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**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

On June 26, 2014, Council of the City authorized and directed that a notice of its intention to issue the Certificates be published in a newspaper as required by Section 271.049 of the Texas Local Government Code; and

No petition, signed by 5% of the qualified electors of the City as permitted by Section 271.049 of the Texas Local Government Code protesting the issuance of the Certificates, has been filed; and

The Certificates to be issued and delivered pursuant to this Ordinance are issued pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code; and

The meeting at which this Ordinance is considered is open to the public as required by law, and the public notice of the time, place and purpose of the meeting was given as required by Chapter 551 of the Texas Government Code.

The terms used in this Ordinance have the following meanings:

“Authentication Certificate” means the Paying Agent/Registrar’s Authentication Certificate, in the form identified in the Form of Certificate.

“Authorized Denomination” means \$5,000 or any integral multiple of \$5,000.

“Business Day” means a day other than a Saturday, a Sunday, a legal holiday, or a day on which banking institutions are authorized by law or executive order to close in the City or the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located.

“Certificates” means the certificates of obligation of the City to be issued under authority of this Ordinance.

“Chapter 9” means Chapter 9 of the Texas Business & Commerce Code.

“Chapter 363” means Chapter 363 of the Texas Health and Safety Code.

“Chapter 1206” means Chapter 1206 of the Texas Government Code.

1 “Chapter 1208” means Chapter 1208 of the Texas Government Code.

2 “City” means the City of Austin, Texas.

3 “Code” means the Internal Revenue Code of 1986, as amended.

4 “Council” means the City Council of the City.

5 “Defeasance Securities” means any securities now or hereafter permitted by Section 1207.062,  
6 Texas Government Code (or any successor statute), including (i) direct, noncallable obligations of the  
7 United States of America, including obligations that are unconditionally guaranteed by the United  
8 States of America, (ii) noncallable obligations of an agency or instrumentality of the United States of  
9 America, including obligations that are unconditionally guaranteed or insured by the agency or  
10 instrumentality and that are rated as to investment quality by a nationally recognized investment rating  
11 firm not less than “AAA” or its equivalent, and (iii) noncallable obligations of a state or an agency or a  
12 county, municipality, or other political subdivision of a state that have been refunded and that are rated  
13 as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its  
14 equivalent.

15 “Defeased Certificate” means any Certificate and the interest on the Certificate that is  
16 considered to be paid, retired and no longer outstanding under the terms of this Ordinance, specifically  
17 PART 17 of this Ordinance.

18 “Designated Payment/Transfer Office” means the office of the Paying Agent/Registrar  
19 identified by the Paying Agent/Registrar as its Designated Payment/Transfer Office for the purpose of  
20 discharging its duties under this Ordinance.

21 “DTC” means The Depository Trust Company, New York, New York.

22 “Event of Default” has the meaning described in PART 18 of this Ordinance.

23 “Future Escrow Agreement” means an escrow agreement or other similar instrument with  
24 respect to Defeased Certificates.

25 “Interest and Sinking Fund” means the Interest and Sinking Fund established in PART 9 of this  
26 Ordinance.

27 “MSRB” means the Municipal Securities Rulemaking Board.

28 “Paying Agent/Registrar” means Wilmington Trust, N.A., or any other bank, trust company,  
29 financial institution, or agency named in accordance with the provisions of subsection (g) of PART 7 of  
30 this Ordinance.

31 “Paying Agent/Registrar Agreement” means the agreement between the City and the Paying  
32 Agent/Registrar with respect to the Certificates in the form approved by the City Manager of the City,  
33 and any successor agreement.

34 “Project” means a project for which proceeds of the Certificates are spent consistent with the  
35 purposes described in clause (i) of PART 3 of this Ordinance.

1 “Purchase Agreement” means the purchase agreement (one or more) between the City and the  
2 Underwriters providing for the sale of the Certificates by the City and the purchase of the Certificates  
3 by the Underwriters.

4 “Registration Books” means the books or records of registration and transfer of the Certificates  
5 maintained by the Paying Agent/Registrar.

6 “Registered Owner” means the owner of any Certificate as recorded in the Registration Books.

7 “Rule” means SEC Rule 15c2-12.

8 “SEC” means the United States Securities and Exchange Commission.

9 “Surplus Revenues” shall mean those revenues from the operation of the City’s solid waste  
10 disposal system remaining after payment of all operation and maintenance expenses of the system and  
11 other obligations incurred to which the revenues have been or shall be encumbered by a lien on and  
12 pledge of such revenues superior to the lien on and pledge of the revenues to the Certificates.

13 “Underwriters” means the entity or entities designated in the Purchase Agreement.

### 14 **PART 3. CERTIFICATES AUTHORIZED.**

15 The Certificates shall be issued in accordance with the Constitution, laws of the State of Texas,  
16 and the Charter of the City, for the purposes of (i) financing the projects described in Schedule I and (ii)  
17 paying the costs of issuance associated with the sale of the Certificates. The aggregate principal  
18 amount and the designation of Certificates issued pursuant to this Ordinance is set forth in Schedule II.

### 19 **PART 4. MATURITY SCHEDULE.**

20 The Certificates shall be dated as of September 1, 2014, shall be in Authorized Denominations,  
21 shall be numbered consecutively from R-1 upward, and shall mature on the maturity date(s), in each of  
22 the years, and in the amounts, respectively, as set forth in Schedule II.

### 23 **PART 5. REDEMPTION PROVISIONS.**

24 (a) The Certificates are subject to redemption, at the option of the City, prior to their stated  
25 maturity to the extent and in the manner provided in Schedule II and the Form of Certificate. The years  
26 of maturity of the Certificates called for redemption at the option of the City prior to stated maturity  
27 shall be selected by the City. The Certificates or any portion redeemed within a maturity shall be  
28 selected by lot, or other customary random selection method, by the Paying Agent/Registrar; *provided*,  
29 that during any period in which ownership of the Certificates is determined only by a book entry at  
30 DTC, if fewer than all of the Certificates of the same maturity and bearing the same interest rate are to  
31 be redeemed, the particular Certificates of such maturity and bearing such interest rate shall be selected  
32 in accordance with the arrangements between the City and DTC.

33 (b) The Certificates are subject to mandatory sinking fund redemption prior to their stated  
34 maturity, to the extent and in the manner provided in Schedule II and the Form of Certificate.

35 (c) At least thirty (30) days before the date fixed for redemption, the City shall cause a  
36 written notice of the redemption to be deposited in the United States mail, first-class postage prepaid,  
37 addressed to each Registered Owner at the address shown on the Registration Books. By the date fixed

1 for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the  
2 required redemption price for the Certificates which are to be redeemed, plus accrued interest to the  
3 date fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all  
4 as provided above, the Certificates, or the portions of the Certificates, which are to be redeemed,  
5 automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the  
6 date fixed for their redemption, and shall not be regarded as outstanding except for the right of the  
7 Registered Owner to receive the redemption price plus accrued interest to the date fixed for redemption  
8 from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar  
9 shall record in the Registration Books all redemptions of principal of the Certificates or any portion of  
10 the principal. If a portion of any Certificate shall be redeemed, one or more substitute Certificates  
11 having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the  
12 written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed  
13 portion of the Certificates, will be issued to the Registered Owner upon the surrender for cancellation,  
14 at the expense of the City, all as provided in this Ordinance. In addition, the City shall cause the Paying  
15 Agent/Registrar to give notice of any redemption in the manner set forth in PART 7(h). The failure to  
16 cause notice to be given, however, or any defect in the notice, shall not affect the validity or  
17 effectiveness of the redemption. If a notice of redemption is given and sufficient funds are not received  
18 for the payment of the required redemption price for the Certificates which are to be redeemed, the  
19 notice shall be of no force and effect, the City shall not redeem the Certificates, and the Paying  
20 Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the  
21 Certificates have not been redeemed.

## 22 **PART 6. INTEREST.**

23 The Certificates shall bear interest at the rates per annum set forth in Schedule II. The interest  
24 shall be payable to the Registered Owner of any Certificate in the manner provided and on the dates  
25 stated in the Form of Certificate. Interest shall be calculated on the basis of a 360-day year consisting of  
26 twelve 30-day months.

