ORDINANCE NO. _____

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CITY OF EL PASO, TEXAS
TAXABLE GENERAL OBLIGATION PENSION BONDS
SERIES 2007A

Dated: July 15, 2007

Adopted: July 31, 2007

TABLE OF CONTENTS

		Page
Section 1.1	Definitions	1
Section 1.2	Interpretations	4
Section 2.1	Findings and Determinations	4
Section 3.1	Name, Principal Amount, Purpose and Authorization	5
Section 3.2	Date, Denomination, Interest Rates and Maturities	5
Section 3.3	Execution of Bonds and Seal	6
Section 3.4	Payment of Principal and Interest	6
Section 3.5	Special Record Date	7
Section 3.6	Ownership	7
Section 3.7	Registration, Transfer and Exchange	7
Section 3.8	Replacement Bonds	8
Section 3.9	Cancellation	9
Section 3.10	Depository Trust Company	9
Section 4.1	Limitation on Redemption	11
Section 5.1	Form of Bond	11
Section 5.2	Legal Opinion and CUSIP Numbers	11
Section 6.1	Security for the Bonds; Tax Levy and Pledge	11
Section 6.2	Interest and Sinking Fund	11
Section 6.3	Application of Chapter 1208, Texas Government Code	12
Section 7.1	Appointment of Initial Paying Agent/Registrar	12
Section 7.2	Trust Funds	12
Section 7.3	Bonds Presented and Surrendered	12
Section 7.4	Unclaimed Funds Held by the Paying Agent/Registrar	13

Section 7.5 Paying Agent/Registrar May Own Bonds 13

Section 7.6 Successor Paying Agents/Registrar 13

Section 8.1 Bond Insurance Policy 13

Section 9.1 Sale; Purchase Contract 13

Section 9.2 Approval, Registration, and Delivery 14

Section 9.3 Official Statement and Ratings 14

Section 9.4 Application of Proceeds of Bonds 14

Section 10.1 Continuing Disclosure Undertaking 15

Section 10.2 Material Event Notices 15

Section 10.3 Limitations, Disclaimers, and Amendments 16

Section 11.1 Defeasance 17

Section 11.2 Severability 17

Section 11.3 No Recourse Against City Officials 17

Section 11.4 Amendment to Ordinance 17

Section 11.5 Further Proceedings 18

Section 11.6 Bond Counsel 18

Section 11.7 Open Meeting 18

Section 11.8 Repealer 18

Exhibit "A" Form of the Bond A-1
Exhibit "B" Commitment for Municipal Bond Insurance B-1
Exhibit "C" Description of Annual Disclosure of Financial Information C-1

ORDINANCE

AN ORDINANCE AUTHORIZING ISSUANCE OF CITY OF EL PASO, TEXAS TAXABLE GENERAL OBLIGATION PENSION BONDS, SERIES 2007A; PRESCRIBING THE TERMS AND FORM THEREOF; PROVIDING FOR THE PAYMENT THEREOF; AUTHORIZING THE EXECUTION OF A PURCHASE CONTRACT RELATING TO THE BONDS; AUTHORIZING THE PURCHASE OF A FINANCIAL GUARANTY INSURANCE POLICY; AWARDING THE SALE OF THE BONDS; RATIFYING THE USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A PAYING AGENT/REGISTRAR AGREEMENT; MAKING OTHER FINDINGS AND PROVISIONS RELATING TO THE SUBJECT AND MATTERS INCIDENT THERETO

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

ARTICLE I
DEFINITIONS AND INTERPRETATIONS

Section 1.1 Definitions. As used in this Ordinance, the following terms shall have the meanings set forth below:

"Act" means Chapter 107, Texas Local Government Code, as amended.

"Attorney General" means the Attorney General of the State of Texas.

"Authorized Denomination" means, with respect to the Bonds, $5,000 in principal amount or any integral multiple thereof.

"Authorizing Law" means, collectively, the Act, the City Charter of the City and other applicable law.

"Blanket Issuer Letter of Representation" means the Blanket Issuer Letter of Representation between the City and DTC.

"Bond" or *"Bonds"* means the City of El Paso, Texas, Taxable General Obligation Pension Bonds, Series 2007A authorized by this Ordinance.

"Bond Counsel" means a firm or firms of nationally recognized attorneys experienced in the issuance of bonds acceptable to the City, initially Fulbright & Jaworski L.L.P. and any successor firm thereto.

"Business Day" means any day which is not a Saturday, Sunday, national holiday or a day on which banking institutions in the State of Texas or the State of New York are authorized by law or executive order to close, or a legal holiday .

"City" means the City of El Paso, Texas, and where appropriate, its City Council.

"City Council" means the City Council of the City, which is the governing body of the City.

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

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" means the Comptroller of Public Accounts of the State of Texas.

"Dated Date" means July 15, 2007.

