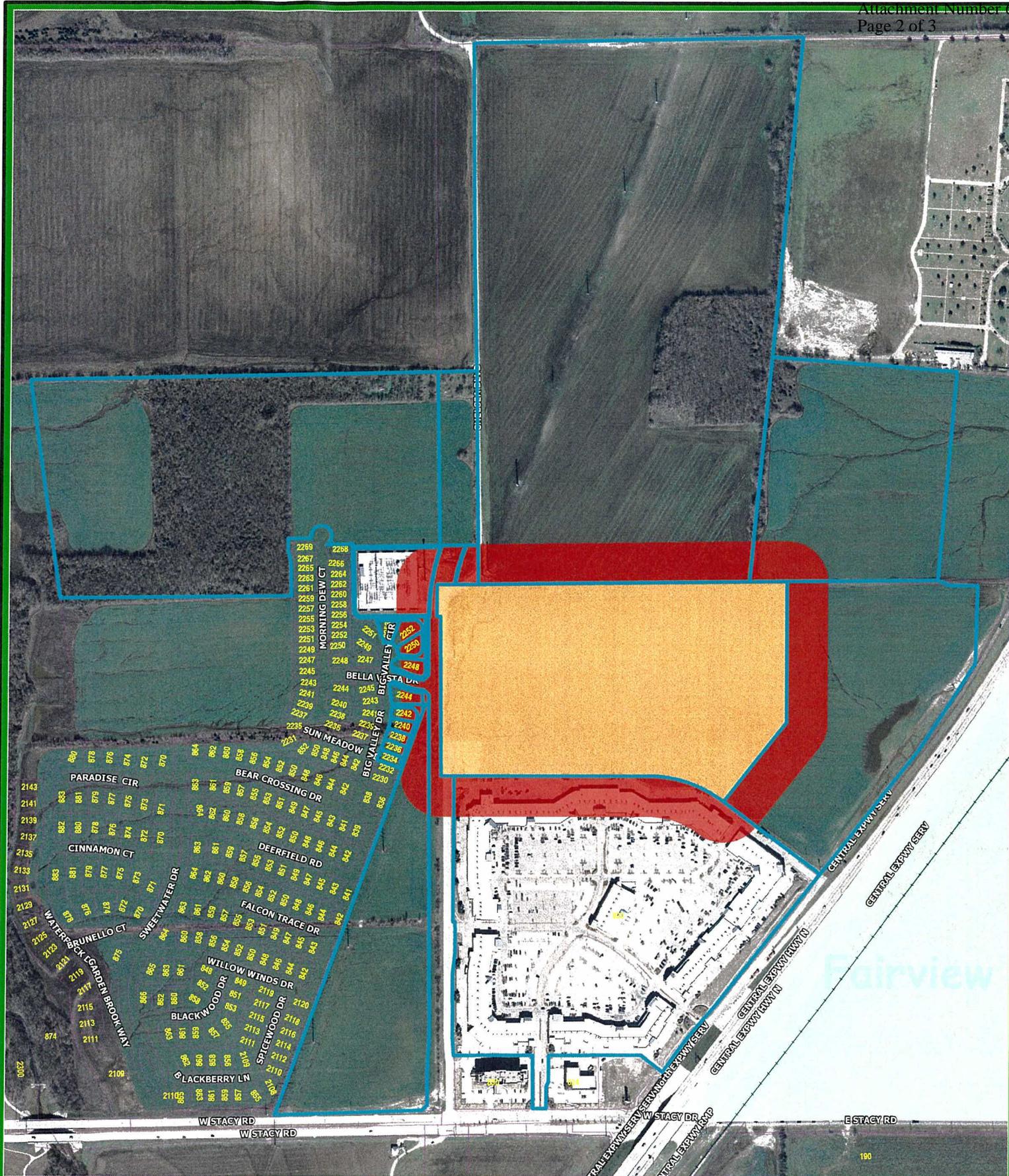
JOB: 09035.0000
DATE: April 17, 2009

SHEET:
A01-01

G:\CAD\09035\0000\Sheets\A01-01 SECTIONS.dwg
16 April 2009
11244

TXDC2 Project

file_as_na	addr_line1	addr_line2	addr_city	addr_state	addr
CHELSEA A	C/O CPG PARTNERS LP	PO BOX 6120	INDIANAPOLIS	IN	4620
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
ALLEN CO		1226 CHEROKEE DR	RICHARDSON	TX	7508
BROOKSID	NIMBUS PARTNERS LP	3738 SHENANDOAH ST	DALLAS	TX	7520
STACY & C		2701 DALLAS PKWY STE 590	PLANO	TX	7509
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
HIGHLAND		5601 DEMOCRACY DR STE 300	PLANO	TX	7502
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
STARCREE	C/O BLUE STAR ALLEN LAND LP	1 COWBOYS PKWY	IRVING	TX	7506
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
ALLEN CIT		ONE ALLEN CIVIC PLAZA	ALLEN	TX	7501
ONCOR EL		PO BOX 219071	DALLAS	TX	7522
ALLEN CIT		ONE ALLEN CIVIC PLAZA	ALLEN	TX	7501
ONCOR EL		PO BOX 219071	DALLAS	TX	7522
BLUE STAR		1 COWBOYS PKWY	IRVING	TX	7506
ALLEN CO		1226 CHEROKEE DR	RICHARDSON	TX	7508
ALLEN CO		1226 CHEROKEE DR	RICHARDSON	TX	7508