## 27 **PART 7. ADDITIONAL CHARACTERISTICS OF THE CERTIFICATES.**

28 (a) The City shall keep, or cause to be kept at the Designated Payment/Transfer Office, the  
29 Registration Books, and the City appoints the Paying Agent/Registrar as its registrar and transfer agent  
30 to keep books or records and make the transfers and registrations under the reasonable regulations as  
31 the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make  
32 transfers and registrations as provided in this Ordinance. It shall be the duty of the Paying  
33 Agent/Registrar to obtain from the Registered Owner and record in the Registration Books the address  
34 of the Registered Owner to which payments with respect to the Certificates shall be mailed, as provided  
35 in this Ordinance. The City, or its designee, shall have the right to inspect the Registration Books  
36 during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar  
37 shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit  
38 their inspection by any other entity. Ownership of each Certificate may be transferred in the  
39 Registration Books only upon presentation and surrender of the Certificate to the Paying  
40 Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of  
41 assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar,  
42 evidencing the assignment of the Certificate, or any portion of the Certificate, in any Authorized  
43 Denomination, to the assignee or assignees, and the right of the assignee or assignees to have the  
44 Certificate or any portion of the Certificate registered in the name of the assignee or assignees. Upon  
45 the assignment and transfer of any Certificate, a new substitute obligation or Certificates shall be issued  
46 in exchange for the Certificate in the manner provided in this Ordinance.

1 (b) The entity in whose name any Certificate shall be registered in the Registration Books at  
2 any time shall be treated as the absolute owner of the Certificate for all purposes of this Ordinance,  
3 whether the Certificate shall be overdue, and the City and the Paying Agent/Registrar shall not be  
4 affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if  
5 any, and interest on any Certificate shall be made only to the Registered Owner. All payments shall be  
6 valid and effectual to satisfy and discharge the liability on the Certificate to the extent of the sum or  
7 sums so paid.

8 (c) The City appoints the Paying Agent/Registrar to act as the paying agent for paying the  
9 principal of, premium, if any, and interest on, the Certificates, and to act as its agent to exchange or  
10 replace Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper  
11 records of all payments made by the City and the Paying Agent/Registrar with respect to the  
12 Certificates, and of all exchanges and replacements, as provided in this Ordinance.

13 (d) Each Certificate may be exchanged for fully registered Certificates as set forth in this  
14 Ordinance. Each Certificate issued and delivered pursuant to this Ordinance, to the extent of the  
15 unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office,  
16 together with a written request duly executed by the Registered Owner or its assignee or assignees, or  
17 its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the  
18 Paying Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as  
19 appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form  
20 prescribed in the Form of Certificate, in any Authorized Denomination (subject to the requirement  
21 stated below that each substitute Certificate shall have a single stated maturity date), as requested in  
22 writing by the Registered Owner or its assignee or assignees, in an aggregate principal amount equal to  
23 the unredeemed principal amount of any Certificate or Certificates so surrendered, and payable to the  
24 appropriate Registered Owner, assignee, or assignees. If a portion of any Certificate is assigned and  
25 transferred, each Certificate issued in exchange shall have the same maturity date and bear interest at  
26 the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a  
27 letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall  
28 exchange or replace Certificates as provided in this Ordinance, and each fully registered Certificate  
29 delivered in exchange for or replacement of any Certificate or portion of a Certificate as permitted or  
30 required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of  
31 this Ordinance, and may again be exchanged or replaced. Any Certificate delivered in exchange for or  
32 replacement of another Certificate before the first scheduled interest payment date on the Certificates  
33 (as stated on the face of the Certificate) shall be dated the same date, but each substitute Certificate  
34 delivered on or after the first scheduled interest payment date shall be dated the interest payment date  
35 preceding the date on which the substitute Certificate is delivered, unless the substitute Certificate is  
36 delivered on an interest payment date, in which case it shall be dated as of the date of delivery;  
37 however, if at the time of delivery of any substitute Certificate the interest on the Certificate for which  
38 it is being exchanged has not been paid, then the substitute Certificate shall be dated the date to which  
39 interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of  
40 any Certificate issued under this Ordinance there shall be printed on the Certificate the Authentication  
41 Certificate. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any  
42 substitute Certificate, date the substitute Certificate in the manner set forth above, and manually sign  
43 and date the Authentication Certificate, and no substitute Certificate shall be considered to be issued or  
44 outstanding unless the Authentication Certificate is executed. The Paying Agent/Registrar promptly  
45 shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders,  
46 or resolutions need be passed or adopted by Council or any other body or person to accomplish the  
47 exchange or replacement of any Certificate, and the Paying Agent/Registrar shall provide for the

1 printing, execution, and delivery of the substitute Certificates in the manner prescribed in this  
2 Ordinance. Pursuant to Chapter 1206, the duty of exchange or replacement of any Certificate is  
3 imposed on the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the  
4 exchanged or replaced obligation shall be valid, incontestable, and enforceable in the same manner and  
5 with the same effect as the Certificates which originally were delivered pursuant to this Ordinance,  
6 approved by the Texas Attorney General, and registered by the Texas Comptroller of Public Accounts.  
7 Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any  
8 Certificate selected for redemption, in whole or in part, within 45 calendar days of the date fixed for  
9 redemption; *provided, however*; the limitation of transfer shall not be applicable to an exchange by the  
10 Registered Owner of the uncalled principal of a Certificate.

11 (e) All Certificates issued in exchange or replacement of any other Certificate or portion of  
12 a Certificate (i) shall be issued in fully registered form, without interest coupons, with the principal of  
13 and interest on the Certificates to be payable only to the Registered Owners, (ii) may be redeemed prior  
14 to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other  
15 Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of  
16 and interest on the Certificates shall be payable, all as provided, and in the manner required or  
17 indicated, in the Form of Certificate.

18 (f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and  
19 charges for making transfers of Certificates, but the Registered Owner of any Certificate requesting the  
20 transfer shall pay any taxes or other governmental charges required for the transfer. The Registered  
21 Owner of any Certificate requesting any exchange shall pay the Paying Agent/Registrar's reasonable  
22 and standard or customary fees and charges for exchanging any Certificate or a portion of a Certificate,  
23 together with any required taxes or governmental charges, all as a condition precedent to the exercise of  
24 the privilege of exchange, except in the case of the exchange of an assigned and transferred Certificate  
25 or Certificates or any portion or portions in any Authorized Denomination, the fees and charges will be  
26 paid by the City. In addition, the City covenants with the Registered Owners of the Certificates that it  
27 will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar  
28 for its services with respect to the payment of the principal of and interest on the Certificates, when  
29 due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the  
30 transfer or registration of Certificates, and with respect to the exchange of Certificates solely to the  
31 extent stated above.

32 (g) The City Manager is authorized to execute and deliver the Paying Agent/Registrar  
33 Agreement. The City covenants with the Registered Owners of the Certificates that at all times while  
34 the Certificates are outstanding the City will provide a competent and legally qualified bank, trust  
35 company, or other entity duly qualified and legally authorized to act as and perform the services of  
36 Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar  
37 will be one entity. The City reserves the right to, and may, at its option, change the Paying  
38 Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event  
39 that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or  
40 other method) should resign or otherwise stop acting as such, the City covenants that it will promptly  
41 appoint a competent and legally qualified national or state banking institution organized and doing  
42 business under the laws of the United States of America or of any state, authorized under the laws to  
43 exercise trust powers, subject to supervision or examination by federal or state authority, and whose  
44 qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying  
45 Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous  
46 Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy of these

Books), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be considered to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(h) Each redemption notice, whether required in the Form of Certificate or otherwise by this Ordinance, shall contain a description of the Certificates to be redeemed, including the complete name of the Certificates, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of the Certificates called for redemption, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Certificate may be redeemed, including a contact person and telephone number.

All redemption payments made by the Paying Agent/Registrar to the Registered Owner of the Certificates shall include CUSIP numbers relating to each amount paid to such Registered Owner.

#### **PART 8. FORM OF CERTIFICATES.**

The Certificates shall be signed with the manual or facsimile signatures of the Mayor and the City Clerk, and the seal of the City shall be affixed or impressed on the Certificates. The form of all Certificates, including the form of the Comptroller's Registration Certificate to accompany the Certificates on the initial delivery, the form of the Authentication Certificate, and the Form of Assignment to be printed on each Certificate, shall be, respectively, substantially in the form set forth in Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance.