"DTC" means the Depository Trust Company or any successor securities depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of clearance transactions among DTC Participants through electronic book-entry changes in the accounts of the DTC participants.

"Financial Advisor" means First Southwest Company, Dallas and El Paso, Texas and any successor firm thereto.

"Fiscal Year" means the City's then designated fiscal year, which currently is the twelve month period beginning September 1 of a calendar year and ending August 31 of the next succeeding calendar year and such period may be designated with the number of the calendar year in which such period ends.

"Fund" means the City of El Paso Firemen and Policemen's Pension Fund.

"Fund Agreement" means the written Memorandum of Agreement dated as of May 15, 2007, by and between the Fund and the City, as amended by an Amendment dated June 19, 2007, as the same may be amended from time to time.

"Fund Statute" means Article 6243b, Vernon's Texas Civil Statutes, as amended by House Bill 3355 80th Legislative Session or as hereafter further amended.

"Initial Bond" means the Initial Bond approved by the Attorney General and registered by the Comptroller and delivered to the Underwriters.

"Interest Payment Date" means each February 15 and August 15, commencing February 15, 2010, until maturity or earlier redemption (if any) of the Bonds.

"Issuance Costs" means all costs and expenses of issuing the Bonds.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Proceeds" means the proceeds remaining from the issuance of the Bonds after paying the Issuance Costs.

"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.

"Ordinance" means this ordinance and all amendments hereof and supplements hereto, including the exhibits attached hereto, authorizing the issuance of the Bonds.

"Owner" means any person who shall be the registered owner of any outstanding Bond.

"Paying Agent/Registrar" means with respect to the Bonds, initially Wells Fargo Bank, National Association and its successors in that capacity.

"Person" means any individual, corporation, partnership, joint venture, association, trust, joint stock company, unincorporated organization, government or governmental agency or other legal entity.

"Purchase Contract" means the bond purchase agreement pertaining to the Bonds between the City and the Underwriters and approved in Section 9.1 of this Ordinance.

"Record Date" means the last Business Day of the month next preceding an Interest Payment Date.

"Register" means the registration books for the Bonds kept and maintained by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts registered to, each Registered Owner of the Bonds.

"Registered Owner" means the person or entity in whose name any Bond is registered in the Register.

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

"Stated Maturity" means the respective stated maturity dates of the Bonds specified in the schedule set forth in Section 3.2 hereof.

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

"SID" means the Municipal Advisory Council of Texas, which has been designated by the State of Texas, and determined by the SEC staff to be, a state information depository within the meaning of the Rule.

"Underwriters" means the purchasers of the Bonds as specified in Section 9.1 hereof.

"Unfunded Liability" means an unfunded, accrued liability of a municipality to a public pension fund as determined by actuarial analysis.

Section 1.2 Interpretations. All terms defined and all pronouns used in this Ordinance shall be deemed to apply equally to the singular and the plural and to all genders. The titles and headings of the articles and sections of this Ordinance have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify, enlarge or restrict any of the terms of the provisions hereof. This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the levy of ad valorem taxes to pay the principal of premium, if any, and interest on the Bonds.

ARTICLE II
FINDINGS AND DETERMINATIONS

Section 2.1 Findings and Determinations. The City Council hereby finds, determines and declares as follows:

(a) The Fund operates under the Fund Statute for the benefit of certain classified Police Officers and Firemen of the City, and the Fund Statute imposes certain obligations upon the City with respect to providing funding for the Fund.

(b) The City has been granted authority by the Texas Legislature under the Act to issue certain pension bonds, certificates or notes for the purpose of funding the Unfunded Liability of the Fund.

(c) The Fund qualifies as a public pension fund within the meaning of the Act.

(d) Pursuant to the Fund Statute and the Fund Agreement, the City and the Fund have agreed to modify (i) the composition of the Fund's Board, (ii) the term of service of the Board members, and (iii) the procedures by which pension benefits may be modified and contributions to the Fund may be increased by both the City and employees. The amendments to the Fund Statute are contingent on the deposit of $210 million to the Fund by the City, with the fist installment of at least $100 million to be deposited not later than July 31, 2007 and an additional $110 million to be deposited no later than July 31, 2009. If such deposits are not made, the changes do not take effect or are rescinded, as applicable.

(e) The City desires to exercise its authority under the Authorizing Law to issue the Bonds herein authorized to (i) fund a part of the Unfunded Liability of the Fund, and (ii) pay the Issuance Costs.

(f) In order to fulfill its obligations under the Fund Agreement and to pay the Issuance Costs as herein provided, the City Council has determined that it is in the best interests of the City to issue the Bonds herein authorized, payable from the sources herein authorized in accordance with the Authorizing Law.

ARTICLE III
TERMS OF THE BONDS

Section 3.1 Name, Principal Amount, Purpose and Authorization. The Bonds, to be known and designated as CITY OF EL PASO, TEXAS TAXABLE GENERAL OBLIGATION PENSION BONDS, SERIES 2007A, shall be issued in fully registered form, without coupons, under and pursuant to the Authorizing Law in an original aggregate principal amount of $_____. The Bond proceeds shall be used for the purposes of (a) funding a portion of the Unfunded Liability of the Fund, and (b) paying Issuance Costs.