Texas DC2
 Property Ownership Notification

Map Legend

	Texas DC2 Parcel
	Texas DC2 Buffer
	Railroad
	City Limit
	Property Boundary

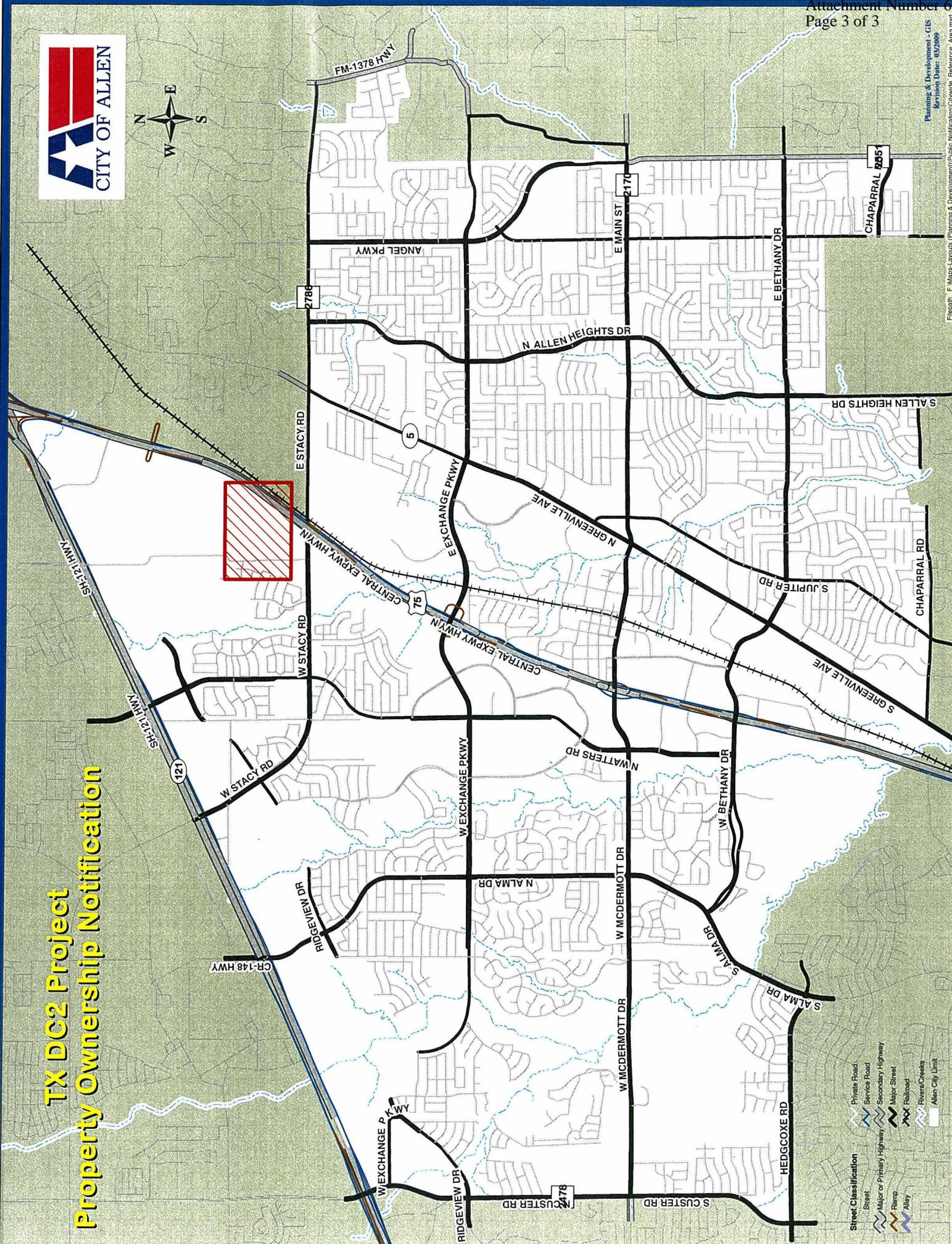
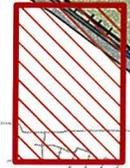


Planning & Development - GIS
 Revision Date: 04/2009

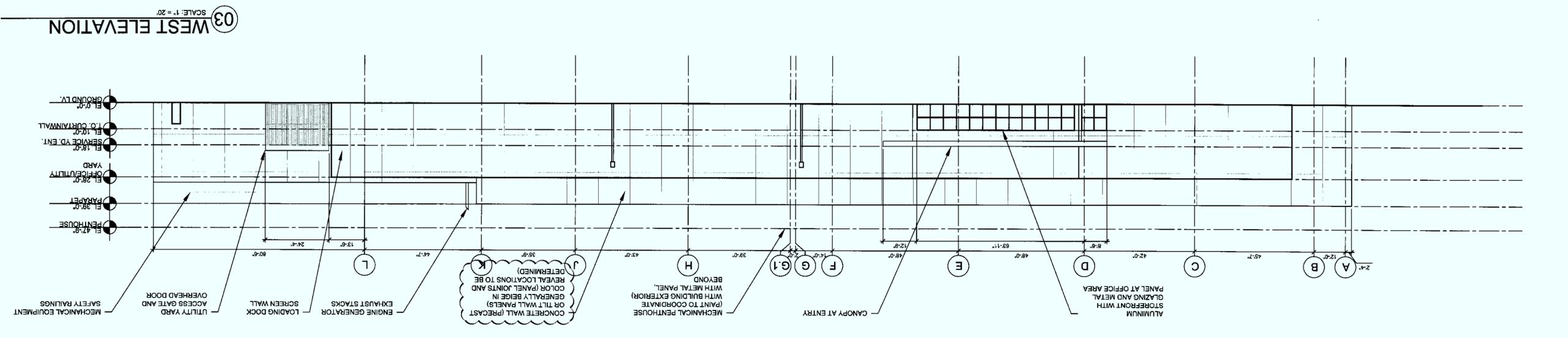
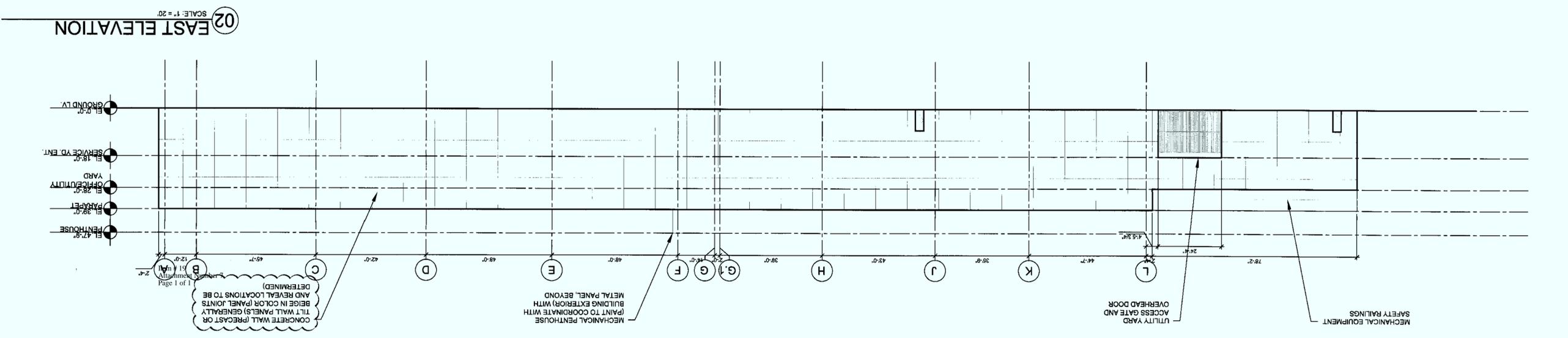
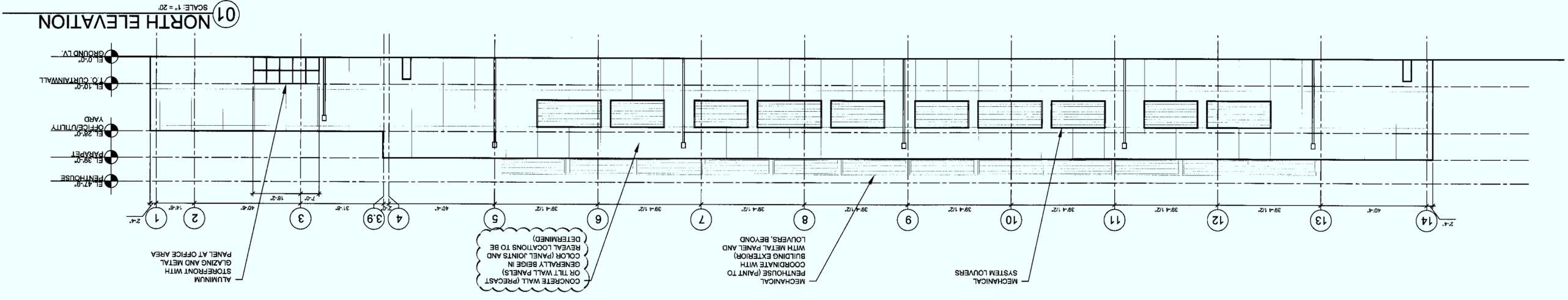




