

**Statement of Qualifications
for
Bond Counsel Services
to
City of Denton, Texas**



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COVER LETTER

September 22, 2016

Antonio Puente, Jr.,
Assistant Director of Finance
City of Denton
215 East McKinney Street
Denton, Texas 76201

Dear Mr. Puente:

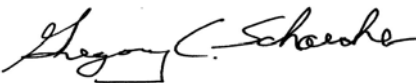
On behalf of McCall, Parkhurst & Horton L.L.P. ("McCall," the "firm," or "us"), I submit this statement of qualification for bond counsel services to the City of Denton, Texas ("you" or the "City").

McCall serves as bond counsel to more issuers of tax-exempt debt than any other law firm in the State of Texas or in the Southwestern United States. Accordingly, we serve as bond counsel to more Texas political subdivisions than any other lawyer or law firm. We are consistently ranked by Thompson Reuters among the top ten bond counsel firms in the United States, as well as the number one bond counsel firm here in Texas. McCall frequently serves as bond counsel on more bond transactions than any other law firm in the country.

For over 90 years, we have been committed to providing Texas political subdivisions with quality bond counsel services, and we hereby reaffirm our commitment to provide the City with such services to the best of our collective abilities. Investment banks, local and state government agencies, financial advisors and other professionals rely on us daily to guide them through the most basic, and the most complicated, financings in the State of Texas and in the United States. We are confident that our level of service to you will be unmatched.

Very truly yours,

McCall, Parkhurst & Horton L.L.P.

By: 
Gregory C. Schaecher

Enclosures

EXECUTIVE SUMMARY

McCall, Parkhurst & Horton L.L.P. ("McCall") has practiced exclusively in the area of public finance law since the firm's creation in 1919. The firm's opinion (as to the validity and enforceability of a public entity's debt obligations and, later, tax exemption) was the first given by a Texas firm accepted in the national securities markets. We are the only law firm in Texas, and one of a few law firms nationwide, that specialize solely in the field of public finance. The firm is composed of 27 active attorneys located in Dallas, San Antonio, and Austin.

McCall is the leading bond counsel in Texas and routinely ranks in the top ten bond counsel firms nationally. Historically, the firm has served as bond counsel for more issuers of public securities than any other law firm in the southwestern United States, and in some years, McCall has served as bond counsel on more bond transactions than any other law firm in the country. Our high national ranking is not only an indication of the stature of the firm in the public finance industry, but more importantly, an indication of the depth and breadth of our practice. We consistently achieve our high rankings by holding ourselves to the highest standards of technical expertise, professional dedication, client service and ethical responsibility.

McCall represents some of the largest and most sophisticated issuers in the country, including the Cities of Austin, Dallas and Fort Worth, the Dallas/Fort Worth International Airport, the North Texas Tollway Authority, the Texas Department of Transportation, the Texas Water Development Board, the University of Texas System, Texas A&M University System, Texas State University System, and many more. McCall has been a leader in drafting legislation and developing innovative financing techniques in Texas for nearly a century.

The following tables summarize the number of transactions and dollar value of public finance issues for which McCall has served as bond counsel in recent years:

<u>National and State Rankings¹</u>						
<u>Year</u>	<u>National Ranking</u>			<u>Texas Ranking</u>		
	<u>Rank</u>	<u>Par Amount</u>	<u>No. of Issues</u>	<u>Rank</u>	<u>Par Amount</u>	<u>No. of Issues</u>
2015	3	\$14,502,800,000	436	1	\$14,722,400,000	424
2014	3	\$13,135,500,000	359	1	\$13,022,000,000	347
2013	6	\$10,245,200,000	363	1	\$10,218,400,000	352
2012	7	\$10,411,000,000	359	1	\$10,234,000,000	350
2011	8	\$6,941,800,000	291	1	\$6,760,100,000	283
2010	7	\$11,467,000,000	360	1	\$11,419,300,000	355
2009	5	\$9,390,700,000	258	1	\$9,206,700,000	230
2008	6	\$11,276,400,000	238	1	\$11,215,000,000	229
2007	8	\$9,221,500,000	292	2	\$7,703,400,000	232
2006	5	\$10,992,000,000	282	1	\$10,961,200,000	271
2005	8	\$8,770,900,000	310	1	\$8,677,000,000	295

¹ As reported by Thomson Reuters in its US Municipals Review; excludes private bank placements and remarketing of variable rate demand obligations.

