

EXHIBIT H
FORM OF BOND IN DAILY OR WEEKLY MODE

REGISTERED

NO. [TR-1] – *Initial Bond*

[R-1] – *Definitive Bond*

REGISTERED

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS
HOTEL OCCUPANCY TAX SUBORDINATE LIEN VARIABLE RATE
REVENUE REFUNDING BOND,
SERIES 2008
Subseries [A][B]

Dated Date: August 14, 2008

Holder: [Morgan Keegan & Company, Inc.] – *Initial Bond – Subseries 2008A*
[Banc of America Securities LLC] - *Initial Bond – Subseries 2008B*
[CEDE & CO] – *Definitive Bond of both subseries*

Principal Amount:

Interest Rate: Variable Rate

As hereinafter described, under certain circumstances on certain dates this Bond is required to be tendered for purchase to the Tender Agent at a price equal to 100% of the principal amount hereof plus, if such date is not an Interest Payment Date, interest accrued and unpaid hereon to but not including the date of such tender. The Holder hereof who is required to tender this Bond for purchase shall be entitled solely to the payment of such purchase price and shall not be entitled to the payment of any principal hereof or any interest accrued hereon on or after such date.

The City of Austin (hereinafter referred to as the “City”), a body corporate and municipal corporation in the Counties of Travis and Williamson, State of Texas, for value received, hereby promises to pay to the Holder named above, or the registered assigns thereof, solely from the revenues hereinafter identified, the Principal Amount hereinabove stated on November 15, 2029 (or so much thereof as shall not have been prepaid prior to maturity) and to pay interest at the per annum rate or rates determined and established in accordance with the Ordinance

referred to below on the unpaid portion thereof from the date of issuance of this Bond, and such accrued interest shall be due and payable on each Interest Payment Date. Terms not otherwise defined herein shall have the meanings set forth in the Ordinance. To the extent of any conflict between the terms of this Bond and the Ordinance, the provisions of the Ordinance shall supersede the terms of this Bond.

From the date of issuance to but not including August 21, 2008 (the “Initial Period”), this Bond shall bear interest at the rate determined in connection with the initial sale and delivery of this Bond. After the Initial Period, this Bond shall bear interest at the Weekly Rate, as determined in accordance with the Ordinance. At no time shall this Bond bear interest at a rate higher the Maximum Rate. If this Bond or any portion of the principal amount hereof becomes a Liquidity Provider Bond, it shall bear interest at the Liquidity Provider Interest Rate.

Interest during the Initial Period and while this Bond bears interest at a Daily Rate or Weekly Rate shall be calculated on the basis of a 365/366 day year for the actual number of days elapsed, all as determined in accordance with the Ordinance.

The interest rate on this Bond may, in accordance with the terms of the Ordinance, be converted to bear interest at a Daily Rate, a different Weekly Rate, a Commercial Paper Rate, an Auction Rate, a Term Rate, or a Fixed Rate, all in accordance with the Ordinance. When a change in interest rate to a Daily Rate, an Auction Rate, Commercial Paper Rate, Term Rate or Fixed Rate is to occur, this Bond shall be subject to mandatory tender as described herein and in the Ordinance.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Ordinance, be paid to the Person whose name appears on the Security Register (the “Holder”) at the close of business on the applicable Record Date. Such interest 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 Holder recorded in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Holder.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5)

business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Principal of and premium, if any, on this Bond shall be payable at its Stated Maturity, or earlier redemption, only upon presentation and surrender of this Bond to the Paying Agent/Registrar at its designated offices, initially in New York, New York (the “Designated Payment/Transfer Office”).

All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the Holder hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The Paying Agent/Registrar and the Tender Agent initially appointed with respect to this Bond is Deutsche Bank Trust Company Americas, in the City of New York, New York.

If the specified date for any payment hereon shall be a day other than a Business Day, then such payment need not be made on such day but may be paid on the next succeeding Business Day with the same force and effect as if made on the date of payment.

“Business Day” as used herein means any day other than (a) a Saturday or Sunday, (b) a day on which banks located in the cities in which the designated office of any of the Tender Agent, the Remarketing Agent, the Paying Agent/Registrar, the Credit Provider or the Liquidity Provider is located are required or authorized by law or executive order to closed, (c) a day on which the New York Stock Exchange is closed, or (d) a day on which the payment system of the Federal Reserve System is not operational.

This Bond is one of the subseries specified in its title issued in the aggregate principal amount of \$_____ (herein referred to as the “Bonds”) for the purpose of refinancing and refunding certain outstanding obligations of the City, in conformity with the Constitution and laws of the State of Texas, including V.T.C.A., Government Code, Chapters 1207 and 1371, and Vernon’s Texas Code Annotated, Local Government Code, Chapter 334, and pursuant to Ordinance No. 20080724-____ adopted by the City Council of the City (the “Ordinance” which term includes Appendix A thereto and a Pricing Certificate executed pursuant thereto).