Section 3.2 Date, Denomination, Interest Rates and Maturities.

(a) Dates. The Bonds shall be dated July 15, 2007 and shall initially bear interest at the rates set forth in Section 3.2(b) of this Ordinance from the later of the Closing Date or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, interest payable semiannually on each February 15 and August 15, commencing February 15, 2010, until maturity or earlier redemption.

(b) Maturities, Interest Rates, Numbers and Denominations. The Bonds shall mature on August 15 in the years and in the principal amounts and bear interest at the per annum rates set forth in the following schedule:

Serial Bonds

Years	Principal Installments	Rates
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		

Term Bonds

Years	Principal Installments	Rates
20____		
20____		

The Bonds shall be numbered separately from one upward, except the Initial Bond, which shall be numbered T-1. Bonds delivered on transfer of or in exchange for other Bonds shall be numbered in order of their authentication by the Registrar, shall be in Authorized Denominations and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

Section 3.3 Execution of Bonds and Seal.

(a) The Bonds shall be signed on behalf of the City by the Mayor and countersigned by the City Clerk or Alternate City Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the City had been manually impressed upon each of the Bonds.

(b) If any officer of the City whose manual or facsimile signature shall appear on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Registrar's Authentication Certificate substantially in the form set forth in Exhibit A to this Ordinance, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Bond delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form set forth in Exhibit A to this Ordinance, manually executed by the Comptroller, or by her duly authorized agent, which certificate shall be evidence that such Initial Bond has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Bond, being one bond representing the entire principal amount of the Bonds, payable in stated installments to the initial purchaser of the Bonds, executed by manual or facsimile signature, approved by the Attorney General, and registered and manually signed by the Comptroller, shall be delivered to the initial purchaser of the Bonds. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver definitive Bonds to DTC.

Section 3.4 Payment of Principal and Interest. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they become due and payable at the designated office of the Paying Agent/Registrar, initially in Austin, Texas. Interest on the Bonds shall be paid to the Registered Owner whose name appears in the Register at the close of business on the Record Date and shall be paid by the Paying Agent/Registrar (i) by check sent by United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or (ii) 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 payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, with the same force and effect as if made on the original date payment was due.

Section 3.5 Special Record Date. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Paying Agent/Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the City. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each affected Owner of record as of the close of business on the day prior to the mailing of such notice.

Section 3.6 Ownership. Notwithstanding any other provision of this Ordinance to the contrary, the City, the Paying Agent/Registrar, and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and interest thereon, for purposes of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Bond in accordance with this Section shall be valid and effective and shall discharge the liability of the City and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.7 Registration, Transfer and Exchange. So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep a copy of the Register at the Paying Agent/Registrar's office, initially in Austin, Texas, in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration, exchange and transfer of the Bonds in accordance with the terms of this Ordinance.

Each Bond shall be transferable only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar, accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation and surrender of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, in a timely fashion after such presentation and surrender, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Bond or Bonds so presented and surrendered.

All Bonds shall be exchangeable upon the presentation and surrender thereof at the designated office of the Paying Agent/Registrar, initially in Austin, Texas for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate

principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The City or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the City.

The Paying Agent/Registrar shall not be required to transfer or exchange any Bond on any date subsequent to a Record Date and prior to the next succeeding Interest Payment Date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of, notice of redemption of Bonds prior to their maturity date, nor shall the Paying Agent/Registrar be required to transfer or exchange any Bond selected for redemption, in whole or in part, when such redemption date is scheduled to occur within thirty (30) calendar days.

Section 3.8 Replacement Bonds. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Paying Agent/Registrar and the City.

If any Bond is lost, apparently destroyed or wrongfully taken, the City, pursuant to the applicable laws of the State of Texas and ordinances of the City, and in the absence of notice or knowledge that such Bond has been acquired by a bona, fide purchaser, shall execute, and the Paying Agent/Registrar shall authenticate and deliver, a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding, provided that the Registered Owner thereof shall have:

(a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnished such security or indemnity as may be required by the Paying Agent/Registrar and the City to save and hold them harmless;

(c) paid all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that may be imposed; and

(d) met any other reasonable requirements of the City and the Paying Agent/Registrar.

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the City in its discretion may, instead of issuing a replacement Bond, authorize the Paying Agent/Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.9 Cancellation. All Bonds paid or redeemed in accordance with this Ordinance, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be treated in accordance with the Paying Agent Registrar's document retention policies. The Paying Agent/Registrar shall provide the City with appropriate certificates of destruction of any such Bonds.

Section 3.10 Depository Trust Company.