2015 Top Ten National Firms by Volume¹

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>	<u>No. of Issues</u>
1	Orrick Herrington & Sutcliffe LLP	\$37,545,100,000	391
2	Hawkins Delafield & Wood LLP	\$23,077,800,000	396
3	McCall Parkhurst & Horton LLP	\$14,502,800,000	436
4	Norton Rose Fulbright	\$13,398,400,000	368
5	Kutak Rock LLP	\$13,334,300,000	412
6	Gillmore & Bell PC	\$ 9,127,800,000	464
7	Ballard Spahr LLP	\$ 8,938,900,000	134
8	Sidley Austin LLP	\$ 8,540,700,000	43
9	Chapman and Cutler LLP	\$ 8,510,100,000	408
10	Squire Patton Boggs	\$ 8,468,300,000	194

2014 Top Ten National Firms by Volume¹

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>	<u>No. of Issues</u>
1	Orrick Herrington & Sutcliffe LLP	\$30,384,700,000	321
2	Hawkins Delafield & Wood LLP	\$16,441,100,000	301
3	McCall Parkhurst & Horton LLP	\$13,135,500,000	359
4	Kutak Rock LLP	\$9,955,000,000	305
5	Sidley Austin LLP	\$ 8,859,900,000	44
6	Stradling Yocca Carlson & Rauth, P.C.	\$ 8,391,400,000	139
7	Norton Rose Fulbright	\$ 8,136,700,000	324
8	Greenberg Traurig LLP	\$ 7,699,400,000	77
9	Squire Patton Boggs	\$ 7,650,600,000	181
10	Chapman and Cutler LLP	\$ 7,476,800,000	394

2013 Top Ten National Firms by Volume¹

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>	<u>No. of Issues</u>
1	Orrick Herrington & Sutcliffe LLP	\$31,543,300,000	310
2	Hawkins Delafield & Wood LLP	\$18,377,400,000	298
3	Kutak Rock LLP	\$13,349,100,000	283
4	Norton Rose Fulbright	\$12,920,100,000	351
5	Squire Sanders & Dempsey LLP	\$ 10,998,800,000	200
6	McCall Parkhurst & Horton LLP	\$ 10,245,200,000	363
7	Stradling Yocca Carlson & Rauth, P.C.	\$ 9,760,700,000	183
8	Sidley Austin LLP	\$ 6,913,500,000	42
9	Nixon Peabody LLP	\$ 6,621,900,000	70
10	Chapman and Cutler LLP	\$ 5,814,700,000	442

2012 Top Ten National Firms by Volume¹

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>	<u>No. of Issues</u>
1	Orrick Herrington & Sutcliffe LLP	\$30,826,300,000	366
2	Hawkins Delafield & Wood LLP	\$23,179,100,000	360
3	Sidley Austin LLP	\$15,164,100,000	71
4	Kutak Rock LLP	\$14,218,000,000	334
5	Fulbright & Jaworski LLP	\$12,857,600,000	369
6	Squire Sanders & Dempsey LLP	\$10,806,800,000	217
7	McCall Parkhurst & Horton LLP	\$10,411,000,000	359
8	Nixon Peabody LLP	\$9,067,200,000	61
9	Foster Pepper PLLC	\$7,151,300,000	112
10	Greenberg Traurig LLP	\$7,052,000,000	89

¹ Source: Thomson Reuters US Municipals Review.

2015 Top Five Texas Firms by Volume¹

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>
1	McCall, Parkhurst & Horton L.L.P.	\$14,722,400,000
2	Norton Rose Fulbright LLP	\$ 7,558,300,000
3	Bracewell & Giuliani LLP	\$ 6,227,200,000
4	Andrews Kurth LLP	\$ 6,195,800,000
5	Escamilla & Poneck LLP	\$ 1,513,400

2014 Top Five Texas Firms by Volume²

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>
1	McCall, Parkhurst & Horton L.L.P.	\$13,022,000,000
2	Andrews Kurth LLP	\$ 6,084,900,000
3	Norton Rose Fulbright LLP	\$ 5,854,900,000
4	Bracewell & Giuliani LLP	\$ 5,091,100,000
5	Bates & Coleman P.C.	\$ 960,700

2013 Top Five Texas Firms by Volume³

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>
1	McCall, Parkhurst & Horton L.L.P.	\$10,218,400,000
2	Norton Rose Fulbright LLP	\$ 6,433,500,000
3	Bracewell & Giuliani LLP	\$ 5,169,000,000
4	Andrews Kurth LLP	\$ 3,581,400,000
5	Newby Davis PLLC	\$ 689,000