#### **PART 9. LEVY OF TAX; INTEREST AND SINKING FUND.**

The Interest and Sinking Fund is created and it shall be established and maintained at an official depository of the City. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any Certificate is outstanding and unpaid, Council shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Certificates as the interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund redemption payments, if any) of the Certificates as the principal matures, but never less than 2% of the outstanding principal amount of the Certificates as a sinking fund each year. The rate and amount of ad valorem tax needed to fund this obligation is ordered to be levied against all taxable property in the City for each year while any Certificate is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes necessary to pay the interest on and principal of the Certificates, as the interest comes due, and the principal matures or comes due through operation of the mandatory sinking fund redemption, if any, as provided in the Form of Certificate, are pledged for this purpose, within the limit set by law. The City appropriates from current funds on hand, and directs the transfer for deposit into the Interest and Sinking Fund moneys as may be necessary to

1 pay debt service on the Certificates scheduled to occur prior to receipt of taxes levied to pay such debt  
2 service. Money in the Interest and Sinking Fund, at the option of the City, may be invested in the  
3 securities or Certificates as permitted under applicable law and the City's investment policy. Any  
4 securities or Certificates in which money is invested shall be kept and held in trust for the benefit of the  
5 owners of the Certificates and shall be sold and the proceeds of sale shall be timely applied to the  
6 making of all payments required to be made from the Interest and Sinking Fund. Interest and income  
7 derived from the investment of money in the Interest and Sinking Fund shall be credited to the Interest  
8 and Sinking Fund.

#### 9 **PART 10. REVENUES; APPLICABILITY OF CHAPTER 1208.**

10 (a) The Certificates are additionally secured by and shall be payable from the Surplus  
11 Revenues. The Surplus Revenues are pledged by the City pursuant to authority of Chapter 363,  
12 specifically Section 363.135. The City shall promptly deposit the Surplus Revenues on their receipt to  
13 the credit of the Interest and Sinking Fund created pursuant to PART 9, to pay the principal and interest  
14 on the Certificates. The amount of Surplus Revenues pledged to the payment of the Certificates shall  
15 not exceed \$1,000.

16 (b) Chapter 1208 applies to the issuance of the Certificates and the pledge of ad valorem  
17 taxes and the Surplus Revenues granted by the City under PARTS 9 and 10 of this Ordinance, and the  
18 pledge is valid, effective, and perfected. If Texas law is amended at any time while the Certificates are  
19 outstanding and unpaid so that the pledge of the ad valorem taxes and Surplus Revenues granted by the  
20 City is to be subject to the filing requirements of Chapter 9, then to preserve to the registered owners of  
21 the Certificates the perfection of the security interest in the pledge, the City agrees to take such  
22 measures as it determines are reasonable and necessary under Texas law to comply with the applicable  
23 provisions of Chapter 9 and enable a filing to perfect the security interest in the pledge.

#### 24 **PART 11. DAMAGED, LOST, STOLEN OR DESTROYED CERTIFICATES.**

25 (a) In the event any outstanding Certificate is damaged, mutilated, lost, stolen, or destroyed,  
26 the Paying Agent/Registrar shall cause to be printed, executed, and delivered a new obligation of the  
27 same principal amount, maturity, and interest rate as the damaged, mutilated, lost, stolen, or destroyed  
28 Certificate in replacement for the Certificate in the manner provided in this Ordinance.

29 (b) Application for replacement of any damaged, mutilated, lost, stolen, or destroyed  
30 Certificate shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a  
31 Certificate, the applicant for a replacement obligation shall furnish to the City and to the Paying  
32 Agent/Registrar the security or indemnity as may be required by them to save each of them harmless  
33 from any loss or damage with respect to the Certificate. Also, in every case of loss, theft, or destruction  
34 of a Certificate, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to  
35 their satisfaction of the loss, theft, or destruction of the Certificate. In every case of damage or  
36 mutilation of a Certificate, the applicant shall surrender to the Paying Agent/Registrar for cancellation  
37 the damaged or mutilated Certificate.

38 (c) Notwithstanding provisions 11(a) and (b), in the event any Certificate shall have  
39 matured, and there is no continuing default in the payment of the principal of, premium, if any, or  
40 interest on the Certificate, the City may authorize its payment (without surrender except in the case of a  
41 damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or  
42 indemnity is furnished as above provided in this PART.



1 (d) Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall  
2 charge the owner of the Certificate with all legal, printing, and other expenses in connection with the  
3 replacement. Every replacement Certificate issued pursuant to the provisions of this Ordinance by  
4 virtue of the fact that any Certificate is damaged, mutilated, lost, stolen, or destroyed shall constitute a  
5 contractual obligation of the City whether the damaged, mutilated, lost, stolen, or destroyed Certificate  
6 shall be found, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance  
7 equally and proportionately with any and all other Certificates duly issued under this Ordinance.

8 (e) In accordance with Chapter 1206, this PART constitutes authority for the issuance of  
9 any such replacement Certificate without necessity of further action by Council or any other body or  
10 person, and the duty of the replacement of the Certificates is authorized and imposed on the Paying  
11 Agent/Registrar, subject to the conditions imposed by this PART, and the Paying Agent/Registrar shall  
12 authenticate and deliver the Certificates in the form and manner and with the effect, as provided in  
13 PART 7(d) of this Ordinance for Certificates issued in exchange for other Certificates.

## 14 **PART 12. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.**

15 The Mayor, or his designee, is authorized to have control of the Certificates and all necessary  
16 records and proceedings pertaining to the Certificates pending their delivery and their investigation,  
17 examination and approval by the Texas Attorney General, and their registration by the Texas  
18 Comptroller of Public Accounts. Upon registration of the Certificates, the Comptroller (or a deputy  
19 designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration  
20 Certificate accompanying the Certificates, and the seal of the Comptroller shall be impressed, or placed  
21 in facsimile, on each certificate. After registration by the Comptroller, delivery of the Certificates shall  
22 be made to the Purchasers, under and subject to the general supervision and direction of the Mayor,  
23 against receipt by the City of all amounts due to the City under the terms of sale.

## 24 **PART 13. SALE OF CERTIFICATES; OFFICIAL STATEMENT.**

25 (a) The sale of the Certificates to the Underwriters at the price set forth in Schedule II, is  
26 hereby approved; and delivery of the Certificates to the Underwriters shall be made upon payment  
27 therefor in accordance with the terms of the Purchase Agreement presented to and hereby approved by  
28 the Council, with such changes as are acceptable to the Mayor or the City Manager, which price and  
29 terms are hereby found and determined to be the most advantageous reasonably obtainable by the City.  
30 The Mayor or the City Manager is hereby authorized and directed to execute such Purchase Agreement  
31 on behalf of the City, and the Mayor, the Mayor Pro Tem, the City Manager, the City Clerk, the Chief  
32 Financial Officer of the City and all other officials, agents and representatives of the City are hereby  
33 authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to  
34 provide for the issuance and delivery of the Certificates.

35 (b) Council hereby ratifies, authorizes and approves, in connection with the sale of the  
36 Certificates, the preparation and distribution of the Preliminary Official Statement and a final Official  
37 Statement, substantially in the form of the Preliminary Official Statement, containing such additional  
38 information and amendments as may be necessary to conform to the terms of the Certificates, this  
39 Ordinance and the Purchase Agreement, and the Preliminary Official Statement is hereby deemed final  
40 as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. The Mayor and  
41 the City Manger are hereby authorized to approve such amendments and supplements to the Official  
42 Statement as either of them shall be deemed necessary or appropriate, and the Mayor and City Clerk are  
43 hereby authorized to execute such Official Statement by manual, facsimile or electronic signature

and/or to deliver a certificate pertaining to such Official Statement as prescribed therein or in the Purchase Agreement, dated as of the date of payment for and delivery of the Certificates.

(c) Proceeds from the sale of the Certificates in the amount set forth in Schedule II shall be used for the purposes described in PART 3 of this Ordinance; and any accrued interest (together with the portion of the premium, if any, set forth in Schedule II) received in connection with the sale of the Certificates shall be deposited to the Interest and Sinking Fund.

#### **PART 14. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.**

(a) Definitions. When used in this PART, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

“Issue Date” for the Certificates or other obligations of the City is the respective date on which such Certificates or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Certificates issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Certificates.