(a) Except as otherwise provided in this Ordinance, all Bonds shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Bonds, and held in the custody of DTC. Unless otherwise requested by DTC, a single certificate will be issued and delivered to the custodian of DTC for each maturity of Bonds. Beneficial owners of Bonds will not receive physical delivery of Bond certificates except as provided hereinafter as long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests in the Bonds will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership interests in Bonds is to receive, hold or deliver any Bond certificate; provided, that, if DTC fails or refuses to act as securities depository for the Bonds, the City shall take the actions necessary to provide for the issuance of Bond certificates to the Registered Owners of such Bonds.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as

shown in the Register, of any amount with respect to the principal of, premium, if any, or interest on the Bonds.

(c) In the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than ninety (90) days after written notice to such effect to the City and the Paying Agent/Registrar); (ii) the City determines (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that DTC is incapable of discharging its responsibilities described herein and in the Blanket Letter of Representations between the City and DTC; or (iii) the City determines (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that it is in the best interests of the beneficial owners of the Bonds not to continue DTC's book-entry only system of transfer for the Bonds, then the City shall use its best efforts to appoint a successor securities depository, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended. In the event of such an appointment, the City shall (a) notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Ordinance.

In the event the City fails to appoint a successor securities depository for the Bonds, the City shall cause to be authenticated and delivered replacement Bonds, in certificated form, to the beneficial owners of the Bonds.

(d) Notwithstanding any other provision of this Ordinance to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, (i) all payments with respect to the principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds shall be made and given, in accordance with DTC's Operational Arrangements, as provided in the Blanket Letter of Representations between DTC and the City; (ii) the requirements of this Ordinance of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC; and (iii) delivery of the Bonds will be in accordance with arrangements among the City, the Paying Agent/Registrar and DTC.

(e) If at any time DTC ceases to hold the Bonds in book-entry only form, this Section 3.10 and all references herein to DTC shall be of no further force or effect.

ARTICLE IV
REDEMPTION OF BONDS BEFORE MATURITY

Section 4.1 Limitation on Redemption. The Bonds shall be subject to redemption prior to the Stated Maturity only as provided in the Form of Bond, attached hereto as Exhibit A.

ARTICLE V
FORM OF BOND

Section 5.1 Form of Bond. The Bonds, including the Form of Registration Certificate of the Comptroller of Public Accounts, Form of Registrar's Authentication Certificate and Form of Assignment shall be, respectively, in substantially the forms set forth in Exhibit A, with such omissions, insertions and variations as may be necessary or desirable, and not prohibited, by this Ordinance.

Section 5.2 Legal Opinion and CUSIP Numbers. The approving opinion of Bond Counsel and CUSIP Numbers, as appropriate, may be printed on or attached to the Bonds, but errors or omissions in the printing of the opinion of Bond Counsel or the CUSIP Numbers shall have no effect on the validity of the Bonds.

ARTICLE VI
SECURITY FOR THE BONDS; TAX LEVY

Section 6.1 Security for the Bonds; Tax Levy and Pledge. During each year while any of the Bonds or interest thereon are outstanding or unpaid, the City Council shall compute and ascertain a rate and amount of ad valorem taxes which will be sufficient to raise and produce the money required to provide for the payment of the interest on the Bonds as such interest comes due and to provide and maintain a sinking fund adequate to pay the principal of the Bonds as such principal matures (but never less than 2% of the principal amount, as required by the Constitution and laws of the State of Texas); and such tax shall be based on the latest approved tax rolls of the City, with full allowance being made for tax delinquencies and the cost of tax collection. Such rate and amount of ad valorem taxes are hereby levied, and are hereby ordered to be levied, within the limits prescribed by law, against all taxable property in the City for each year while any of the Bonds or interest thereon are outstanding; such tax shall be assessed and collected each such year; the proceeds of such tax shall be deposited in separate accounts hereby designated for the Bonds; and the proceeds in such account shall be appropriated and applied to the payment of principal of and interest on the Bonds.

To pay the debt service coming due on the Bonds prior to the receipt of taxes levied to pay such debt service, there is hereby appropriated, from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 6.2 Interest and Sinking Fund. The City hereby establishes a special fund or account, to be designated the "City of El Paso, Texas, Taxable General Obligation Pension Bonds, Series 2007A, Interest and Sinking Fund," (the "Interest and Sinking Fund") said fund to be maintained at an official depository bank of the City separate and apart from all other funds and accounts of the City

Money on deposit in or required by this Ordinance to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable in accordance with their terms and this Ordinance

Section 6.3 Application of Chapter 1208, Texas Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the City under Section 6.1 of this Ordinance, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the City under Section 6.1 of this Ordinance is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