TX DC2 Project Property Ownership Notification



- Street Classification
- Private Road
 - Service Road
 - Major or Primary Highway
 - Secondary Highway
 - Major Street
 - Minor Street
 - Alley
 - Plump
 - XX Railroad
 - Private Creeks
 - Allen City Limit



01 NORTH ELEVATION SCALE: 1" = 20'

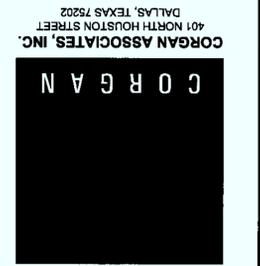
02 EAST ELEVATION SCALE: 1" = 20'

03 WEST ELEVATION SCALE: 1" = 20'

SHEET: A05-01
JOB: 09035.0000
DATE: April 17, 2009

ELEVATIONS

TX DC2
ALLEN, TEXAS



CITY COUNCIL AGENDA COMMUNICATION
--

- AGENDA DATE:** May 12, 2009
- SUBJECT:** Consider All Matters Incident and Related to the Issuance and Sale of City of Allen, Texas, General Obligation Bonds, Series 2009, Including the Adoption of an Ordinance Authorizing the Issuance of Such Bonds
- STAFF RESOURCE:** Kevin Hammeke, Finance Director
Joanne Stoehr, Assistant Finance Director
- PREVIOUS COUNCIL ACTION:** On March 24, 2009, the City Council approved Resolution No. 2808-3-09 (R) authorizing City staff, bond counsel, and financial adviser to proceed with the arrangements for the sale of the general obligation bonds
- ACTION PROPOSED:** Adopt the ordinance authorizing the issuance of General Obligation Bonds, Series 2009, of the City of Allen, Texas

BACKGROUND

Attached is an ordinance prepared by the City's bond counsel, Fulbright & Jaworski L.L.P., that authorizes the issuance of General Obligation Bonds, Series 2009. The bonds are for the purpose of providing funds for construction, acquisition and improvements that were authorized in the 2007 bond election.

The General Obligation Bonds, Series 2009 par amount is estimated to be \$15,400,000 and will fund the following projects:

\$10,500,000 - Public Facilities
 \$3,350,000 - Public Safety
 \$1,450,000 – Streets and Drainage
 \$100,000 – Public Art Master Plan

After the 2009 bonds are sold the remaining authorized but unissued G.O. Bond balance is \$59,855,000 of which \$16,68500 remains from the 2002 election (Performing Arts Center) and \$43,170,000 remains from the 2007 election (streets, parks, public safety and public facilities capital projects).

The City applied to Moody's Investors Service, Inc. and Standard & Poor's Corporation (S&P) for ratings on the bond issue. Both re-affirmed the City's existing general obligation bonded debt rating of AA+ from Standard & Poor's and Aa2 from Moody's.

Bond insurance has been considered in order for the issue to have a rating of AAA, however, bond insurance will be purchased if the interest cost savings exceed the cost of the insurance. With the City's ratings being AA+ and Aa2, the City may not find the insurance to be cost beneficial.

The underwriters are First Southwest Company, Stifel Nicholas, and Loop Capital Markets. Details of the final pricing of the bonds will be presented to the City Council at the meeting of May 12th.

The bond sale is scheduled for May 12th with closing on June 9th. The bond sale information and ordinance authorizing the issuance of the bonds will be presented at the May 12th Council meeting.

BUDGETARY IMPACT

Depending upon the final interest rates, debt payments associated with the issuance of the General Obligation Bonds, Series 2009 totaling \$15,400,000 are estimated to be \$1,354,670 beginning in fiscal year 2010 and \$1,278,000 annually thereafter.

STAFF RECOMMENDATION

Staff recommends adopting the ordinance authorizing the issuance of the General Obligation Bonds, Series 2009.

MOTION

I make a motion to adopt Ordinance No. _____ authorizing the issuance of General Obligation Bonds, Series 2009, in the amount of \$15,400,000 and all matters incident and related to the issuance, sale, payment, and delivery of the bonds.

ATTACHMENT

Paying Agent Agreement
Bond Purchase Agreement
Ordinance

ORDINANCE NO. _____

AN ORDINANCE authorizing the issuance of "CITY OF ALLEN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2009"; specifying the terms and features of said bonds; levying a continuing direct annual ad valorem tax for the payment of said bonds; and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement and a Bond Purchase Agreement, and the approval and distribution of an Official Statement pertaining thereto; and providing an effective date.