“Yield of”

(1) any Investment shall be computed in accordance with section 1.148-5 of the Regulations, and

(2) the Certificates shall be computed in accordance with section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificates to become includable in

1 the gross income, as defined in section 61 of the Code, of the owner for federal income tax purposes.  
2 Unless and until the City has received a written opinion of counsel nationally recognized in the field of  
3 municipal bond law to the effect that failure to comply with such covenant will not adversely affect the  
4 exemption from federal income tax of the interest on any Certificate, the City shall comply with the  
5 specific covenants in this Section.

6 (c) No Private Use or Private Payments. Except as permitted by section 141 of the Code  
7 and the regulations and rulings relating to section 141 of the Code, the City shall, at all times prior to  
8 the last stated maturity of the Certificates,

9 (1) exclusively own, operate, and possess all property the acquisition, construction,  
10 or improvement of which is to be financed directly or indirectly with Gross Proceeds of the  
11 Certificates and not use or permit the use of such Gross Proceeds or any property acquired,  
12 constructed, or improved with such Gross Proceeds in any activity carried on by any person or  
13 entity other than a state or local government, unless such use is solely as a member of the  
14 general public, or

15 (2) not directly or indirectly impose or accept any charge or other payment for use of  
16 Gross Proceeds of the Certificates or any property the acquisition, construction or improvement  
17 of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of  
18 general application and interest earned on investments acquired with such Gross Proceeds  
19 pending application for their intended purposes.

20 (d) No Private Loan. Except to the extent permitted by section 141 of the Code and the  
21 regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the  
22 Certificates to make or finance loans to any person or entity other than a state or local government. For  
23 purposes of the foregoing covenant, Gross Proceeds are considered to be "loaned" to a person or entity  
24 if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person  
25 or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service  
26 from such property is committed to such person or entity under a take or pay, output, or similar contract  
27 or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds  
28 or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

29 (e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code  
30 and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time prior  
31 to the earlier of the final stated maturity or final payment of the Certificates, directly or indirectly invest  
32 Gross Proceeds of such Certificates in any Investment (or use such Gross Proceeds to replace money so  
33 invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds  
34 whether then held or previously disposed of, exceeds the Yield on the Certificates.

35 (f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code  
36 and the regulations and rulings relating to section 149(b) of the Code, the City shall not take or omit to  
37 take any action which would cause the Certificates to be federally guaranteed within the meaning of  
38 section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code.

39 (g) Information Report. The City shall timely file with the Secretary of the Treasury the  
40 information required by section 149(e) of the Code with respect to the Certificates on such forms and in  
41 such place as such Secretary may prescribe.

1 (h) Payment of Rebate Amount. Except to the extent otherwise provided in section 148(f)  
2 of the Code and the regulations and rulings relating to section 148(f) of the Code, the City shall:

3 (1) account for all Gross Proceeds (including all receipts, expenditures and  
4 investments thereof) on its books of account separately and apart from all other funds (and  
5 receipts, expenditures and investments thereof) and shall retain all records of such accounting  
6 for at least six years after the final Computation Date. The City may, however, to the extent  
7 permitted by law, commingle Gross Proceeds of the Certificates with other money of the City,  
8 provided that the City separately accounts for each receipt and expenditure of such Gross  
9 Proceeds and the Certificates acquired with these proceeds.

10 (2) calculate the Rebate Amount with respect to the Certificates, not less frequently  
11 than each Computation Date, in accordance with rules set forth in section 148(f) of the Code,  
12 section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy  
13 of such calculations for at least six years after the final Computation Date.

14 (3) as additional consideration for the purchase of the Certificates by the initial  
15 purchaser and the loan of the money represented by this purchase, and in order to induce such  
16 purchase by measures designed to ensure the excludability of the interest from the gross income  
17 of the owners for federal income tax purposes, pay to the United States the amount described in  
18 paragraph (2) above at the times, in the installments, to the place, in the manner and  
19 accompanied by such forms or other information as is or may be required by section 148(f) of  
20 the Code and the regulations and rulings relating to section 148(f) of the Code, and

21 (4) exercise reasonable diligence to assure that no errors are made in the calculations  
22 required by paragraph (2) and, if such error is made, to discover and promptly to correct such  
23 error within a reasonable amount of time, including payment to the United States of any interest  
24 and any penalty required by the Regulations.

25 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the  
26 Code and the regulations and rulings relating to section 148 of the Code, the City shall not, at any time  
27 prior to the earlier of the final stated maturity or final payment of the Certificates, enter into any  
28 transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h)  
29 of this Section because such transaction results in a smaller profit or a larger loss than would have  
30 resulted if the transaction had been at arm's length and had the Yield of the Certificates not been  
31 relevant to either party.

32 (j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the  
33 Certificates in Nonpurpose Investments having a guaranteed yield for four years or more. On the  
34 Closing Date, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the  
35 Certificates will be used to carry out the governmental purpose of such series within three years after  
36 the Closing Date.

## 37 **PART 15. CONTINUING DISCLOSURE OBLIGATION.**

38 (a) *Annual Reports.* (i) The City shall provide annually to the MSRB, within six months  
39 after the end of each fiscal year, financial information and operating data with respect to the City of the  
40 general type included in the Official Statement authorized by PART 13 of this Ordinance, being the  
41 information described in Exhibit B. Any financial statements to be provided shall be (1) prepared in  
42 accordance with the accounting principles described in Exhibit B, or other accounting principles as the

1 City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if  
2 the City commissions an audit of such statements and the audit is completed within the period during  
3 which they must be provided. If the audit of the financial statements is not complete within this period,  
4 then the City shall provide unaudited financial statements by the required time, and shall provide  
5 audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on  
6 the statements becomes available.

7 (ii) If the City changes its fiscal year, it will notify the MSRB of the change (and of the date  
8 of the new fiscal year end) before the next date the City would be required to provide financial  
9 information and operating data pursuant to this PART.

10 The financial information and operating data to be provided pursuant to this PART may be set  
11 forth in full in one or more documents or may be included by specific reference to any document  
12 (including an official statement or other offering document) available to the public on the MSRB's  
13 website or filed with the SEC. Filings shall be made electronically, accompanied by such identifying  
14 information as prescribed by the MSRB.

15 (b) *Disclosure Event Notices.* The City shall notify the MSRB in an electronic format  
16 prescribed by the MSRB, in a timely manner not in excess of 10 Business Days after the occurrence of  
17 the event, of any of the following events with respect to the Certificates:

- 18 1. Principal and interest payment delinquencies;
- 19 2. Non-payment related defaults, if material;
- 20 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 21 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 22 5. Substitution of credit or liquidity providers, or their failure to perform;
- 23 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed  
24 or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-  
25 TEB) or other material notices or determinations with respect to the tax status of  
26 the Certificates, or other material events affecting the tax status of the  
27 Certificates;
- 28 7. Modifications to rights of holders of the Certificates, if material;
- 29 8. Certificate calls, if material, and tender offers;
- 30 9. Defeasances;
- 31 10. Release, substitution, or sale of property securing repayment of the Certificates,  
32 if material;
- 33 11. Rating changes;
- 34 12. Bankruptcy, insolvency, receivership or similar event of the City;
- 35 13. The consummation of a merger, consolidation, or acquisition involving the City  
36 or the sale of all or substantially all of the assets of the City, other than in the  
37 ordinary course of business, the entry into a definitive agreement to undertake  
38 such an action or the termination of a definitive agreement relating to any such  
39 actions, other than pursuant to its terms, if material; and
- 40 14. Appointment of a successor Paying Agent/Registrar or change in the name of the  
41 Paying Agent/Registrar, if material.

42 As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event"  
43 means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under  
44 the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or  
45 governmental authority has assumed jurisdiction over substantially all of the assets or business of the

1 City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in  
2 possession but subject to the supervision and orders of a court or governmental authority, or the entry  
3 of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental  
4 authority having supervision or jurisdiction over substantially all of the assets or business of the City.

5 The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely  
6 manner, of any failure by the City to provide financial information or operating data in accordance with  
7 subsection (b) of this Section by the time required by subsection (a).

8 (c) *Limitations, Disclaimers, and Amendments.*

9 The City shall be obligated to observe and perform the covenants named in this PART for only  
10 so long as the City remains an “obligated person” with respect to the Certificates within the meaning of  
11 the Rule, except that the City will give written notice of any deposit made in accordance with this  
12 Ordinance, or applicable law, that causes any Certificate no longer to be outstanding.