ARTICLE VII
CONCERNING THE PAYING AGENTIREGISTRAR

Section 7.1 Appointment of Initial Paying Agent/Registrar. Wells Fargo Bank, National Association (or any successor thereto), is hereby appointed to act as the initial Paying Agent/Registrar for the Bonds. The execution and delivery of the Paying Agent/Registrar Agreement, substantially in the form presented at this meeting, specifying the duties and responsibilities of the City and the Paying Agent/Registrar is hereby approved, and each of the Mayor and the City Manager are hereby authorized and directed to execute such Paying Agent/Registrar Agreement. The signature of the Mayor or the City Manager shall be attested by the City Clerk or Alternate City Clerk of the City. Such initial Paying Agent/Registrar and any successor Paying Agent/Registrar, by undertaking the performance of the duties of the Paying Agent/Registrar hereunder, and in consideration of the payment of any fees pursuant to the terms of any contract between the Paying Agent/Registrar and the City and/or the deposits of money pursuant to this Ordinance, shall be deemed to accept and agree to abide by the terms of this Ordinance.

Section 7.2 Trust Funds. All money transferred to the Paying Agent/Registrar in its capacity as Paying Agent/Registrar for the Bonds under this Ordinance (except any sums representing Paying Agent/Registrar's fees) shall be held in trust for the benefit of the City, shall be the property of the City and shall be disbursed in accordance with this Ordinance.

Section 7.3 Bonds Presented and Surrendered. Subject to the provisions of Section 7.4, all matured Bonds presented and surrendered to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the City. Such Bonds shall be canceled as provided herein.

Section 7.4 Unclaimed Funds Held by the Paying Agent/Registrar. Funds held by the Paying Agent/Registrar that represent principal of and interest and premium, if any, on the Bonds remaining unclaimed by the Registered Owner after the expiration of three years from the date such funds have become due and payable (a) shall be reported and disposed of by the Paying Agent/Registrar in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent such provisions are applicable to such funds, or (b) to the extent such

provisions do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the City upon receipt by the Paying Agent/Registrar of a written request therefor from the City.

The Paying Agent/Registrar shall have no liability to the Registered Owners of the Bonds by virtue of actions taken in compliance with this Section.

Section 7.5 Paying Agent/Registrar May Own Bonds. The Paying Agent/Registrar in its individual or any other capacity, may become the owner or pledgee of Bonds with the same rights it would have if it were not the Paying Agent/Registrar.

Section 7.6 Successor Paying Agents/Registrar. The City covenants that at all times while any Bonds are Outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Bonds. The City reserves the right to change the Paying Agent/Registrar for the Bonds on not less than sixty (60) days' written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Registered Owner, by United States mail, first-class, postage prepaid, or by other customary means, of such change and of the address of the new Paying Agent/Registrar. Each successor Paying Agent/Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Ordinance.

ARTICLE VIII
BOND INSURANCE

Section 8.1 Bond Insurance Policy. The Bonds have been offered and sold with the principal of and interest thereon to be insured by _____ (the "Insurer") pursuant to a [Financial Guaranty Insurance Policy] (the "Insurance Policy") issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due. The terms of the Commitment for Financial Guaranty Insurance (the "Insurance Commitment") issued by the Insurer are hereby incorporated by reference into this Ordinance and are attached hereto as Exhibit B. A statement relating to the Insurance Policy may be printed on or attached to each Bond.

ARTICLE IX
PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF BONDS

Section 9.1 Sale; Purchase Contract. The Bonds are hereby sold and awarded and shall be delivered to Citigroup Global Markets Inc. (the "Underwriters") at a price set forth in, and in accordance with the terms and provisions of, the Bond Purchase Contract (the "Purchase Contract"), dated the date hereof, which is hereby approved. The Mayor or the City Manager are each authorized and directed to execute the Purchase Contract on behalf of the City, substantially in the form presented at this meeting. The Mayor, the City Manager and all other officers, agents and representatives of the City are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of

the Bonds. It is hereby officially found and declared that the sale of the Bonds pursuant to the Purchase Contract is on the best terms and at the best price reasonably obtainable by the City. The Bonds shall be initially registered in the name of Citigroup Global Markets Inc. or its designee.

Section 9.2 Approval, Registration, and Delivery. The Mayor and the City Manager are hereby authorized and directed to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the Mayor and the City Manager and other officers, agents, representatives and employees of the City are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the Initial Bond by the Comptroller. Upon registration of the Initial Bond, the Comptroller (or the Comptroller's bond clerk or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein to be attached or affixed to each Initial Bond initially delivered and the seal of the Comptroller shall be impressed, printed or lithographed thereon.

Section 9.3 Official Statement and Ratings. City Council hereby ratifies and confirms the form and content of the Preliminary Official Statement prepared in the initial offering and sale of the Bonds and any addenda, supplements or amendments thereto, and the Preliminary Official Statement is hereby deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. City Council hereby authorizes and directs the Mayor and City Manager and other appropriate officials of the City to prepare a final Official Statement reflecting the terms of the Purchase Contract and other relevant information. The use of such Official Statement in the reoffering of the Bonds by the Underwriters is hereby ratified, approved and confirmed. Further, the City Council hereby ratifies, authorizes and approves the actions of the Mayor, City Manager, Deputy City Manager – Financial and Administrative Services and the City's Financial Advisor and other consultants in seeking ratings on the Bonds.

