

EX PARTE

CITY OF FRIENDSWOOD

**NOTICE OF PROCEEDINGS
AND ORDER**

The Court issues the following Notice of Proceedings and Order pursuant to Chapter 1205 of the Texas Government Code.

NOTICE IS HEREBY GIVEN to all persons who (i) reside in the boundaries of the city of Friendswood, (ii) own property located within the boundaries of the city of Friendswood, or (iii) have or claim a right, title, or interest in any property or money to be affected by the proceedings described below, the issuance of the public securities described below, including all actions or expenditures of funds, taken or made and/or proposed to be taken or made in connection with or affecting the securities described below. For purposes of this Notice of Proceedings and Order, the persons named in sections (i), (ii), and (iii) above shall be referred to as the "Interested Parties."

The city of Friendswood has filed an action for declaratory judgment (the "Petition") seeking, among other things, a declaration by this Court:

- (a) that the City is authorized by law to issue the Certificates;
- (b) that the Certificates, when issued and executed pursuant to the procedural requirements provided by law, including approval by the Attorney General of Texas, will constitute lawful and valid obligations and contracts of the City, enforceable according to their respective terms, and that all provisions for the payment of, and pledges, liens and security provided for such debt and the interest thereon will constitute valid and binding obligations and contracts of the City under the laws of the State of Texas;
- (c) that the proposed expenditures of the money raised by issuance of the Certificates, including the purchase of parkland in Brazoria County, are legal and valid;
- (d) that the Certificates have been confirmed and approved by this Court;
- (e) that the City has authority under the Certificates of Obligation Act to issue the Certificates without holding an election under § 8.05 of the City's Home Rule Charter; and
- (f) that the Court's judgment in this lawsuit shall constitute a permanent injunction against the institution or prosecution by any person or entity of any new or existing action or proceeding contesting the validity of the Certificates; the authorization of the Certificates; the expenditure of money relating to the Certificates; the provisions made for the payment of the Certificates or of interest thereon; the funds authorized to pay for the Certificates; any matter adjudicated by the Court's judgment in this action; and any matter that could have been raised in these proceedings.

A full description of the lawsuit and the relief sought is contained in the City's Petition, Ex Parte City of Friendswood, Cause No. D-1-GV-09-000916, filed in the 419th Judicial District Court of Travis County, Texas.

IT IS HEREBY ORDERED and Notice is hereby given, that any interested party (any of the Interested Parties described above) may become a named party to these proceedings by pleading to the Petition on or before June 15, 2009, and may appear for hearing and trial in the courtroom of the 419th Judicial District Court of Travis County, Texas at 10:00 a.m. on Monday, June 15, 2009, it being the first Monday after the expiration of 20 days from the date this Order is issued. The actual location of the hearing may be in a different location in the Travis County Courthouse, interested parties should contact the court administrator. After said date, Interested Parties may become named parties by intervention on leave of court.

IT IS FURTHER ORDERED, that, at such hearing and trial, any Interested Parties desiring to do so may appear, and the Attorney General of Texas shall appear, and show cause why the prayers of the Petition of Friendswood filed in this action and generally described above should not be granted. Be on further notice that, at such time, place, and date the Court will proceed to full and final hearing on the merits of all matters and prayers within the Petition of Orange.

SO ORDERED.

SIGNED this 22nd day of May, 2009.

/s/ Stephen Yelenosky
JUDGE PRESIDING