

**CITY OF HOUSTON, TEXAS**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**June 30, 1999**  
*amounts expressed in thousands*

<b>Assessed Value(1)</b>		\$	82,499,592
Less:			
Tax Exemptions			<u>8,226,967</u>
Taxable Value		\$	<u><u>74,272,625</u></u>
 <b>Legal debt limitation, 10% of assessed value(2)</b>		\$	8,249,959
Debt applicable to limitation:			
Public Improvement Bonds	\$	1,330,465	
General Obligation Bonds		-	
Aviation		848,945	
Commercial Paper - General Obligation		254,300	
Annexed District Bonds assumed		124,157	
Tax and Revenue Certificates of Obligation		<u>47,145</u>	
Total			<u>2,605,012</u>
Less:			
Amount available for repayment of general obligation debt		<u>(88,744)</u>	
Total debt applicable to limitation			<u>(2,516,268)</u>
Legal debt margin		\$	<u><u>5,733,691</u></u>

(1) Assessed Value for the 1998 tax year is based on the appraised value of property prior to any deductions for exemptions. The Assessed Value is derived from the certified valuations provided by the Harris County Appraisal District.

(2) See Vernon's Annotated Civil Statutes, Article 835p, Section 1 and 2.