Section 9.4 Application of Proceeds of Bonds.

(a) The rounding amount of $_____ shall be deposited to the Interest and Sinking Fund.

(b) Bond proceeds in the amount of $_____ shall be deposited to the credit of the Fund and used to pay a part of the Unfunded Liability of the Fund.

(c) The remaining Bond proceeds shall be used to pay Issuance Costs. To the extent any of such proceeds are not used for such purpose, such excess shall be deposited to the Interest and Sinking Fund.

ARTICLE X
CONTINUING DISCLOSURE UNDERTAKING

Section 10.1 Continuing Disclosure Undertaking. The City shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 9.3 of this Ordinance, being the information described in Exhibit C hereto. Any financial statements so 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 so provided, then the City shall provide audited financial statements for the applicable fiscal year to each NRMSIR and any SID, when and if audited financial statements become available but if such audited financial statements are unavailable the City will provide such financial statements on an unaudited basis within the above-described six-month period.

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, or may be provided in any other manner consistent with the Rule.

Section 10.2 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:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions or events affecting the tax-exempt status of the Bonds;

(g) Modifications to rights of holders;

(h) Bond calls;

(i) Defeasances;

(j) Release, substitution, or sale of property securing repayment of the Bonds; and

(k) 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 Section 10.1 of this Ordinance by the time required by such Section.

Section 10.3 Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Article 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 Section 10.2 of any Bond calls and defeasance that cause the City to be no longer such an "obligated person."

The provisions of this Article are for the sole benefit of the Registered Owners and beneficial owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The 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 REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the City in observing or performing its obligations under this Article shall constitute a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Article 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 Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such

changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person or entity that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Bonds. If the City so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 10.1 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. The City may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the City also may amend the provisions of this Article in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

ARTICLE XI
MISCELLANEOUS

Section 11.1 Defeasance. The Bonds may be defeased, refunded and discharged in any manner permitted by applicable law.

Section 11.2 Severability. If any section, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 11.3 No Recourse Against City Officials. No recourse shall be had for the payment of principal of or interest on any Bonds or for any claim based thereon or on this Ordinance against any official, officer, agent or employee of the City or any person executing any Bonds.

Section 11.4 Amendment to Ordinance. The City may, with the consent of Registered Owners 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, however, that, without the consent of all Registered Owners of all Outstanding Bonds, no such amendment, addition, or rescission shall (i) 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 therefore, 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, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required to be held by Registered Owners for consent to any such amendment, addition or rescission.

Section 11.5 Further Proceedings. The Mayor, the City Clerk, the Alternate City Clerk, the Deputy City Manager – Financial and Administrative Services and/or the City Manager of

the City and all other officers, employees and agents of the City, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the seal of the City and on behalf of the City all agreements, instruments, or such 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, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, the Mayor, the City Clerk, the Alternate City Clerk, the Deputy City Manager – Financial and Administrative Services and/or the City Manager of the City, and its Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance: (i) in order to cure any technical ambiguity, formal defect, or omission in the Ordinance or such other document; or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General and if such officer or counsel determines that such ministerial changes are consistent with the intent and purpose of the Ordinance, which determination shall be final. 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 11.6 Bond Counsel. Fulbright & Jaworski L.L.P. is hereby appointed to act as Bond Counsel to the City. The engagement of such firm as Bond Counsel to City in connection with the issuance, sale and delivery of the Bonds is hereby approved and confirmed.

Section 11.7 Open Meeting. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject of the meeting of the City Council at which this Ordinance was adopted was posted at a place convenient and readily accessible at all times to the general public at the City Hall of the City for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter thereof has been discussed, considered and formally acted upon.

Section 11.8 Repealer. All orders, resolutions and ordinances or parts thereof inconsistent with the provisions of this Ordinance are hereby repealed to the extent of such inconsistency.

PASSED, APPROVED AND EFFECTIVE this 31st day of July, 2007.

John F. Cook
Mayor, City of El Paso, Texas

ATTEST:

Richarda Duffy Momsen
City Clerk, City of El Paso, Texas

[SEAL]

APPROVED AS TO FORM:

Paul A. Braden
Attorney for the City

Elaine S. Hengen
Senior Assistant City Attorney

APPROVED AS TO CONTENT:

William F. Studer, Deputy City Manager
Financial and Administrative Services

LIST OF EXHIBITS

Exhibit A: Form of Bond
Exhibit B: Commitment for Municipal Bond Insurance
Exhibit C: Description of Annual Disclosure of Financial Information

EXHIBIT A

FORM OF BOND

(a) Form of Bond.