13 The provisions of this PART are for the sole benefit of the holders and beneficial owners of the  
14 Certificates, and nothing in this PART, express or implied, shall give any benefit or any legal or  
15 equitable right, remedy, or claim to any other person. The City undertakes to provide only the financial  
16 information, operating data, financial statements, and notices which it has expressly agreed to provide  
17 pursuant to this PART and does not undertake to provide any other information that may be relevant or  
18 material to a complete presentation of the City’s financial results, condition, or prospects or to update  
19 any information provided in accordance with this PART or otherwise, except as expressly provided in  
20 this Ordinance. The City does not make any representation or warranty concerning the information or  
21 its usefulness to a decision to invest in or sell Certificates at any future date.

22 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR  
23 BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR  
24 TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE  
25 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT  
26 SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN  
27 CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN  
28 ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

29 No default by the City in observing or performing its obligations under this PART shall  
30 comprise a breach of or default under this Ordinance for purposes of any other provision of this  
31 Ordinance. Nothing in this PART is intended or shall act to disclaim, waive, or otherwise limit the  
32 duties of the City under federal and state securities laws.

33 The provisions of this PART may be amended by the City from time to time to adapt to changed  
34 circumstances that arise from a change in legal requirements, a change in law, or a change in the  
35 identity, nature, status, or type of operations of the City, but only if (1) the provisions of this PART, as  
36 amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering  
37 of the Certificates in compliance with the Rule, taking into account any amendments or interpretations  
38 of the Rule since the offering as well as the changed circumstances and (2) either (a) the holders of a  
39 majority in aggregate principal amount (or any greater amount required by any other provision of this  
40 Ordinance that authorizes an amendment) of the outstanding Certificates consent to the amendment or  
41 (b) a person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines  
42 that the amendment will not materially impair the interest of the holders and beneficial owners of the  
43 Certificates. If the City amends the provisions of this PART, it shall include with the next financial

1 information and operating data provided in accordance with subsection (a) of this PART an  
2 explanation, in narrative form, of the reason for the amendment and of the impact of any change in the  
3 type of financial information or operating data so provided. The City may also amend or repeal the  
4 provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable  
5 provision of the Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are  
6 invalid, but only if and to the extent that the provisions of this sentence would not prevent an  
7 underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

## 8 **PART 16. DTC REGISTRATION.**

9 The Certificates initially shall be issued and delivered in the manner that no physical  
10 distribution of the Certificates will be made to the public, and DTC initially will act as depository for  
11 the Certificates. DTC has represented that it is a limited purpose trust company incorporated under the  
12 laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation”  
13 within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered  
14 under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no  
15 way verifies, the representations. The Certificates initially authorized by this Ordinance intended to be  
16 held by DTC shall be delivered to and registered in the name of Cede & Co., the nominee of DTC. It is  
17 expected that DTC will hold the Certificates on behalf of the Purchasers and their participants. So long  
18 as each Certificate is registered in the name of Cede & Co., the Paying Agent/Registrar shall treat and  
19 deal with DTC the same in all respects as if it were the actual and beneficial owner. It is expected that  
20 DTC will maintain a book-entry system which will identify ownership of the Certificates in Authorized  
21 Denominations, with transfers of ownership being effected on the records of DTC and its participants  
22 pursuant to rules and regulations established by them, and that the Certificates initially deposited with  
23 DTC shall be immobilized and not be further exchanged for substitute Certificates except as set forth in  
24 this Ordinance. The City and the Paying Agent/Registrar are not responsible or liable for any functions  
25 of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be  
26 responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants,  
27 or protecting any interests or rights of the beneficial owners of the Certificates. It shall be the duty of  
28 the DTC Participants, as defined in the Official Statement, to make all arrangements with DTC to  
29 establish this book-entry system, the beneficial ownership of the Certificates, and the method of paying  
30 the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the  
31 initial book-entry system established with DTC will be maintained in the future. Notwithstanding the  
32 initial establishment of the foregoing book-entry system with DTC, if for any reason any of the  
33 originally delivered Certificates is duly filed with the Paying Agent/Registrar with proper request for  
34 transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered  
35 as provided in this Ordinance, and there will be no assurance or representation that any book-entry  
36 system will be maintained for the Certificates. In connection with the initial establishment of the  
37 foregoing book-entry system with DTC, the City has executed a “Blanket Letter of Representations”  
38 prepared by DTC in order to implement the book-entry system described above.

## 39 **PART 17. DEFEASANCE.**

40 (a) *Defeased Certificates.* Any Certificate will be treated as a Defeased Certificate, except  
41 to the extent provided in subsection (d) of this PART, when payment of the principal of the Certificate,  
42 plus interest to the due date (whether the due date be by reason of maturity, redemption or otherwise)  
43 either (i) shall have been made or caused to be made in accordance with the terms of this Ordinance, or  
44 (ii) shall have been provided for on or before the due date by irrevocably depositing with or making  
45 available to the Paying Agent/Registrar or any commercial bank or trust company authorized to serve  
46 as escrow agent for the Certificates in accordance with a Future Escrow Agreement for the payment of

1 the Certificate (1) lawful money of the United States of America sufficient to make the payment or (2)  
2 Defeasance Securities, certified by an independent public accounting firm of national reputation to  
3 mature as to principal and interest in the amounts and at the time as will insure the availability, without  
4 reinvestment, of sufficient money to provide for the payment, and when proper arrangements have been  
5 made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased  
6 Certificates shall have become due and payable. There shall be delivered to the Paying Agent/Registrar  
7 a certificate or report from a firm of certified public accountants evidencing the sufficiency of the  
8 deposit made pursuant to clause (ii) above. The Paying Agent/Registrar shall also receive an opinion of  
9 bond counsel acceptable to the City that reflects this payment does not adversely affect the exclusion  
10 under the Code of interest on the Defeased Certificates from the gross income of the holders for federal  
11 income taxation purposes. At the time as a Certificate shall be considered to be a Defeased Certificate,  
12 the Certificate and the interest on that Certificate shall no longer be secured by, payable from, or  
13 entitled to the benefits of the ad valorem taxes levied and pledged as provided in this Ordinance, and  
14 the principal and interest shall be payable solely from the money or Defeasance Securities.

15 (b) *Investment in Defeasance Securities.* Any funds deposited with the Paying  
16 Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing  
17 in the amounts and times as set forth in this Ordinance, and all income from these Defeasance  
18 Securities received by the Paying Agent/Registrar that is not required for the payment of the  
19 Certificates and interest, with respect to which money has been deposited, shall be turned over to the  
20 City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which  
21 the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain  
22 provisions permitting the investment or reinvestment of the moneys in Defeasance Securities or the  
23 substitution of other Defeasance Securities upon the satisfaction of the requirements described in  
24 subsections (a) (i) or (ii) of this PART. All income from the Defeasance Securities received by the  
25 Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect  
26 to which money has been so deposited, shall be remitted to the City or deposited as directed in writing  
27 by the City. The Paying Agent/Registrar shall not be liable for any loss pertaining to an investment  
28 executed in accordance with written instructions from the City.

29 (c) *Paying Agent/Registrar Services.* Until all Defeased Certificates shall have become due  
30 and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for the  
31 Defeased Certificates as if they had not been defeased, and the City shall make proper arrangements to  
32 provide and pay for the services as required by this Ordinance.

33 (d) *Selection of Certificates for Defeasance.* In the event that the City elects to defease less  
34 than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or  
35 cause to be selected, the amount of Certificates by the random method as it considers fair and  
36 appropriate.

## 37 **PART 18. DEFAULT AND REMEDIES.**

38 (a) *Events of Default.* Each of the following occurrences or events is an Event of Default:

39 (i) the failure to pay the principal of or interest on any Certificate when it becomes  
40 due and payable; or

41 (ii) default in the performance or observance of any other covenant, agreement or  
42 obligation of the City, the failure to perform which materially, adversely affects the rights of the  
43 Registered Owners of the Certificates, including their prospect or ability to be repaid in



1 accordance with this Ordinance, and the continuation for a period of 60 days after notice of the  
2 default is given by any Registered Owner to the City.