2012 Top Five Texas Firms by Volume⁴

<u>Rank</u>	<u>Firm</u>	<u>Par Amount</u>
1	McCall, Parkhurst & Horton L.L.P.	\$10,234,000,000
2	Fulbright & Jaworski LLP	\$9,429,000,000
3	Andrews Kurth LLP	\$ 4,324,600,000
4	Bracewell & Giuliani LLP	\$ 3,872,300,000
5	Escamilla, Poneck & Cruz, LLP	\$ 1,475,600,000

¹ Source: Thomson Reuters, as published in *The Bond Buyer* on March 1, 2016.

² Source: Thomson Reuters, as published in *The Bond Buyer* on February 24, 2015.

³ Source: Thomson Reuters, as published in *The Bond Buyer* on February 25, 2014.

⁴ Source: Thomson Reuters, as published in *The Bond Buyer* on February 12, 2013.

TYPES OF FINANCINGS

Listed below are some types of securities, whether issued pursuant to public sale, negotiated sale or private bank placements, for which McCall served as Bond Counsel in recent years:

- Certificates of Obligation
- General Obligation Refunding Bonds
- Utility System Revenue Bonds
- Tax Notes
- Lease-Purchase Transactions
- Build America Bonds
- Public Improvement District Revenue Bonds
- Municipal Management District Revenue Bonds
- Public Facility Corporation Lease Revenue Bonds
- Public Property Finance Contractual Obligations
- Energy Savings Contracts

FIRM ORGANIZATION

The firm is generally organized into two departments, which can be described as follows:

Bond Counsel and Securities Department. The majority of the attorneys in the firm serve as bond counsel and securities counsel. As bond counsel, these attorneys analyze applicable state and local laws that apply to the various debt issues and draft all legal documents necessary to permit the lawful issuance of debt. The attorneys of the firm work on hundreds of public bond issues in a given year, spanning the spectrum of the debt instruments sold in the public debt markets. Many of the instruments now commonly issued in Texas and the laws under which they are issued were developed by attorneys in the firm, such as commercial paper notes, forward refundings, interest rate swaps, and various forms of lease-purchase obligations for cities, counties and school districts.

These attorneys are also experts in the securities laws that apply to states and their agencies and political subdivisions in connection with the issuance of debt instruments. In representing either the issuer or the underwriters, their primary responsibility is to draft the Official Statement or other offering document, and to perform due diligence to ascertain that all material information related to the issuer and the bonds have been properly disclosed in the Official Statement.

Tax Department. The second group (comprised of two attorneys and a paralegal) specializes in the federal tax laws and their application to public finance. One critically important aspect of examining the qualifications of a municipal bond firm is an in-depth examination of its tax department, especially when considering issuing novel debt instruments. Harold T. “Hal” Flanagan, the firm’s senior tax partner, has over 35 years of experience (four of which were with Internal Revenue Service (the “IRS”) in Washington, D.C.) specializing in federal income taxation of municipal bonds. As a result of his experience, Hal is familiar with the personnel and the procedures of the federal government that relate to the federal income tax laws that impact public finance. Along with the firm’s ability to analyze detailed legal questions, McCall is able to provide an in-depth review of financial schedules and proposals, which is crucial when determining whether an issuer is compliance with the IRS’s bond regulations.

PROFESSIONAL STAFF

The professional staff of McCall, Parkhurst & Horton L.L.P. is composed of 27 active attorneys. Each and every attorney practices exclusively in the area of public finance. The following table lists the name, position, location and years of experience as an attorney for each member of the professional staff:

<u>Name</u>	<u>Position</u>	<u>Location</u>	<u>Years Experience</u>
G. Charles Kobdich*	Partner	Dallas	42
Alan H. Raynor	Partner	Dallas	42
Jeffrey A. Leuschel	Partner	Dallas	35
L.E. (Ted) Brizzolara III	Partner	Dallas	35
Thomas K. Spurgeon	Partner	San Antonio	34
Dan S. Culver	Partner	Dallas	30
Carol D. Polumbo*	Partner	Austin	30
Gregory B. Salinas	Partner	Austin	26
Mark A. Malveaux	Partner	Dallas	23
Leroy Grawunder, Jr.*	Partner	Dallas	38
Gregory C. Schaecher	Partner	Dallas	20
Richard S. Donoghue, Jr.	Partner	Austin	16
Joe Eckert	Partner	Dallas	18
Noel Valdez	Partner	San Antonio	15
J. Bart Fowler*	Partner	Austin	17
Stefano Taverna	Partner	Dallas	13
Christopher A. Settle	Partner	Dallas	12
Jeff Gulbas	Partner	Dallas	9
Jana Edwards	Partner	Austin	10
Rodolfo Segura Jr	Associate	Dallas	7
Nicole Kintop Smith	Associate	Dallas	11
Clayton Chandler	Associate	Austin	7
Hasan Mack	Associate	Austin	5
Sam M. Gill	Associate	Dallas	8
Orlando Juarez, Jr.	Associate	San Antonio	5
Harold T. Flanagan	Of Counsel	Dallas	37
Kathy S. Cooper	Legal Asst.	San Antonio	N/A
Victoria D. DiMaria	Legal Asst.	Dallas	N/A

*Served as Assistant Attorney General of Texas in the Public Finance Division.

Below are the names, titles, office locations and years of experience in the area of public finance for each of the persons to be assigned to the City's account:

<u>Name</u>	<u>Title</u>	<u>Office Location</u>	<u>Experience</u>
Gregory C. Schaecher	Partner	Dallas	20 years
Stefano J. Taverna	Partner	Dallas	13 years

Brief résumés for each of the above-listed attorneys follows:



Gregory "Greg" Schaecher has been a partner at McCall, Parkhurst & Horton L.L.P. since February 2006. Greg was a senior associate for three years with Fulbright & Jaworski LLP in its Dallas public finance group prior to joining McCall. At Fulbright & Jaworski, and now at McCall, Greg has served as bond counsel, underwriters counsel, and disclosure counsel for local government financings. Greg has experience with tax-exempt and taxable securities transactions for cities, counties, school districts, tollway authorities, economic development corporations, and other political subdivisions in Texas, including ad valorem tax financings, tax increment financings, utility revenue financings, transportation financings, auction and variable rate financings, interest rate swap agreements, and private placements. Transactions range from less than \$1 million to more than \$5 billion. Greg has worked on all the North Texas Tollway Authority financings since February 2006 as bond and disclosure counsel.

Previously, Greg was a senior associate for six years at Kutak Rock LLP in Omaha, Neb. While at Kutak Rock, Greg concentrated his practice on representing a financial guaranty insurance company in all aspects of public finance and structured finance transactions, including consumer loans, student loans, utilities, waste-to-energy facilities, sports and recreation facilities, health care, and transportation. Transactions ranged from \$10 million to more than \$1 billion and included public and private placements, variable rate demand, auction rate and commercial paper financings, and senior/subordinate structures. While at Kutak Rock, Greg acted as creditor counsel on the 1998 Miami Heat American Airlines Arena financing, the 1999 Kansas City International Speedway financing, and the 2001 financings for the Houston Texan Reliant Stadium and Houston Rockets Toyota Center Arena. Greg also acted as creditor counsel for the 1997 Colorado E-470 toll road financing and the 1999 Virginia Dulles Greenway toll road financing.

Greg obtained his juris doctorate from the Creighton University School of Law in Omaha, Neb., graduating magna cum laude in 1996. Greg was an assistant editor of the law review while at Creighton. Greg received his bachelor of science degree in business administration with a concentration in accounting from the University of Nebraska at Omaha, graduating summa cum laude in 1993.

STEFANO J. TAVERNA



Stefano Taverna, a partner of the firm, practices exclusively in the area of federal income taxation of tax-exempt and tax-credit bonds. Stefano provides tax advice to issuers and underwriters regarding tax-exempt bond financings involving new money projects, current and advance refundings, capital and working capital financings, commercial paper issues, and pooled bonds. He guides clients with respect to the structuring of tax-exempt bonds, private activity bonds, qualified school construction bonds, recovery zone bonds, qualified zone academy bonds, and other types of tax-credit bonds. Stefano also represents numerous clients before the

Internal Revenue Service in connection with audits of tax-exempt and tax-credit bonds, Voluntary Compliance Agreements, and other administrative proceedings.