REGISTERED NUMBER	REGISTERED DENOMINATION
_____	$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF EL PASO, TEXAS
TAXABLE GENERAL OBLIGATION PENSION BOND
SERIES 2007A

INTEREST RATE	ISSUE DATE	ISSUANCE DATE	MATURITY DATE	CUSIP
___%	July 15, 2007	_____, 2009	August 15, 20__	

THE CITY OF EL PASO, TEXAS, a municipal corporation duly incorporated under the laws of the State of Texas (the "City"), for value received, hereby promises to pay to

_____

(the "Registered Owner") or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

upon presentation and surrender of this Bond to Wells Fargo Bank, National Association, or its successor (the "Paying Agent/Registrar"), at its designated office, initially in Austin, Texas, and to pay interest thereon, calculated on a basis of a 360-day year composed of twelve 30-day months, from the later of the Issuance Date or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable each February 15 and August 15, commencing February 15, 2010, until maturity or earlier redemption of this Bond, to the Registered Owner whose name appears in the Register at the close of business on the Record Date and shall be paid by the Paying Agent/Registrar (i) by check sent by United States Mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or (ii)

by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, such Registered Owner. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Bond at the designated office of the Paying Agent/Registrar.

THIS BOND, dated as of July 15, 2007 solely for the purpose of complying with State law, is one of a duly authorized series of bonds (the "Bonds") in the aggregate principal amount of $_____ issued for the purpose of (i) funding a part of the Unfunded Liability of the City of El Paso Firemen and Policemen Pension Fund, and (ii) paying Issuance Costs, all pursuant to an ordinance adopted by the City Council of the City (the "Ordinance"), and the authority conferred under Chapter 107, Texas Local Government Code, as amended, and all other applicable law. Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Ordinance.

THE BONDS ARE SUBJECT TO REDEMPTION prior to Stated Maturity at the option of the City on any date, in whole or in part, at a redemption price equal to the greater of:

(a) 100 percent of the principal amount of the Bonds to be redeemed; or

(b) the sum of the present values of the remaining scheduled payments of principal of and interest on the Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 12.5 basis points,

plus, in each case, accrued and unpaid interest on the Bonds being redeemed to the date fixed for redemption.

For the purposes of determining the Treasury Rate, the following definitions shall apply:

"Comparable Treasury Issue" means, with respect to any redemption date for a particular Bond, the United States Treasury security or securities selected by the Designated Investment Banker which has an actual or interpolated maturity comparable to the remaining average life of the applicable Bonds to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the applicable Bonds to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date for a particular Bond, (1) if the Designated Investment Banker receives at least four Reference Treasury Dealer Quotations, the average of such quotations for such redemption date, after excluding the highest and lowest Reference Treasury Deal Quotations, or (2) if the Designated Investment Banker obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

"Designated Investment Banker" means one of the Reference Treasury Dealers appointed by the City.

"Reference Treasury Dealer" means Citigroup Global Markets Inc. and its successors and three other firms, specified by the City from time to time, that are primary U.S. Government securities dealers in the City of New York, New York (each a "Primary Treasury Dealer"); provided, however, that if any of them ceases to be a Primary Treasury Dealer, the City shall

substitute another Primary Treasury Dealer.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date for a particular Bond, the average, as determined by the Designated Investment Banker, of the bid and ask prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Designated Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the fifteenth business day preceding such redemption date.

"Treasury Rate" means, with respect to any redemption date for a particular Bond, the rate per annum, expressed as a percentage of the principal amount, equal to the semiannual equivalent yield to maturity or interpolated maturity of the Comparable Treasury Issue, assuming that the Comparable Treasury Issue is purchased on the redemption date for a price equal to the Comparable Treasury Price, as calculated by the Designated Investment Banker.

IF LESS THAN ALL OF THE BONDS are to be redeemed pursuant to an optional redemption, the City shall determine the maturity or maturities and the amounts thereof to be redeemed and will direct the Paying Agent/Registrar to call by lot the Bonds, or portions thereof with such maturity or maturities and in such amounts, for redemption.

WITH RESPECT TO AN OPTIONAL REDEMPTION of any Bonds, unless moneys sufficient to pay the principal of, premium, if any, and interest on, the Bonds to be redeemed have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the City, be conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for redemption. If such moneys are not received by the redemption date, such notice will be of no force and effect, the City will not redeem such Bonds, the redemption price will not be due and payable, and the Paying Agent/Registrar will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Bonds will not be redeemed.

THE BONDS stated to mature on August 15, 20___ and August 15, 20___ (the "Term Bonds") are subject to scheduled mandatory redemption and will be redeemed by the City, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, on the dates and in the respective principal amounts as set forth in the following schedule:

Term Bonds Maturing August 15, 20___

Redemption Date	Principal Amount
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$

August 15, 20___	$
August 15, 20___	$
August 15, 20___ (maturity)	$

Term Bonds Maturing August 15, 20___

Redemption Date	Principal Amount
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___	$
August 15, 20___ (maturity)	$

Mandatory redemption of the Term Bonds will be made on a *Pro Rata* (as defined below) basis to each Owner in whose name such Term Bonds are registered on the Record Date immediately preceding the mandatory sinking fund redemption date.