WHEREAS, the City Council of the City of Allen, Texas (the "City") hereby finds and determines that general obligation bonds in the principal amount of \$15,400,000 approved and authorized to be issued at an election held May 12, 2007 should be issued and sold at this time; a summary of the general obligation bonds authorized at said election, as well as an election held November 5, 2002, the principal amounts authorized, amounts heretofore issued and being issued pursuant to this ordinance and amounts remaining to be issued subsequent hereto being as follows:

<u>Election Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Previously Issued</u>	<u>Being Issued</u>	<u>Unissued Balance</u>
11-5-02	Performing Arts Center	19,500,000	2,815,000	-0-	16,685,000
5-12-07	Service Center Facilities	14,500,000	2,000,000	10,500,000	2,000,000
5-12-07	Municipal Public Buildings	1,700,000	-0-	-0-	1,700,000
5-12-07	Streets	27,200,000	8,000,000	1,450,000	17,750,000
5-12-07	Parks	17,250,000	5,850,000	-0-	11,400,000
5-12-07	Public Art Projects	1,390,000	200,000	100,000	1,090,000
5-12-07	Public Safety	15,855,000	3,275,000	3,350,000	9,230,000

AND WHEREAS, the Council hereby reserves and retains the right to issue the balance of unissued bonds approved at said elections in one or more installments when, in the judgment of the Council, funds are needed to accomplish the purposes for which such bonds were voted; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ALLEN, TEXAS:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. General obligation bonds of the City shall be and are hereby authorized to be issued in the aggregate principal amount of \$15,400,000, to be designated and bear the title "CITY OF ALLEN, TEXAS, GENERAL OBLIGATION BONDS, SERIES 2009" (hereinafter referred to as the "Bonds"), for permanent public improvements and public purposes, to wit: \$10,500,000 for constructing, renovating, improving, expanding and equipping maintenance and operations service center facilities of the City and the acquisition of land therefor, \$1,450,000 for acquiring, constructing, improving and maintaining streets, thoroughfares, bridges, alleyways and

sidewalks within the City, including related storm drainage improvements, traffic signalization and signage, streetscaping and median improvements, and utility relocations and the acquisition of land and rights of way therefor, \$100,000 for public art projects, and \$3,350,000 for constructing, renovating, improving, expanding and equipping public safety facilities, including the acquisition of land therefor, all in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including V.T.C.A., Government Code, Chapter 1331, as amended.

SECTION 2: Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations only, shall be dated May 1, 2009 (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on August 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT (\$)</u>	<u>INTEREST RATE (%)</u>
2010	420,000	
2011	570,000	
2012	590,000	
2013	615,000	
2014	640,000	
2015	665,000	
2016	690,000	
2017	720,000	
2018	750,000	
2019	780,000	
2020	810,000	
2021	850,000	
2022	895,000	
2023	935,000	
2024	985,000	
2025	1,035,000	
2026	1,090,000	
2027	1,150,000	
2028	1,210,000	

The Bonds shall bear interest on the unpaid principal amounts from the Bond Date at the rate(s) per annum shown above (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing February 15, 2010, until maturity or prior redemption.

SECTION 3: Terms of Payment - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or

otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar, and the payment thereof shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as **Exhibit A**, and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Mayor and City Secretary of the City are hereby authorized to execute and deliver such Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a commercial bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or upon the earlier redemption thereof, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices, initially in Dallas, Texas, or, with respect to a successor Paying Agent/Registrar, at the designated offices of such successor (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer 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 when 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.

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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) 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 each Holder appearing on the Security

Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

(a) Optional Redemption. The Bonds having Stated Maturities on and after August 15, 2020, shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2019, or on any date thereafter, at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to a redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise its right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Mandatory Redemption. The Bonds having Stated Maturities of August 15, 20___, August 15, 20___, and August 15, 20___ (the "Term Bonds") shall be subject to mandatory redemption prior to maturity at the price of par plus accrued interest to the mandatory redemption date on the respective dates and in principal amounts as follows:

<u>Term Bonds due August 15, 20</u>		<u>Term Bonds Due August 15, 20</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20 (maturity)	\$,000	August 15, 20	\$,000
		August 15, 20 (maturity)	\$,000

<u>Term Bonds Due August 15, 20</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 20	\$,000
August 15, 20	\$,000
August 15, 20 (maturity)	\$,000

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds to be redeemed on the next following August 15 from moneys set aside for that purpose in the Interest and Sinking Fund (as hereinafter defined). Any Term Bond not selected for prior redemption shall be paid on the date of their Stated Maturity.

The principal amount of the Term Bonds of a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount

of Term Bonds of like stated maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph(a) of this Section and not theretofore credited against a mandatory redemption requirement.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding, which is obtained by dividing the principal amount of such Bonds by \$5,000, and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) shall become due and payable and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys sufficient for the payment of such Bond (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the

manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Ordinance or, if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender of any Bond (other than the Initial Bond(s) referenced in Section 8 hereof) for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder; such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) referenced in Section 8 hereof) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange.

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class postage prepaid, to the Holders, and, upon the registration and delivery thereof, the same shall be valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds", evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof, and such

new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to issue or transfer to an assignee of a Holder any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation on transferability shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

SECTION 6: Book-Entry-Only Transfers and Transactions. Notwithstanding the provisions contained herein relating to the payment of and transfer/exchange of the Bonds, the City hereby approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Blanket Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC, who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3, 4 and 5 hereof.

SECTION 7: Execution - Registration. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Secretary. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Bond Date shall be deemed to be duly executed on behalf of the City, notwithstanding that one or more of the individuals executing the same shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in V.T.C.A., Government Code, Chapter 1201, as amended.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 9(c), manually executed by the Comptroller of

Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered and delivered.

SECTION 8: Initial Bond(s). The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the aggregate principal amount stated in Section 1 hereof in principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9: Forms.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance, and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
GENERAL OBLIGATION BOND
SERIES 2009

Bond Date:
May 1, 2009

Interest Rate:

Stated Maturity:
August 15, 20__

CUSIP NO:

Registered Owner:

Principal Amount:

DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest from such date in which case it shall bear interest from the Bond Date) at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year, commencing February 15, 2010. Principal of this Bond is payable at its Stated Maturity or upon its prior redemption to the Registered Owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount hereof may be accomplished without presentation and surrender of this Bond. Interest is payable to the Registered Owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer 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 when 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. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$15,400,000 (herein referred to as the "Bonds") for permanent public improvements and public purposes, to wit: \$10,500,000 for constructing, renovating, improving, expanding and equipping maintenance and operations service center facilities of the City and the acquisition of land therefor, \$1,450,000 for acquiring, constructing, improving and maintaining streets, thoroughfares, bridges, alleyways and sidewalks within the City, including related storm drainage improvements, traffic signalization and signage, streetscaping and median improvements, and utility relocations and the acquisition of land and rights of way therefor, \$100,000 for public art projects, and \$3,350,000 for constructing, renovating, improving, expanding and equipping public safety facilities, including the acquisition of land therefor, all in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including V.T.C.A., Government Code, Chapter 1331, as amended, and pursuant to an Ordinance adopted by the City Council of the City (herein referred to as the "Ordinance").