3 (b) *Remedies for Default.*

4 (i) When any Event of Default occurs, any Registered Owner or the Registered  
5 Owner's authorized representative, including a trustee or trustees, may proceed against the City,  
6 or any official, officer or employee of the City in their official capacity, for the purpose of  
7 protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus  
8 or other suit, action or special proceeding in equity or at law, in any court of competent  
9 jurisdiction, for any relief permitted by law, including the specific performance of any covenant  
10 or agreement contained in this Ordinance, or to enjoin any act or thing that may be unlawful or in  
11 violation of any right of the Registered Owners or any combination of remedies only as  
12 authorized by law.

13 (ii) All default proceedings shall be instituted and maintained for the equal benefit of  
14 all Registered Owners of outstanding Certificates.

15 (c) *Remedies Not Exclusive.*

16 (i) No remedy in this Ordinance is exclusive of any other available remedy, but each  
17 remedy shall be cumulative and shall be in addition to every other remedy given in this  
18 Ordinance or under the Certificates; however, there is no right to accelerate the debt evidenced  
19 by the Certificates.

20 (ii) The exercise of any remedy in this Ordinance shall not be considered a waiver of  
21 any other available remedy.

22 (iii) By accepting the delivery of a Certificate authorized under this Ordinance, the  
23 Registered Owner agrees that the certifications required to effect any covenants or  
24 representations contained in this Ordinance do not and shall never constitute or give rise to a  
25 personal or pecuniary liability or charge against the officers or employees of the City or Council.

26 (iv) None of the members of Council, nor any other official or officer, agent, or  
27 employee of the City, shall be charged personally by the Registered Owners with any liability, or  
28 be held personally liable to the Registered Owners under any term or provision of this  
29 Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

30 **PART 19. OFFICIALS MAY ACT ON BEHALF OF THE CITY.**

31 (a) The Mayor, the City Clerk, the City Manager, any Assistant City Manager, the Chief  
32 Financial Officer of the City, or any Deputy Chief Financial Officer of the City, and all other officers,  
33 employees, and agents of the City, and each of them, shall be authorized, empowered, and directed to  
34 do and perform all acts and things and to execute, acknowledge, and deliver in the name and under the  
35 seal and on behalf of the City all instruments as may be necessary or desirable in order to carry out the  
36 terms and provisions of this Ordinance, the Certificates, the Purchase Agreement, the offering  
37 documents prepared in connection with the sale of the Certificates, or the Paying Agent/Registrar  
38 Agreement. In case any officer whose signature appears on any Certificate shall stop being the officer  
39 before the delivery of the Certificate, the signature shall nevertheless be valid and sufficient for all  
40 purposes as if he or she had remained in office until the delivery.

1 (b) The Mayor and Mayor Pro Tem are each authorized to make or approve such revisions,  
2 additions, deletions, and variations to this Ordinance that, in their judgment and in the opinion of Bond  
3 Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes  
4 of this Ordinance, the Purchase Agreement, the Paying Agent/Registrar Agreement, the Preliminary  
5 Official Statement and the final Official Statement or as may be required for approval of the  
6 Certificates by the Attorney General of Texas.

## 7 **PART 20. RULES OF CONSTRUCTION.**

8 For all purposes of this Ordinance, unless the context requires otherwise, all references to  
9 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this Ordinance.  
10 Except where the context otherwise requires, terms defined in this Ordinance to impart the singular  
11 number shall be considered to include the plural number and vice versa. References to any named  
12 person shall mean that party and his or her successors and assigns. References to any constitutional,  
13 statutory or regulatory provision means the provision as it exists on the date this Ordinance is adopted  
14 by the City. Any reference to the payment of principal in this Ordinance shall include the payment of  
15 any mandatory sinking fund redemption payments as described in this Ordinance. Any reference to  
16 "Form of Certificate" refers to the form of the Certificates in Exhibit A to this Ordinance. The titles and  
17 headings of the PARTS and subsections of this Ordinance have been inserted for convenience of  
18 reference only and are not a part of this Ordinance and shall not in any way modify or restrict any of its  
19 terms or provisions.

## 20 **PART 21. CONFLICTING ORDINANCES REPEALED.**

21 All ordinances and resolutions or parts in conflict with this Ordinance are repealed.

## 22 **PART 22. IMMEDIATE EFFECT.**

23 In accordance with the provisions of Section 1201.028, Texas Government Code, this  
24 Ordinance is effective immediately upon its adoption by Council.

25 [The remainder of this page is intentionally left blank.]

**PASSED AND APPROVED AND EFFECTIVE AUGUST 28, 2014.**

\_\_\_\_\_  
Lee Leffingwell,  
Mayor,  
City of Austin, Texas

ATTEST:

\_\_\_\_\_  
Jannette S. Goodall,  
City Clerk,  
City of Austin, Texas

(SEAL)

APPROVED:

\_\_\_\_\_  
Karen M. Kennard,  
City Attorney,  
City of Austin, Texas

1 **EXHIBIT A**

2 **Form of Certificate**

3 NO. R-\_\_<sup>1</sup> \$\_\_\_\_\_

4 UNITED STATES OF AMERICA  
5 STATE OF TEXAS

6 CITY OF AUSTIN, TEXAS  
7 CERTIFICATE OF OBLIGATION,  
8 SERIES 2014

Maturity Date<sup>2</sup> Interest Rate<sup>2</sup> Dated Date CUSIP No.<sup>2</sup>  
September 1, 20\_\_ % September 1, 2014

9 ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF AUSTIN, TEXAS  
10 (the "City"), in the Counties of Travis, Williamson and Hays, hereby promises to pay to

11 \_\_\_\_\_  
12 or to the registered assignee hereof (either being hereinafter called the "registered owner") the  
13 principal amount of:

14 \_\_\_\_\_ DOLLARS

15 and to pay interest thereon, from the Dated Date specified above, to the Maturity Date specified  
16 above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum  
17 specified above, with said interest being payable on \_\_\_\_\_, 20\_\_, and semiannually on  
18 each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's  
19 Authentication Certificate appearing on the face of this Certificate is dated later than  
20 \_\_\_\_\_, 2014, such interest is payable semiannually on each September 1 and March 1  
21 following such date.<sup>3</sup>

1 <sup>1</sup> The initial Certificate shall be numbered T-1.

2 <sup>2</sup> To be omitted from the initial Certificate.

3 <sup>3</sup> The first paragraph of the initial Certificate shall read as follows:

"ON THE MATURITY DATES SPECIFIED BELOW, THE CITY OF AUSTIN, TEXAS (the "City"), in the Counties of Travis, Williamson and Hays, hereby promises to pay to \_\_\_\_\_ or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amounts shown below: [Insert information regarding maturity dates, principal amounts and interest rates from Schedule II of the Ordinance] and to pay interest thereon, from the Dated Date specified above, to the Maturity Dates specified above, or the date of its redemption prior to scheduled maturity, at the rates of interest per annum specified above, with said interest being payable on \_\_\_\_\_, 20\_\_, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Certificate is dated later than \_\_\_\_\_, 20\_\_, such interest is payable semiannually on each September 1 and March 1 following such date."

1 THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money  
2 of the United States of America, without exchange or collection charges. The principal of this  
3 Certificate shall be paid to the registered owner hereof upon presentation and surrender of this  
4 Certificate at maturity or redemption prior to maturity at the designated corporate trust office in  
5 Dallas, Texas (the "Designated Payment/Transfer Office") of Wilmington Trust, N.A., which is  
6 the "Paying Agent/Registrar" for this Certificate. The payment of interest on this Certificate shall  
7 be made by the Paying Agent/Registrar to the registered owner hereof as shown by the  
8 Registration Books kept by the Paying Agent/Registrar at the close of business on the record  
9 date, which is the 15th day of the month next preceding such interest payment date by check,  
10 dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable  
11 solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such  
12 purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by  
13 United States mail, first-class postage prepaid, on each such interest payment date, to the  
14 registered owner hereof at its address as it appears on the Registration Books kept by the Paying  
15 Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon  
16 redemption of this Certificate prior to maturity as provided herein shall be paid to the registered  
17 owner upon presentation and surrender of this Certificate for redemption and payment at the  
18 Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the  
19 registered owner of this Certificate that no later than each principal payment and/or interest  
20 payment date for this Certificate it will make available to the Paying Agent/Registrar from the  
21 Interest and Sinking Fund as defined by the ordinance authorizing the Certificates (the  
22 "Ordinance") the amounts required to provide for the payment, in immediately available funds,  
23 of all principal of, premium, if any, and interest on the Certificates, when due.