Prior to joining the firm, Stefano was a tax attorney at two law firms with an established Wall Street presence. Stefano has served as bond counsel, underwriters' counsel and special tax counsel for numerous financing transactions throughout the country. Additionally, Stefano has advised clients on the federal and state tax aspects of domestic and international hedge fund formations and operations, mergers, acquisitions and reorganizations, public and private debt and equity offerings, and general corporate, partnership and investment issues. Stefano has represented numerous clients on swap transactions and has advised tax-exempt entities with regard to the federal and state tax implications related to their formation and operations. Prior to joining private practice, Stefano clerked for the Honorable O'C. Wefing, Appellate Division, Superior Court of the State of New Jersey.

Stefano is a graduate of Rutgers, the State University of New Jersey (B.A., *summa cum laude*), Brooklyn Law School (J.D.) and New York University School of Law (LL.M.). He is admitted in New York and New Jersey and is a member of the American Bar Association, the New York State Bar Association, and the National Association of Bond Lawyers. Stefano has been a speaker and panelist at various events, including panels on public finance and federal tax matters. In addition, Stefano is a past Editor-in-Chief of the National Association of Bond Lawyers treatise "*Federal Taxation of Municipal Bonds*", and is the Vice Chair of the Tax-Exempt Finance Committee of the American Bar Association.

EXPERIENCE WITH THE TEXAS ATTORNEY GENERAL'S OFFICE & RATING AGENCIES

Many of our attorneys have previously worked in the Office of the Texas Attorney General – Public Finance Division (the “Division”). Leroy Grawunder and Chuck Kobdich, partners in our Dallas office, and Carol Polumbo and Bart Fowler, partners in our Austin office, have previously served as attorneys in the Division. This prior experience gives our firm tremendous institutional knowledge of public securities. We frequently are asked by the Division to submit briefs, position statements and proposed rules regarding legal analysis of issues that are salient to the Division.

McCall maintains a fully open and honest relationship with the Division, facilitating the Division’s review and approval of a large number of innovative financings for which McCall served as bond counsel. Our ethical responsibilities require us to share all information with the Division, including facts that may be negative, and adherence to our ethics have fostered a strong and professional relationship with the Division.

McCall also communicates daily with the credit rating agencies with respect to the firm's more complex financing transactions, especially those involving either credit enhancement or derivative financial products, such as interest rate swaps. As an industry leader, McCall's relationships with the rating agencies are strong and based upon mutual respect. The rating agencies recognize McCall's thorough understanding of the nuances of municipal finance, allowing us to work collaboratively with them to simplify the review process. The firm has worked with all of the major credit rating agencies, bond insurers, and credit enhancers.

INNOVATION OF McCALL

Throughout the years, McCall has been responsible for major innovations in our field. One of the main strengths of McCall is our ability to draw upon our attorneys' many years of broad experience to devise unique solutions to our clients' problems. McCall has been a leader in drafting legislation and developing innovative financing techniques for use by political subdivisions in Texas. Members of the firm have played major roles in:

- drafting what is now Chapter 1371 of the Texas Government Code. That far-reaching legislation resulted in the introduction of a number of new financial products to the Texas public finance arena, including commercial paper, letter-of-credit and line-of-credit backed bond issues for political subdivisions, and interest rate swap agreements;
- developing and serving as Bond Counsel for the first issuance of short-term commercial paper notes, which allow eligible political subdivisions to issue debt at low interest rates to finance capital improvements;
- originating the concept of the issuance of contractual obligations for cities, counties, and school districts;
- structuring economic development and redevelopment programs throughout the State, including the redevelopment of Robert Mueller Airport in Austin;
- development of convention center hotels in Austin, Dallas, Fort Worth, and San Antonio;
- thorough revision of the laws regarding the investment of public funds in Texas; and
- drafting the legislation that resulted in amendments to the Texas Constitution authorizing the Economic Distressed Areas and Water Infrastructure Fund programs administered by the Texas Water Development Board and the establishment of Texas Water Development Fund II, as well as the amendment to the Texas Constitution establishing a \$6 billion evergreen bond authority for the Texas Water Development Fund II.

In addition, the firm played a major role in assisting the Texas Legislative Council in the preparation and review of the bill that codified numerous public-finance-related statutes into the Public Securities Title of the Government Code, and contained amendments that clarified and streamlined public finance laws that have been in effect, in some cases, for more than 75 years. McCall was also a leader in financing public infrastructure projects under the provisions of the American Recovery and Reinvestment Tax Act of 2009. The firm's attorneys acted as both bond counsel and underwriters counsel in numerous transactions for taxable Build America Bonds under such legislation, including serving as bond counsel on more than \$3.1 billion of Build America Bonds for state transportation-related financings.