The Bonds are subject to mandatory redemption prior to maturity with funds on deposit in the Bond Fund established and maintained for the payment thereof in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, as follows:

<u>Redemption Date</u>	<u>Principal Amount</u>
November 15, 2009	
November 15, 2010	
November 15, 2011	
November 15, 2012	
November 15, 2013	
November 15, 2014	
November 15, 2015	
November 15, 2016	
November 15, 2017	
November 15, 2018	
November 15, 2019	
November 15, 2020	
November 15, 2021	
November 15, 2022	
November 15, 2023	
November 15, 2024	
November 15, 2025	
November 15, 2026	
November 15, 2027	
November 15, 2028	
November 15, 2029 (maturity)	

The Paying Agent/Registrar shall select by lot the numbers of the Bonds to be redeemed on the next following November 15, in accordance with the Ordinance; provided, however, that the principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of Bonds which, at least 50 days prior to the mandatory redemption date, (i) shall have been acquired by the City at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been redeemed pursuant to the optional

redemption provisions described below and not theretofore credited against a mandatory redemption requirement.

While this Bond bears interest at a Daily Rate or a Weekly Rate, it is subject to optional redemption in whole or in part, on any Business Day, at a redemption price equal to the principal amount thereof, plus unpaid accrued interest from the Closing Date or the most recent interest payment date to the Redemption Date.

At least thirty days prior to a redemption date for the Bonds, the City shall cause a notice of redemption to be sent by United States Mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the Business Day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

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

So long as this Bond is in a Daily Mode or a Weekly Mode and a Liquidity Facility is in effect, the Holder hereof may elect to have this Bond purchased on any Business Day at a price equal to the Purchase Price, upon delivery to the Tender Agent and Remarketing Agent of an irrevocable notice submitted by Electronic Means; promptly confirmed in writing by such Owner, delivered by telecopier by 11:00 a.m., for Daily Mode, and 4:00 p.m. for Weekly Mode.

This Bond is subject to mandatory tender by the Holder hereof upon the happening of certain events or occurrences in the Ordinance. When a mandatory tender is to occur, a mandatory tender notice is required to be given in accordance with the Ordinance to the Holders of all the Bonds then outstanding and the Bonds shall be

subject to mandatory tender for purchase at a purchase price equal to the principal thereof and unpaid accrued interest to the Mandatory Purchase Date.

The City has entered into a Reimbursement Agreement, dated as of August 1, 2008 (the "Initial Reimbursement Agreement"), with Dexia Credit Local, acting through its New York Branch (the "Initial Liquidity Provider"), pursuant to which the Initial Liquidity Provider will advance its own funds under a direct pay letter of credit (the "Initial Letter of Credit") to purchase for its own account Bonds tendered or deemed tendered pursuant to the provisions in the Ordinance, except to the extent such tendered Bonds are purchased with remarketing proceeds as described in the Ordinance. The Initial Reimbursement Agreement entitles the Paying Agent/Registrar to draw an amount sufficient to pay the principal of the Bonds plus up to 35 days' interest thereon at 12.00% per annum. As described in the Ordinance, the City may replace the Initial Liquidity Provider with another Alternate Liquidity Facility, pursuant to which the City is obligated to reimburse the Initial Liquidity Provider for all drawings made under the Initial Letter of Credit. The Initial Letter of Credit expires on [August 14, 2011], unless extended or earlier terminated in accordance with the provisions of the Initial Reimbursement Agreement.

The Bonds are special obligations of the City payable solely from and, together with the other Parity Obligations executed and delivered in connection with the issuance of the Bonds, equally and ratably secured by a subordinate parity lien on and pledge of, the Pledged Revenues in the manner provided in the Ordinance. Additionally, the Bonds shall be equally and ratably secured by a lien on the funds, if any, deposited to the credit of the Bond Fund and the Reserve Fund in accordance with the terms of the Ordinance. The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City, except with respect to the Pledged Revenues. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien or subordinate lien on and pledge of the Pledged Revenues, in the same manner and to the same extent as the Bonds.

Reference is hereby made to the Ordinance, copies of which are on file with the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Pledged Revenues; the

nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the maturity of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein.

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

It is hereby certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Pledged Revenues as aforestated. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be duly executed under the official seal of the City.

CITY OF AUSTIN, TEXAS

Will Wynn, Mayor

COUNTERSIGNED:

Shirley A. Gentry, City Clerk

(SEAL)

[For Initial Bond Only]

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
OF PUBLIC ACCOUNTS)
)
THE STATE OF TEXAS)

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 registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

[For Definitive Bonds only]

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

The designated offices of the Paying Agent/Registrar in New York, New York is the “Designated Payment/Transfer Office” for this Bond.

DEUTSCHE BANK TRUST
COMPANY AMERICAS,
New York, New York,
as Paying Agent/Registrar

Registration Date:

By: _____
Authorized Signature

ASSIGNMENT

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

(Social Security or other identifying number: _____)
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

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