24 IN THE EVENT OF A NON-PAYMENT of interest on a scheduled payment date, and  
25 for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record  
26 Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of  
27 such interest have been received from the City. Notice of the Special Record Date and of the  
28 scheduled payment date of the past due interest ("Special Payment Date," which shall be fifteen  
29 (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the  
30 Special Record Date by United States mail, first class postage prepaid, to the address of each  
31 registered owner of a Certificate appearing on the registration books of the Paying  
32 Agent/Registrar at the close of business on the last business day next preceding the date of  
33 mailing of such notice.

34 IF THE DATE for the payment of the principal of, premium, if any, or interest on this  
35 Certificate shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in  
36 the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located  
37 are authorized by law or executive order to close, then the date for such payment shall be the  
38 next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which  
39 banking institutions are authorized to close; and payment on such date shall have the same force  
40 and effect as if made on the original date payment was due. Notwithstanding the foregoing,  
41 during any period in which ownership of the Certificates is determined only by a book entry at a  
42 securities depository for the Certificates, any payment to the securities depository, or its nominee  
43 or registered assigns, shall be made in accordance with existing arrangements between the City  
44 and the securities depository.

1 THIS CERTIFICATE is one of a series of Certificates of like tenor and effect except as  
2 to number, principal amount, interest rate, maturity and option of redemption, authorized in  
3 accordance with the Constitution and laws of the State of Texas in the principal amount of  
4 \$\_\_\_\_\_, for the purpose of providing funds with which to pay contractual Certificates  
5 to be incurred by the City, to-wit: making and acquiring various public improvements for the  
6 City, as described in the Ordinance, and the payment of fiscal, engineering and legal fees  
7 incurred in connection therewith.

8 ON SEPTEMBER 1, 20\_\_\_\_, or on any date thereafter, the Certificates of this series  
9 maturing on September 1, 20\_\_\_\_, and thereafter may be redeemed prior to their scheduled  
10 maturities, at the option of the City, in whole, or in part, at a price equal to the principal amount  
11 thereof, without premium, plus accrued interest to the date fixed for redemption. The years of  
12 maturity of the Certificates called for redemption at the option of the City prior to stated maturity  
13 shall be selected by the City. The Certificates or portions thereof redeemed within a maturity  
14 shall be selected by lot or other customary random selection method by the Paying  
15 Agent/Registrar; *provided*, that during any period in which ownership of the Certificates is  
16 determined only by a book entry at a securities depository for the Certificates, if fewer than all of  
17 the Certificates of the same maturity and bearing the same interest rate are to be redeemed, the  
18 particular Certificates of such maturity and bearing such interest rate shall be selected in  
19 accordance with the arrangements between the City and the securities depository.

20 THE CERTIFICATES maturing on September 1, 20\_\_ (the "Term Certificates") are  
21 subject to mandatory sinking fund redemption in part, by lot or other customary random  
22 selection method, pursuant to the terms of the Ordinance on September 1 in the following years  
23 and in the following amounts, at a price equal to the principal amount thereof, plus accrued and  
24 unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount</u>
	\$

\*

25 \_\_\_\_\_  
26 \* Final Maturity

27 THE PRINCIPAL AMOUNT of the Term Certificates required to be redeemed pursuant  
28 to the operation of such mandatory redemption provisions may be reduced, at the option of the  
29 City, by the principal amount of the Term Certificates of the same maturity which (i) have been  
30 acquired by the City with funds on deposit in the Interest and Sinking Fund for the Bonds at a  
31 price not exceeding the principal amount of such Term Certificates plus accrued interest to the  
32 date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been  
33 redeemed pursuant to the optional redemption provisions above and not theretofore credited  
34 against a mandatory redemption requirement.

35 AT LEAST thirty (30) days prior to the date fixed for any redemption, a written notice of  
36 redemption shall be given to the registered owner of each Certificate or a portion thereof being  
37 called for redemption by depositing such notice in the United States mail, first class postage  
38 prepaid, addressed to each such registered owner at his address shown on the Registration Books  
39 of the Paying Agent/Registrar. By the date fixed for any redemption due provision shall be made

1 by the City with the Paying Agent/Registrar for the payment of the required redemption price for  
2 this Certificate or the portion hereof which is to be so redeemed, plus accrued interest thereon to  
3 the date fixed for redemption. If notice of redemption is given, and if due provision for such  
4 payment is made, all as provided above, this Certificate, or the portion hereof which is to be so  
5 redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not  
6 bear interest after the date fixed for its redemption, and shall not be regarded as being  
7 outstanding except for the right of the registered owner to receive the redemption price plus  
8 accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the  
9 funds provided for payment. The Paying Agent/Registrar shall record in the Registration Books  
10 all redemptions of principal of this Certificate or any portion hereof. If a portion of any  
11 Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity  
12 date, bearing interest at the same rate, in any denomination or denominations in any integral  
13 multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal  
14 amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the  
15 surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance. If  
16 a notice of redemption is given and sufficient funds are not received for the payment of the  
17 required redemption price for the Certificates which are to be redeemed, the notice shall be of no  
18 force and effect, the City shall not redeem the Certificates, and the Paying Agent/Registrar shall  
19 give notice, in the manner in which the notice of redemption was given, that the Certificates have  
20 not been redeemed.

21 ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered bonds,  
22 without interest coupons, in the denomination of any integral multiple of \$5,000 (an "Authorized  
23 Denomination"). As provided in the Ordinance, this Certificate may, at the request of the  
24 registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for  
25 a like aggregate principal amount of fully registered bonds, without interest coupons, payable to  
26 the appropriate registered owner, assignee, or assignees, as the case may be, having the same  
27 maturity date, and bearing interest at the same rate, in any Authorized Denomination as  
28 requested in writing by the appropriate registered owner, assignee, or assignees, as the case may  
29 be, upon surrender of this Certificate to the Paying Agent/Registrar at its Designated  
30 Payment/Transfer Office for cancellation, all in accordance with the form and procedures set  
31 forth in the Ordinance. Among other requirements for such assignment and transfer, this  
32 Certificate must be presented and surrendered to the Paying Agent/Registrar, together with  
33 proper instruments of assignment, in form and with guarantee of signatures satisfactory to the  
34 Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions  
35 hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names  
36 this Certificate or any such portion or portions hereof is or are to be transferred and registered.  
37 The form of Assignment printed or endorsed on this Certificate may be executed by the  
38 registered owner to evidence the assignment hereof, but such method is not exclusive, and other  
39 instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence  
40 the assignment of this Certificate or any portion or portions hereof from time to time by the  
41 registered owner. The one requesting such exchange shall pay the Paying Agent/Registrar's  
42 reasonable standard or customary fees and charges for exchanging any Certificate or portion  
43 thereof. The foregoing notwithstanding, in the case of the exchange of an assigned and  
44 transferred Certificate or Certificates or any portion or portions thereof, such fees and charges of  
45 the Paying Agent/Registrar will be paid by the City. In any circumstance, any taxes or  
46 governmental charges required to be paid with respect thereto shall be paid by the one requesting

1 such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege.  
2 In any circumstance, neither the City nor the Paying Agent/Registrar shall be required to transfer  
3 or exchange any Certificate so selected for redemption, in whole or in part, within forty-five (45)  
4 calendar days of the date fixed for redemption; provided, however, such limitation of transfer  
5 shall not be applicable to an exchange by the registered owner of the uncalled principal of a  
6 Certificate.

7         WHENEVER the beneficial ownership of this Certificate is determined by a book entry  
8 at a securities depository for the Certificates, the foregoing requirements of holding, delivering  
9 or transferring this Certificate shall be modified to require the appropriate person or entity to  
10 meet the requirements of the securities depository as to registering or transferring the book entry  
11 to produce the same effect.

12         IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the City,  
13 resigns, or otherwise ceases to act as such, the City has covenanted in the Ordinance that it  
14 promptly will appoint a competent and legally qualified substitute therefor, and promptly will  
15 cause written notice thereof to be mailed to the registered owners of the Certificates.

