

1 **ORDINANCE NO.**

2 **AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF TAX-**  
3 **EXEMPT CITY OF AUSTIN TEXAS CERTIFICATES OF OBLIGATION,**  
4 **SERIES 2017; ESTABLISHING PARAMETERS FOR THE SALE OF THE**  
5 **CERTIFICATES; APPROVING RELATED DOCUMENTS; ENACTING OTHER**  
6 **PROVISIONS RELATED TO THE CERTIFICATES; AND DECLARING AN**  
7 **IMMEDIATE EFFECTIVE DATE**

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

9 **PART 1. FINDINGS.**

10 On June 8, 2017, Council of the City authorized and directed that a notice of its intention to issue  
11 the Certificates (hereinafter defined) be published in a newspaper as required by Section 271.049 of the  
12 Texas Local Government Code; and

13 The notice was published in *The Austin American-Statesman*, as required by Section 271.049 of  
14 the Texas Local Government Code, on June 19, 2017 and June 26, 2017; and

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

17 No bond proposition to authorize the issuance of bonds for the same purpose as any of the  
18 projects being financed with the proceeds of the Certificates was submitted to the voters of the City  
19 during the preceding three years and failed to be approved; and

20 Council is now authorized and empowered to proceed with the issuance and sale of the  
21 Certificates pursuant to Subchapter C of Chapter 271 of the Texas Local Government Code; and

22 Council desires to delegate to the Authorized Representative (defined below) the authority to  
23 effect the sale of the Certificates authorized by this Ordinance, subject to the parameters prescribed by  
24 this Ordinance; and

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

28 **PART 2. DEFINITIONS.**

29 The terms used in this Ordinance have the following meanings:

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

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

33 “Authorized Representative” means the City Manager or the Chief Financial Officer of the City.

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

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

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

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

8 “Chapter 1204” means Chapter 1204 of the Texas Government Code.

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

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

11 “Chapter 1371” means Chapter 1371 of the Texas Government Code.

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

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

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

15 “Defeasance Securities” means any securities permitted by Section 1207.062, Texas Government  
16 Code (or any successor statute), including (i) direct, noncallable obligations of the United States of  
17 America, including obligations that are unconditionally guaranteed by the United States of America, (ii)  
18 noncallable obligations of an agency or instrumentality of the United States of America, including  
19 obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on  
20 the date of approval of the proceedings authorizing the issuance of the refunding bonds, are rated as to  
21 investment quality by a nationally recognized investment rating firm not less than “AAA” or its  
22 equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other  
23 political subdivision of a state that have been refunded and that, on the date of approval of the  
24 proceedings authorizing the issuance of the refunding bonds, are rated as to investment quality by a  
25 nationally recognized investment rating firm not less than “AAA” or its equivalent.

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

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

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

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

1 “Expiration Date” means February 16, 2018.

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

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

6 “MSRB” means the Municipal Securities Rulemaking Board.

7 “Paying Agent/Registrar” the bank, trust company, financial institution, or agency named in the  
8 Paying Agent/Registrar Agreement.

9 “Paying Agent/Registrar Agreement” means the agreement between the City and the Paying  
10 Agent/Registrar with respect to the Certificates in the form approved by an Authorized Representative,  
11 and any successor agreement.

12 “Pricing Certificate” means a certificate executed by an Authorized Representative on the date of  
13 sale of any series of the Certificates containing the terms authorized to be determined by the Authorized  
14 Representative pursuant to PART 4 of this Ordinance.

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

17 “Purchase Agreement” means any purchase agreement between the City and the Underwriters  
18 providing for the sale of the Certificates by the City and the purchase of the Certificates by the  
19 Underwriters.

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

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

23 “Rule” means SEC Rule 15c2-12.

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

25 “Surplus Revenues” shall mean those revenues from the operation of the City’s solid waste  
26 disposal system remaining after payment of all operation and maintenance expenses of the system and  
27 other obligations incurred to which the 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 the revenues to the Certificates.