IF LESS THAN ALL of the Outstanding Term Bonds of a maturity are optionally redeemed as provided above, then following the *Pro Rata* reduction of the redeemed bonds among the Bondholders, the City shall direct the Paying Agent/Registrar to proportionately reduce the principal amount of each of the remaining mandatory sinking fund redemption amounts for such mandatory sinking fund redemption dates.

"*PRO RATA*" IS DETERMINED in connection with any mandatory sinking fund redemption by multiplying the principal amount of the Bonds of such maturity to be redeemed on the applicable redemption date by a fraction, the numerator of which is equal to the principal amount of the Bonds of such maturity owned by an Owner, and the denominator of which is equal to the amount of the Bonds of such maturity then Outstanding immediately prior to such redemption date, and then rounding the product down to the next lower integral of $5,000, provided that the portions of the Bonds being redeemed are required to be in Authorized Denominations, and all Bonds of a maturity to remain outstanding following any redemption are required to be in Authorized Denominations.

NOTICE OF ANY REDEMPTION or redemptions shall be given by first class mail, postage prepaid, or by other customary means, not less than fifteen (15) days before the date fixed for redemption, to the Owner of each of the Bond (or part thereof) to be redeemed at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing such notice. The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and if less than all the Bonds outstanding are to be redeemed, an identification of the Bonds or portions thereof to be redeemed. Any notice given as provided herein shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

NOTICE OF REDEMPTION HAVING BEEN GIVEN as provided above, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the redemption price thereof, such Bonds or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date. However, if any Bond or portion thereof called for redemption is not so paid upon presentation and surrender of such Bond for redemption, as provided below, such Bond or portion thereof shall continue to bear interest at the rate stated on the Bond until paid or until due provision is made for the payment of same.

BEFORE OR ON EACH REDEMPTION DATE, the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the interest and sinking fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the redemption price of such Bonds. Upon presentation and surrender of any Bond called for redemption at the designated office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the redemption price for such Bond from the money set aside for such purpose. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver an exchange Bond or Bonds, as applicable, in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the designated office of the Paying Agent/Registrar accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Ordinance.

THE BONDS ARE EXCHANGEABLE at the principal payment office of the Paying Agent/Registrar, initially in Austin, Texas, for Bonds in the principal amount of $5,000 or any integral multiple thereof, subject to the terms and conditions of the Ordinance.

THE PAYING AGENT/REGISTRAR is not required to accept for transfer or exchange any Bond subsequent to a Record Date and prior to the next succeeding interest payment date, or during any period beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of, notice of redemption of Bonds prior to their maturity date, nor shall the Paying Agent/Registrar be required to transfer or exchange any Bond selected for redemption, in whole or in part, when such redemption date is scheduled to occur within thirty (30) calendar days; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of a Bond called for redemption in part.

THE CITY OR PAYING AGENT/REGISTRAR may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of a Bond. Any fee or charge of the Paying Agent/Registrar for a transfer or exchange shall be paid by the City.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond either (i) is registered by the Comptroller of Public

Accounts of the State of Texas by due execution of the registration certificate endorsed hereon or (ii) is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Ordinance.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied, within the limits prescribed by law, against all taxable property in the City and have been irrevocably pledged for such payment.

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

CITY OF EL PASO, TEXAS

(SEAL)

_____
Mayor
City of El Paso, Texas

_____
City Clerk
City of El Paso, Texas

(b) Form of Assignment.

The following form of assignment shall be printed on the back of each of the Bonds:

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 hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Date: _____

Signature Guaranteed By:

_____

_____

Authorized Signatory

_____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

(c) Form of Comptroller's Registration Certificate.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. ___

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____

_____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(d) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Ordinance described in the text of this Bond.

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Authorized Signature
Date of Authentication _____

(e) Unique Provisions for the Initial Bond.

The Initial Bond shall be in the form set forth in paragraph (a) above, except for the following alterations:

(i) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and the word "CUSIP" shall be deleted;

(ii) in the first paragraph of the Bond, the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on August 15 in each of the years, in the principal installments and bearing interest at the per annum rates in accordance with the following schedule:

Years	Principal Installments	Rates

(Information to be inserted from schedule
in Section 3.02 of this Ordinance)

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

EXHIBIT B

COMMITMENT FOR MUNICIPAL BOND INSURANCE

EXHIBIT C

DESCRIPTION OF ANNUAL DISCLOSURE OF FINANCIAL INFORMATION

The following information is referred to in Article X 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 Article are as specified (and included in the Appendix or other headings of the Official Statement referred to) below:

1. The portions of the financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.

2. Statistical and financial data set forth in Tables numbered 1 through 15, inclusive.

Accounting Principles

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