The Bonds maturing on the dates hereinafter identified (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Interest and Sinking Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds due August 15, 20</u>		<u>Term Bonds Due August 15, 20</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20	\$,000	August 15, 20	\$,000
August 15, 20 (maturity)	\$,000	August 15, 20	\$,000
		August 15, 20 (maturity)	\$,000
<u>Term Bonds Due August 15, 20</u>			
	<u>Redemption Date</u>		<u>Principal Amount</u>
	August 15, 20		\$,000
	August 15, 20		\$,000
	August 15, 20 (maturity)		\$,000

The particular Term Bonds to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a Stated Maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a

price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not theretofore credited against a mandatory redemption requirement.

The Bonds maturing on and after August 15, 2020, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on August 15, 2019, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty (30) days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the Registered Owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If this Bond (or any portion of its principal sum) shall have been duly called for redemption and notice of such redemption duly given, then upon the redemption date this Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest hereon shall cease to accrue from and after the redemption date herefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of this Bond is to be redeemed and the Registered Owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the Registered Owner only upon presentation and surrender of this Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of the principal sum thereof will be issued to the Registered Owner, without charge. If this Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer this Bond to an assignee of the Registered Owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City. Reference is hereby made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Registered Owner of this Bond by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Registered Owners; the rights, duties and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its maturity or redemption, and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein and not otherwise defined have the meanings assigned in the Ordinance.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity or upon its prior redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of 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 City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) 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 each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the City is a body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that

(d) Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

The designated offices of the Paying Agent/Registrar in Dallas, Texas is the "Designated Payment/Transfer Office" for this Bond.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas,
as Paying Agent/Registrar

By: _____
Authorized Signature

Registration Date:

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto (Print or typewrite name, address and zip code of transferee): _____

(Social Security or other identifying number: _____)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

NO. T-1 \$15,400,000

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF ALLEN, TEXAS
GENERAL OBLIGATION BOND
SERIES 2009

Bond Date:
May 1, 2009

Registered Owner: First Southwest Company

Principal Amount: FIFTEEN MILLION FOUR HUNDRED THOUSAND DOLLARS

The City of Allen (hereinafter referred to as the "City"), a body corporate and municipal corporation in the County of Collin, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above (the "Registered Owner"), or the registered assigns thereof, the Principal Amount hereinabove stated on August 15 in the years and in principal installments in accordance with the following schedule:

<u>YEAR OF</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>INTEREST</u> <u>RATE</u>
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(Information to be inserted from schedule in Section 2 hereof)

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Bond Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 in each year until maturity or prior redemption, commencing February 15, 2010. Principal installments of this Bond are payable at the year of maturity or on a redemption date to the Registered Owner hereof by The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Dallas, Texas (the "Designated Payment/Transfer Office"). Interest is payable to the Registered Owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day when banking institutions in the city where the Designated Payment/Transfer 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 when 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. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10: Levy of Taxes. To provide for the payment of the "Debt Service Requirements" of the Bonds, being (i) the interest on the Bonds and (ii) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form and manner, a tax on all taxable property in the City, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the City for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding; full allowance being made for delinquencies and costs of collection; separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the City at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds shall be deposited to the credit of a "Special 2009 Bond Account" (the "Interest and Sinking Fund") maintained on the records of the City and deposited in a special fund maintained at an official depository of the City's funds; and such tax hereby levied and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

The Mayor, Mayor Pro Tem, City Manager, City Secretary, Finance Director and Assistant Finance Director of the City, individually or collectively, are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of principal of and interest on the Bonds as the same accrues or matures or comes due by reason of redemption prior to maturity; such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds.

SECTION 11: Mutilated, Destroyed, Lost and Stolen Bonds. In case any Bond shall be mutilated, destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, destroyed, lost or stolen.

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds; notwithstanding the enforceability of payment by anyone of the destroyed, lost or stolen Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 12: Satisfaction of Obligations of City. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of taxes levied under this Ordinance and all covenants, agreements and other obligations of the City to the Holders shall thereupon cease, terminate and be discharged and satisfied.

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The City covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited, shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and foregoing, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State of Texas.

The term "Government Securities", as used herein, means (i) direct noncallable 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, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iii) noncallable obligations of a state or an agency or a county, municipality or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

SECTION 13: Ordinance a Contract - Amendments - Outstanding Bonds. This Ordinance shall constitute a contract with the Holders from time to time, be binding on the City, and shall not be amended or repealed by the City so long as any Bond remains Outstanding except as permitted in this Section and Section 21 hereof. The City may, without the consent of or notice to any Holders, from time to time and at any time, amend this Ordinance in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency or formal defect or omission herein. In addition, the City may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to or rescind any of the provisions of this Ordinance; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition or rescission.

The term "Outstanding", when used in this Ordinance with respect to Bonds, means, as of the date of determination, all Bonds theretofore issued and delivered under this Ordinance, except:

- (1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds deemed to be duly paid by the City in accordance with the provisions of Section 12 hereof; and
- (3) those mutilated, destroyed, lost or stolen Bonds which have been replaced with Bonds registered and delivered in lieu thereof as provided in Section 11 hereof.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section, the following terms shall have the following meanings:

"*Closing Date*" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"*Computation Date*" has the meaning set forth in section 1.148-1(b) of the Regulations.

"*Gross Proceeds*" means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(c) of the Regulations, of the Bonds.

"*Investment*" has the meaning set forth in section 1.148-1(b) of the Regulations.

"*Nonpurpose Investment*" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"*Rebate Amount*" has the meaning set forth in section 1.148-1(b) of the Regulations.

"*Regulations*" means any proposed, temporary or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"*Yield*" of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations; and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the City or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested) if, as a result of such investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States from the construction fund, the general fund, or other appropriate fund or, if permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the Interest and Sinking Fund, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148 3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the

earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Finance Director, Assistant Finance Director, or City Secretary, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Qualified Tax Exempt Obligations. In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the City hereby designates the Bonds to be "qualified tax exempt obligations" in that the Bonds are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax exempt obligations" to be issued by the City (including all subordinate entities of the City) for the calendar year 2009 will not exceed \$30,000,000.

SECTION 15: Sale of Bonds Official Statement Approval. The Bonds authorized by this Ordinance are hereby sold by the City to First Southwest Company, Loop Capital Markets, LLC and Stifel Nicolaus & Company, Incorporated (herein collectively referred to as the "Underwriters") in accordance with the Bond Purchase Agreement, dated May 12, 2009 attached hereto as **Exhibit B** and incorporated herein by reference as a part of this Ordinance for all purposes. The City Manager is hereby authorized and directed to execute said Bond Purchase Agreement for and on behalf of the City and as the act and deed of this City Council, and in regard to the approval and execution of the Bond Purchase Agreement, the City Council hereby finds, determines and declares that the representations, warranties and agreements of the City contained in the Bond Purchase Agreement are true and correct in all material respects and shall be honored and performed by the City.