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

30 **PART 3. CERTIFICATES AUTHORIZED.**

31 The Certificates shall be issued in accordance with the Constitution, laws of the State of Texas,  
32 and the Charter of the City, in one or more series, in the aggregate principal amount not to exceed  
33 \$35,325,000 for the purposes of (a) financing the Projects described in Schedule I and (b) paying the

1 costs of issuance associated with the sale of the Certificates. The aggregate principal amount and the  
2 designation of Certificates issued pursuant to this Ordinance shall be set forth in the Pricing Certificate.

3 **PART 4. SALE PARAMETERS.**

4 (a) The Certificates shall be issued in any Authorized Denomination as fully registered  
5 obligations, without interest coupons, payable to the respective initial registered owners of the  
6 Certificates, or to the registered assignee or assignees of the Certificates, maturing not later than 40  
7 years from their issue date, payable serially or otherwise on the dates, in the years and in the principal  
8 amounts, and dated and numbered, all as set forth in the Pricing Certificate.

9 (b) In accordance with Chapter 1371, Council authorizes each Authorized Representative to  
10 act on behalf of the City in selling and delivering the Certificates and carrying out the other procedures  
11 specified in this Ordinance, including determining and fixing the number of series and the designation or  
12 title by which any series of the Certificates sold shall be known and, with respect to any series of  
13 Certificates, the purposes and aggregate principal amount of the Certificates sold, the dated date and the  
14 date of delivery of the Certificates sold, the price at which the Certificates will be sold, the years in  
15 which the Certificates will mature, the principal amount of Certificates to mature in each of such years,  
16 the rate or rates of interest to be borne by or accrue on each maturity, the interest payment periods and  
17 interest payment dates, the record date, the dates, prices, and terms upon and at which the Certificates  
18 shall be subject to redemption (including provisions for optional and mandatory redemption), and all  
19 other terms, details and matters relating to the Certificates and their issuance, sale and delivery,  
20 including, without limitation, obtaining a municipal bond insurance policy in support of the Certificates,  
21 all of which shall be specified in the Pricing Certificate; *provided*, that (i) the price to be paid for the  
22 Certificates shall not be less than 95% of the aggregate principal amount of the Certificates sold, plus  
23 accrued interest, if any, (ii) the Certificates shall not bear interest at a rate greater than the maximum rate  
24 allowed by Chapter 1204, and (iii) prior to their delivery, the Certificates shall be rated by a nationally  
25 recognized rating agency for municipal securities in one of the four highest rating categories for long-  
26 term debt instruments.

27 An Authorized Representative may approve modifications to this Ordinance to conform to the  
28 terms of the Certificates, as approved by the Authorized Representative, and execute any instruments,  
29 agreements and other documents as the Authorized Representative shall deem necessary or appropriate  
30 in connection with the issuance, sale and delivery of Certificates pursuant to this Ordinance.

31 It is in the best interests of the City for the Certificates to be sold through a negotiated sale, and  
32 Council authorizes each Authorized Representative to enter into and carry out the Purchase Agreement  
33 with the Underwriters pursuant to PART 13 of this Ordinance. Each Authorized Representative may  
34 designate underwriters for future series of the Certificates.

35 The authority of an Authorized Representative to execute any Purchase Agreement shall expire  
36 at 11:59 p.m. on the Expiration Date. Certificates sold pursuant to a Purchase Agreement executed on or  
37 before the Expiration Date may be delivered after the Expiration Date.

38 In establishing the aggregate principal amount of the Certificates of any series, the Authorized  
39 Representative shall establish an amount which shall be sufficient (together with any premium received  
40 from the sale of the Certificates) to provide for the purposes for which the Certificates are authorized.

1 The Certificates of any series shall be sold at such price, with and subject to such terms, as set forth in  
2 the Pricing Certificate.

3 (c) Any finding or determination made by an Authorized Representative relating to the  
4 issuance and sale of the Certificates and the execution of the Purchase Agreement shall have the same  
5 force and effect as a finding or determination made by Council.

6 **PART 5. REDEMPTION PROVISIONS.**

7 (a) The Certificates may be subject to redemption, at the option of the City, prior to their  
8 stated maturities to the extent and in the manner provided in the Pricing Certificate. The years of  
9 maturity of the Certificates called for redemption at the option of the City prior to stated maturity shall  
10 be selected by the City. The Certificates or any portion redeemed within a maturity shall be selected by  
11 lot, or other customary random selection method, by the Paying Agent/Registrar; *provided*, that during  
12 any period in which ownership of the Certificates is determined only by a book entry at DTC, if fewer  
13 than all of the Certificates of the same maturity and bearing the same interest rate are to be redeemed,  
14 the particular Certificates of such maturity and bearing such interest rate shall be selected in accordance  
15 with the arrangements between the City and DTC.