16         IT IS HEREBY CERTIFIED AND RECITED that this Certificate has been duly and  
17 validly authorized, issued, and delivered; that all acts, conditions, and things required or proper  
18 to be performed, exist, and be done precedent to or in the authorization, issuance, and delivery of  
19 this Certificate have been performed, existed, and been done in accordance with law; that this  
20 Certificate is a direct obligation of the City, issued on the full faith and credit thereof, that annual  
21 ad valorem taxes sufficient to provide for the payment of the interest on and principal of this  
22 Certificate, as such interest comes due and such principal matures, have been levied and ordered  
23 to be levied against all taxable property in the City, and have been pledged for such payment,  
24 within the limits prescribed by law, and that a limited pledge (not to exceed \$1,000) of the  
25 surplus revenues from the operation of the City's solid waste disposal system remaining after  
26 payment of all operation and maintenance expenses thereof and any other obligations heretofore  
27 or hereafter incurred to which such revenues have been or shall be encumbered by a lien on and  
28 pledge of such revenues superior to the lien on and pledge of such revenues to the Certificates,  
29 have been pledged as additional security for the Certificates.

30         BY BECOMING the registered owner of this Certificate, the registered owner thereby  
31 acknowledges all of the terms and provisions of the Ordinance, agrees to be bound by such terms  
32 and provisions, acknowledges that the Ordinance is duly recorded and available for inspection in  
33 the official minutes and records of the governing body of the City, and agrees that the terms and  
34 provisions of this Certificate and the Ordinance constitute a contract between each registered  
35 owner hereof and the City.



1           IN WITNESS WHEREOF, this Certificate has been duly executed on behalf of the City,  
2   under its official seal, in accordance with law.

City Clerk,  
City of Austin, Texas

Mayor,  
City of Austin, Texas

(SEAL)

\* \* \* \* \*

1 FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

2 PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

3 (To be executed if this Certificate is not accompanied by an  
4 executed Registration Certificate of the Comptroller  
5 of Public Accounts of the State of Texas)

6 It is hereby certified that this Certificate has been issued under the provisions of the  
7 proceedings adopted by the City as described in the text of this Certificate; and that this  
8 Certificate has been issued in conversion of and exchange for or replacement of a bond, bonds,  
9 or a portion of a bond or bonds of an issue which originally was approved by the Attorney  
10 General of the State of Texas and registered by the Comptroller of Public Accounts of the State  
11 of Texas.

Dated:

Wilmington Trust, N.A.,  
Paying Agent/Registrar

By: \_\_\_\_\_

Authorized Representative

12 \* \* \* \* \*

13 FORM OF COMPTROLLER'S CERTIFICATE (ATTACHED TO  
14 THE CERTIFICATES UPON INITIAL DELIVERY THEREOF):

15 OFFICE OF COMPTROLLER :  
16 :  
17 STATE OF TEXAS :

REGISTER NO. \_\_\_\_\_

18 I hereby certify that there is on file and of record in my office a certificate of the Attorney  
19 General of the State of Texas to the effect that this Certificate has been examined by him as  
20 required by law, and that he finds that it has been issued in conformity with the Constitution and  
21 laws of the State of Texas, and that it is a valid and binding obligation of the City of Austin,  
22 Texas, payable in the manner provided by and in the ordinance authorizing same, and said  
23 Certificate has this day been registered by me.

24 WITNESS MY HAND and seal of office at Austin, Texas \_\_\_\_\_.

25 Comptroller of Public Accounts of the  
26 State of Texas

27 (SEAL)

28 \* \* \* \* \*

1 FORM OF ASSIGNMENT:

2 ASSIGNMENT

3 FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

4 \_\_\_\_\_

5 \_\_\_\_\_

6 Please insert Social Security or Taxpayer Identification Number of Transferee

7 \_\_\_\_\_

8 / \_\_\_\_\_ /

9 \_\_\_\_\_

10 (please print or typewrite name and address, including zip code of Transferee)

11 \_\_\_\_\_

12 the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints

13 \_\_\_\_\_

14 attorney to register the transfer of the within Certificate on the books kept for registration  
15 thereof, with full power of substitution in the premises.

16 Dated: \_\_\_\_\_

17 Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be  
guaranteed by a member firm of the  
New York Stock Exchange or a  
commercial bank or trust company.

\_\_\_\_\_  
NOTICE: The signature above must  
correspond with the name of the Registered  
Owner as it appears upon the front of this  
Certificate in every particular, without  
alteration or enlargement or any change  
whatsoever.

1 **EXHIBIT B**

2 **Description of Annual Financial Information**

3 The following information is referred to in PART 15 of this Ordinance.

4 **Annual Financial Statements and Operating Data**

5 The financial information and operating data with respect to the City to be provided  
6 annually in accordance with PART 15 are as specified (and included in the Appendix or under  
7 the headings of the Official Statement referred to) below:

8 The quantitative financial information and operating data with respect to the City of the  
9 general type included in the main text of the Official Statement within the various tables (except  
10 for “- Estimated Direct and Overlapping Funded Debt Payable from Ad Valorem Taxes”); and

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

13 **Accounting Principles**

14 The accounting principles referred to in PART 15 are the accounting principles described  
15 in the notes to the financial statements referred to in the third paragraph under the heading  
16 “Annual Financial Statements and Operating Data” above.

**SCHEDULE I**

The following projects are to be funded with the proceeds of the Certificates:

1. Design and construction of the Waller Creek Tunnel Project.
2. Construction of the Loop 1/290 Connector project to provide direct connectors for Northbound Loop 1 to Eastbound US290 and Westbound US 290 to Southbound Loop 1.
3. Acquisition and demolition of single family houses in the floodplain of Onion Creek near the intersection of South Pleasant Valley Road and East William Cannon Drive (Watershed Home Buyout Program).
4. Payment of fiscal, engineering and legal fees incurred in connection with the projects funded with the proceeds of the Certificates.

**SCHEDULE II**

**DESIGNATION, AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:**

The Certificates shall be designated as “City of Austin, Texas Certificates of Obligation, Series 2014” and issued in the aggregate principal amount of \$\_\_\_\_\_, maturing on the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016			2027		
2017			2028		
2018			2029		
2019			2030		
2020			2031		
2021			2032		
2022			2033		
2023			2034		
2024			2035		
2025			2036		
2026			2038		

Interest accrues on the Certificates from September 1, 2014.

**PURCHASE PRICE:**

The purchase price for the Certificates shall be \$\_\_\_\_\_ (representing the par amount of the Bonds, plus a net premium of \$\_\_\_\_\_ and less an underwriting discount of \$\_\_\_\_\_), plus accrued interest to the date of delivery of the Certificates.

**OPTIONAL REDEMPTION:**

The Certificates maturing on or after September 1, 20\_\_, are subject to redemption, in whole or in part in any Authorized Denomination, at the option of the City, on September 1, 20\_\_, or on any date thereafter, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

**MANDATORY SINKING FUND REDEMPTION:**

The Certificates maturing on September 1, 20\_\_ (the “Term Certificates”) are subject to mandatory sinking fund redemption on September 1 in the following years and in the following amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the date of redemption, without premium:

<u>Year</u>	<u>Principal Amount</u>
20__	\$
20__*	

\* Final Maturity

The principal amount of the Term Certificates 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 the Term Certificates of the same maturity which (i) have been acquired by the City, with funds on deposit in the Interest and Sinking Fund for the Certificates at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

If the City directs the Paying Agent to purchase such Term Certificates with money in the Interest and Sinking Fund, then a credit of 100% of the principal amount of such Term Certificates purchased will be made against the next mandatory redemption installment due. If the City purchases or redeems such Term Certificates with other available moneys, then the principal amount of such Term Certificates may be credited against future mandatory redemption installments in any order, and in any annual amount, that the City may direct.

#### DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Certificates in the amount of \$\_\_\_\_\_ (representing \$\_\_\_\_\_ of principal and \$\_\_\_\_\_ of premium) shall be used for the purposes described in clause (i) of PART 3, \$\_\_\_\_\_ of premium shall be used for the purposes described in clause (ii) of PART 3, and \$\_\_\_\_\_ (representing \$\_\_\_\_\_ of premium) shall be deposited to the Interest and Sinking Fund. All accrued interest shall be deposited to the Interest and Sinking Fund.

#### CONCURRENT CERTIFICATES OF OBLIGATION:

The sum of the aggregate principal amount of the Certificates plus the authorized maximum principal amount of the City's Certificates of Obligation, Taxable Series 2014 (\$9,600,000) does not exceed \$50,050,000.