Furthermore, the use of the Preliminary Official Statement, dated May 5, 2009, by the Underwriters in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, which reflects the terms of sale (together with such changes approved by the Mayor, Mayor Pro Tem, City Secretary, City Manager, Finance Director and Assistant Finance Director, one or more of said officials), shall be and is hereby in all respects approved and the Underwriters are hereby authorized to use and distribute said final Official Statement, dated May 12, 2009, in the reoffering, sale and delivery of the Bonds to the public. The Mayor and City Secretary are further authorized and directed to manually execute and deliver for and on behalf of the City copies of said Official Statement in final form as may be required by the Underwriters, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the City Council and constitute the Official Statement authorized for distribution and use by the Underwriters.

SECTION 16: Control and Custody of Bonds. The Mayor of the City shall be and is hereby authorized to take and have charge of all necessary orders and records pending

SECTION 17: Proceeds of Sale. The proceeds of sale of the Bonds, excluding the accrued interest and premium in the amount of \$_____ received from the Underwriters, amounts to pay municipal bond insurance premium and amounts to pay costs of issuance, shall be deposited in a construction fund maintained at a City depository. Pending expenditure for authorized projects and purposes, such proceeds of sale may be invested in authorized investments in accordance with the provisions of V.T.C.A., Government Code, Chapter 2256, as amended, and the City's investment policies and guidelines, and any investment earnings realized shall be expended for such authorized projects and purposes or deposited in the Interest and Sinking Fund as shall be determined by the City Council. Accrued interest and premium in the above amount received from the Underwriters as well as any surplus proceeds of sale of the Bonds, including investment earnings, remaining after completion of all authorized projects or purposes shall be deposited to the credit of the Interest and Sinking Fund.

SECTION 18: Notices to Holders - Waiver. Wherever this Ordinance provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 19: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the City.

SECTION 20: Legal Opinion. The Underwriters' obligation to accept delivery of the Bonds is subject to being furnished a final opinion of Fulbright & Jaworski L.L.P., Dallas, Texas, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion or

an executed counterpart thereof shall accompany the global Bonds deposited with DTC or a reproduction thereof shall be printed on the definitive Bonds in the event the book-entry-only system shall be discontinued.

SECTION 21: Continuing Disclosure Undertaking.

(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.

"*NRMSIR*" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

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

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

"*SID*" means any person designated by the State of Texas or an authorized department, officer or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(b) Annual Reports. The City shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year (beginning with the fiscal year ending September 30, 2009) financial information and operating data with respect to the City of the general type included in the final Official Statement approved by Section 15 of this Ordinance, being the information described in **Exhibit C** hereto. Financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in **Exhibit C** hereto and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the City shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID with the financial information and operating data and will file the annual audit report when and if the same becomes available.

If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the City 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 (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(c) Material Event Notices. The City shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
7. Modifications to rights of holders of the Bonds;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds; and
11. Rating changes.

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

(d) Limitations, Disclaimers and Amendments. The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Section of any Bond calls and defeasance that cause the City to be no longer such an "obligated person".

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, 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 City 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 City'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 City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS 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.

No default by the City in observing or performing its obligations under this Section shall constitute 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 City under federal and state securities laws.

Notwithstanding anything herein to the contrary, the provisions of this Section may be amended by the City 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 City, 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 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders 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 City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the City 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 reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 22: CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof, and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 23: Benefits of Ordinance. Nothing in this Ordinance, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy or claim, legal or equitable, under or by reason of this Ordinance or any provision hereof, this Ordinance and all its provisions being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

SECTION 24: Inconsistent Provisions. All ordinances, orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Ordinance are hereby repealed to the extent of such conflict, and the provisions of this Ordinance shall be and remain controlling as to the matters contained herein.

SECTION 25: Governing Law. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 26: Effect of Headings. The Section headings herein are for convenience of referenced only and shall not affect the construction hereof.

SECTION 27: Construction of Terms. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 28: Severability. If any provision of this Ordinance or the application thereof to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application thereof to other circumstances shall nevertheless be valid, and the City Council hereby declares that this Ordinance would have been enacted without such invalid provision.

SECTION 29: Incorporation of Findings and Determinations. The findings and determinations of the City Council contained in the preamble hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section.

SECTION 30: Further Procedures. Any one or more of the Mayor, Mayor Pro Tem, City Secretary, City Manager, Finance Director and Assistant Finance Director 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 on behalf of the City all agreements, instruments, certificates or other documents, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance and the issuance, sale and delivery of the Bonds. In addition, prior to the initial delivery of the Bonds, the Mayor, Mayor Pro Tem, City Secretary, City Manager, Finance Director, Assistant Finance Director or Bond Counsel to the City are each hereby authorized and directed to approve any changes or corrections to this Ordinance or to any of the documents authorized and approved by this Ordinance: (i) in order to cure any ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General of the State of Texas or his representative to obtain the approval of the Bonds by the Attorney General. In the event that any officer of the City whose signature shall appear on any document shall cease to be such officer before the delivery of such document, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 31: Public Meeting. It is officially found, determined and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by V.T.C.A., Government Code, Chapter 551, as amended.

SECTION 32: Effective Date. In accordance with the provisions of V.T.C.A., Government Code, Section 1201.028, as amended, this Ordinance shall be in force and effect from and after its passage on the date shown below and it is so ordained.

[remainder of page left blank intentionally]

PASSED AND ADOPTED, this May 12, 2009.

CITY OF ALLEN, TEXAS

STEPHEN TERRELL
Mayor

ATTEST:

SHELLEY B. GEORGE
City Secretary

(City Seal)

EXHIBIT A
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT B
BOND PURCHASE AGREEMENT

EXHIBIT C

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 21 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City 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:

1. The financial statements of the City, portions of which are appended to the Official Statement as Appendix B for the most recently concluded fiscal year.
2. The information included under Tables 1 through 6 and 8 through 14 in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally those described in Appendix B to the Official Statement, as such principles may be changed from time to time to comply with state law or regulation.

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of May 12, 2009 (this "Agreement"), by and between the City of Allen, Texas (the "Issuer"), and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Allen, Texas, General Obligation Bonds, Series 2009" (the "Securities"), dated May 1, 2009, such Securities scheduled to be delivered to the initial purchasers thereof on or about June 9, 2009; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the "Authorizing Document".

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of

the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the Secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30th.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” and “Issuer Order” means a written request or order signed in the name of the Issuer by the Mayor, Mayor Pro Tem, City Manager, Assistant City Manager, Finance Director, Assistant Finance Director or City Secretary, any one or more of said officials, and delivered to the Bank.

“Legal Holiday” means a day on which the Bank is required or authorized to be closed.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

First Class/ Registered/Certified	Express Delivery Only	By Hand Only
The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust P. O. Box 2320 Dallas, Texas 75221-2320	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust 2001 Bryan Street, 9 th Floor Dallas, Texas 75201	The Bank of New York Mellon Trust Company, N.A. Global Corporate Trust Corporate Trust Window 101 Barclay Street, 1 st Floor East New York, New York 10286

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on

each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Securities. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 Return of Cancelled Securities. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or

exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the financial advisor or the Issuer as the final closing memorandum or letter. The Bank shall not be liable for any losses,

costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

In the event the Bank becomes involved in litigation in connection with this Section, the Issuer, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses, and attorney fees suffered or incurred by the Bank as a result. The obligations of the Bank under this Agreement shall be performable at the principal corporate office of the Bank in the City of Dallas, Texas.

Section 5.08 DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page hereof.

Section 6.04 Effect of Headings. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 Merger, Conversion, Consolidation, or Succession. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 Entire Agreement. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., Dallas, Texas

By: _____
Title:

Address: 2001 Bryan Street, 9th Floor
Dallas, Texas 75201

Attest:

Title:

CITY OF ALLEN, TEXAS

By: _____
STEPHEN TERRELL, Mayor

Address: One Allen Civic Plaza,
Allen, Texas 75013

Attest:

SHELLEY B. GEORGE, City Secretary

Bond Purchase Agreement

City of Allen, Texas

\$15,400,000

General Obligation Bonds, Series 2009

May 12, 2009

City of Allen, Texas
305 Century Parkway
Allen, Texas 75013-8042

Ladies and Gentlemen:

The undersigned, First Southwest Company, Loop Capital Markets, LLC and Stifel Nicolaus & Company, Incorporated (collectively, the “*Underwriters*”), acting through First Southwest Company (in such capacity on behalf of the Underwriters, the “*Representative*”), acting solely on behalf of the Underwriters, and not acting as fiduciary or agent for you, offer to enter into the following agreement (this “*Agreement*”) with the City of Allen, Texas (the “*Issuer*”) which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 11:00 p.m., Dallas, Texas time, on May 12, 2009, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Ordinance (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase, jointly and severally, from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer’s \$15,400,000 General Obligation Bonds, Series 2009 (the “*Bonds*”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer understands, and hereby confirms, that the Representative is not acting as a fiduciary of the Issuer, but rather is acting solely in its capacity as the representative of the Underwriters.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions, prices or yields and interest rates per annum are set forth is attached as Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the Ordinance adopted by the City Council of the Issuer on May 12, 2009 (the “*Ordinance*”).

The purchase price for the Bonds shall be \$ _____, which reflects the principal amount of the Bonds, interest accrued on the Bonds from the dated date of the Bonds to the Closing Date (as hereinafter defined), less an underwriting discount of \$ _____, less a net original issue discount of \$ _____.

Delivered to the Issuer herewith as a good faith deposit is a check payable to the order of the Issuer in clearing house funds in the amount of \$154,000.00. In the event the Issuer accepts this Agreement, such check shall be held uncashed by the Issuer until the time of Closing, at which time such check shall be returned uncashed to the Representative. In the event that the Issuer does not accept this Agreement, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Agreement (unless waived by the Representative), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand

that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Agreement shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. The Representative hereby agrees not to stop or cause payment on such check to be stopped unless the Issuer has breached any material term of this Agreement.

2. *Public Offering.* The Underwriters agree to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the inside cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering price stated on the inside cover of the Official Statement, provided that on or before the Closing, the Representative shall execute and deliver to Bond Counsel an issue price certificate prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriters reasonably expected or in fact sold a substantial amount of each stated maturity of the Bonds to the public.

3. *The Official Statement.*

(a) Attached hereto as Exhibit A is either a draft of the final Official Statement or a copy of the Preliminary Official Statement dated May 5, 2009 (the "*Preliminary Official Statement*"), including the cover page and Appendices thereto, of the Issuer relating to the Bonds. Such draft of the final Official Statement or copy of the Preliminary Official Statement, as amended to reflect the changes marked or otherwise indicated on Exhibit A hereto, is hereinafter called the "*Official Statement*."

(b) The Preliminary Official Statement has been prepared for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed final by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Representative as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Representative in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time reasonably request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and

manner approved by the Representative, such approval not to be unreasonably withheld), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Official Statement will comply with law provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system[, or the information provided by _____ (the “Bond Insurer”) under the caption therein entitled “Bond Insurance”]. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may deem reasonably necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Representative hereby agrees to timely file the Official Statement with a nationally recognized municipal securities information repository. Unless otherwise notified in writing by the Representative, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a political subdivision of the State of Texas (the “State”) duly created, organized and existing under the laws of the State, and has full legal right, power and authority under the Texas Government Code, Chapter 1331 (the “Act”), and the Issuer’s Home Rule Charter and at the date of the Closing will have full legal right, power and authority under the Act and the Ordinance (i) to enter into, execute and deliver this Agreement, the Ordinance and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Ordinance and the other documents referred to in this clause (i) are hereinafter referred to as the “Issuer Documents”), (ii) to sell, issue and deliver the Bonds to the Representative as provided herein, and (iii) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement and (iv) to utilize the proceeds from the sale of the Bonds for the purposes (collectively, the “Project”) as described in the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Ordinance and the issuance and sale of the Bonds, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents and (iii) the consummation by it of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the Bonds, when issued, delivered and paid for, in accordance with the Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Ordinance;

(d) To the best of its knowledge, the Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Ordinance;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents, and the Bonds have been duly obtained, except for (i) the approval of the Bonds by the Attorney General of the State of Texas (and registration of the Bonds by the Comptroller of Public Accounts of the State of Texas); and (ii) such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds and the Ordinance conform to the descriptions thereof contained in the Official Statement under the caption "The Bonds"; and the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the caption "Plan of Financing".

(g) There is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, the collection of the ad valorem taxes or the construction or operation of the Project pursuant to the Ordinance or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Ordinance or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to

and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Ordinance and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Representative as the Representative may reasonably request, at no expense to the Issuer, (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer;

(n) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities (except in the ordinary course of business), direct or contingent, payable from or secured by any of the ad valorem tax revenues which will secure the Bonds without the prior approval of the Representative;

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Issuer to the Representative as to the statements made therein; and

(p) The Issuer has complied with all previous undertakings required pursuant to Rule 15c2-12 promulgated by the United States Securities Exchange Commission under the Securities Exchange Act of 1934, as amended.

5. *Closing.*

(a) At 10:00 a.m., Dallas, Texas time, on June 9, 2009, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative (the "*Closing Date*"), the Issuer will, subject to the terms and conditions hereof, deliver to the Representative the initial Bond registered in the name of the Representative, in temporary form, together with the other documents hereinafter mentioned, and will have available for immediate exchange definitive Bonds deposited with DTC, or deposited with the Paying Agent/Registrar, if the Bonds are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST system and the Ordinance, duly executed and authenticated in the form and manner described below, and the Underwriters will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in immediately available funds (such events being referred to herein as the "*Closing*"). Concurrently with such payment by the Underwriters, the Issuer shall return to the Representative, the check referred to in Section 1 hereof. Payment for the Bonds as aforesaid

shall be made at the offices of the paying agent/registrars or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the definitive Bonds in exchange for the initial Bond shall be made through DTC, utilizing the book-entry only form of issuance, and the Issuer agrees to enter into such agreement, including a "Letter of Representations," as may be required to allow for the use of such book-entry only system. The definitive Bonds shall be delivered in fully registered form bearing CUSIP numbers without coupons with one Bond for each maturity registered in the name of CEDE & CO. and shall be made available to the Representative at least one business day before the Closing Date for purposes of inspection, except that the failure to include CUSIP numbers or the printing of an incorrect CUSIP number on any Bond shall not be a default under this Agreement.

6. *Closing Conditions.* The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Representative and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver its opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except in any such case as may have been agreed to by the Representative;

(e) At or prior to the Closing, the Ordinance shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Bonds on the terms and in the manner described in the Official Statement;

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative;

(k) At or prior to the Closing, the Representative shall have received one copy of each of the following documents:

(1) the Official Statement, and each supplement or amendment thereto, if any, executed on behalf of the Issuer by its Mayor or City Manager, or such other official as may have been agreed to by the Representative;

(2) the Ordinance with such supplements or amendments as may have been agreed to by the Representative;

(3) the approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(4) a supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Bonds are exempted securities under the Securities Act of 1933, as amended (the "*1933 Act*"), and the Trust Indenture Act of 1939, as amended (the "*Trust Indenture Act*") and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Ordinance under the Trust Indenture Act; and

(ii) said firm has not verified and is not passing upon, and does not assume any responsibility for the accuracy, completeness or fairness of the statements and information contained in the Official Statement but that said firm has reviewed the statements and information contained in the Official Statement under the captions and subcaptions "Plan of Financing" (except the subcaption "Use of Proceeds"), "The Bonds" (except under the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "Tax Matters," "Continuing Disclosure of Information" (except for the information under the subcaption "Compliance with Prior Undertakings"), "Other Information – Legal Investments and Eligibility to Secure Public Funds in Texas," "Other Information – Registration and Qualification of Bonds for Sale" and "Other Information – Legal Matters" (except for the last two sentences of the first paragraph thereof), and such information fairly and accurately summarized the matters purported to be summarized therein and such information conforms to the Ordinance;

(5) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Underwriters, to the effect that:

(i) the Bonds are exempted securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act and the Ordinance need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement,

such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding the Depository and its book-entry system **[or the bond insurer,]** as to which no view need be expressed);

(6) A certificate, dated the date of Closing, of an appropriate official of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding or material tax challenge against the Issuer is pending or, to their knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting ad valorem tax revenues, pledged or to be pledged to pay principal of and interest on the Bonds, or the pledge thereof; (iii) the Ordinance has been duly adopted by the Issuer, is in full force and effect and has not been modified, amended or repealed, and (iv) to the best of their knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(7) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code;

(8) Any other certificates and opinions required by the Ordinance for the issuance thereunder of the Bonds;

(9) Evidence satisfactory to the Representative that the Bonds have been rated _____ and _____ by Moody's Investors Service, Inc. and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, respectively, and that both such ratings are in effect as of the date of Closing, **together with a municipal bond insurance policy on which such ratings are based;** and

(10) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to Bond Counsel and the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Section 8 hereof shall continue in full force and effect.

7. *Termination.* The Underwriters shall have the right to cancel their obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Representative, reasonably exercised, as evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or the State legislature or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon revenues or other income of the general character to be derived by the Issuer pursuant to the Ordinance, or upon interest received on obligations of the general character of the Bonds of the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Ordinance is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which at least 10% of the principal amount of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not due to the malfeasance, misfeasance or nonfeasance of the Underwriters;

(d) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(f) any amendment to the federal or state Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for any changes which the Official Statement discloses are expected to occur;

(i) since the date of this Agreement the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any material fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement and the Issuer has failed to amend or supplement the Official Statement in compliance with this Agreement;

(k) there shall have occurred any downgrading, or any notice shall have been given of (A) any intended or potential downgrading or (B) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of the Issuer's obligations (including the rating to be accorded the Bonds), except any such notice or occurrence that is disclosed in the Official Statement;

(l) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission and such prohibition is not the result of the Underwriters' acts or failure to act; and

(m) a material disruption in commercial banking or securities settlement or clearance services shall have occurred.

With respect to the condition described in subparagraph (l) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriters to invoke their termination rights hereunder.

8. *Expenses.*

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; and (v) the fees for bond ratings.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum (if any); (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

9. *Notices.* Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at City of Allen, Texas, 305 Century Parkway, Allen, Texas 75013-8042, Attention: City Manager, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to First Southwest Company, 325 N. St. Paul, Suite 800, Dallas, Texas 75201, Attention: Boyd London.

10. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the law of the State.

13. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. *No Personal Liability.* None of the members of the City Council, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

[The remainder of this page is intentionally blank.]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

FIRST SOUTHWEST COMPANY,
LOOP CAPITAL MARKETS, LLC
STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: FIRST SOUTHWEST COMPANY, as Representative

By: _____
Authorized Officer

Accepted and agreed to the date first set forth above, at ____: _____.m. Central Time

CITY OF ALLEN, TEXAS

By _____

Name: Peter H. Vargas

Title: City Manager

SCHEDULE I

The dated date of the Bonds is May 1, 2009.

THE BONDS

<u>Amount(\$)</u>	<u>Maturity (August 15)</u>	<u>Rate(%)</u>	<u>Yield(%)</u>
	2010		
	2011		
	2012		
	2013		
	2014		
	2015		
	2016		
	2017		
	2018		
	2019		
	2020		
	2021		
	2022		
	2023		
	2024		
	2025		
	2026		
	2027		
	2028		

(Accrued Interest from May 1, 2009 to be added)

Optional Redemption of Bonds. The Issuer reserves the right, at its option, to redeem Bonds having stated maturities on and after August 15, 2020, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2019, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption.

[Attach Official Statement]