16 (b) The Certificates may be subject to mandatory sinking fund redemption prior to their  
17 stated maturities, to the extent and in the manner provided in the Pricing Certificate.

18 (c) At least 30 days before the date fixed for redemption, the City shall cause a written notice  
19 of the redemption to be deposited in the United States mail, first-class postage prepaid, addressed to  
20 each Registered Owner at the address shown on the Registration Books. By the date fixed for  
21 redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the  
22 required redemption price for the Certificates which are to be redeemed, plus accrued interest to the date  
23 fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all as  
24 provided above, the Certificates, or the portions of the Certificates, which are to be redeemed,  
25 automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the  
26 date fixed for their redemption, and shall not be regarded as outstanding except for the right of the  
27 Registered Owner to receive the redemption price plus accrued interest to the date fixed for redemption  
28 from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar  
29 shall record in the Registration Books all redemptions of principal of the Certificates or any portion of  
30 the principal. If a portion of any Certificate shall be redeemed, one or more substitute Certificates  
31 having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the  
32 written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed  
33 portion of the Certificates, will be issued to the Registered Owner upon the surrender for cancellation, at  
34 the expense of the City, all as provided in this Ordinance. In addition, the City shall cause the Paying  
35 Agent/Registrar to give notice of any redemption in the manner set forth in PART 5(d). The failure to  
36 cause notice to be given, however, or any defect in the notice, shall not affect the validity or  
37 effectiveness of the redemption. If a notice of redemption is given and sufficient funds are not received  
38 for the payment of the required redemption price for the Certificates which are to be redeemed, the  
39 notice shall be of no force and effect, the City shall not redeem the Certificates, and the Paying  
40 Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the  
41 Certificates have not been redeemed.

1 (d) Each redemption notice required by this Ordinance or the Pricing Certificate shall contain  
2 a description of the Certificates to be redeemed, including the complete name of the Certificates, the  
3 series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of the  
4 Certificates called for redemption, the date of redemption, the redemption price, the name of the Paying  
5 Agent/Registrar and the address at which the Certificate may be redeemed, including a contact person  
6 and telephone number. This notice may also state that the redemption is conditioned upon receipt of  
7 sufficient funds for the payment of the required redemption price for the Certificates which are to be  
8 redeemed by the date fixed for redemption. All redemption payments made by the Paying  
9 Agent/Registrar to the Registered Owner of the Certificates shall include CUSIP numbers relating to  
10 each amount paid to such Registered Owner.

11 **PART 6. INTEREST.**

12 The Certificates shall bear interest at the rates per annum set forth in the Pricing Certificate. The  
13 interest shall be payable to the Registered Owner of any Certificate in the manner provided and on the  
14 dates stated in the Pricing Certificate. Interest shall be calculated on the basis of a 360-day year  
15 consisting of twelve 30-day months.

16 **PART 7. ADDITIONAL CHARACTERISTICS OF THE CERTIFICATES.**

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

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

1 (c) The Paying Agent/Registrar named in the Paying Agent/Registrar Agreement shall act as  
2 the paying agent for paying the principal of, premium, if any, and interest on, the Certificates, and to act  
3 as the agent of the City to exchange or replace Certificates, all as provided in this Ordinance. The  
4 Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying  
5 Agent/Registrar with respect to the Certificates, and of all exchanges and replacements, as provided in  
6 this Ordinance.

7 (d) Each Certificate may be exchanged for fully registered Certificates as set forth in this  
8 Ordinance. Each Certificate issued and delivered pursuant to this Ordinance, to the extent of the  
9 unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office, together  
10 with a written request duly executed by the Registered Owner or its assignee or assignees, or its or their  
11 duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying  
12 Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as appropriate, be  
13 exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the Form  
14 of Certificate, in any Authorized Denomination (subject to the requirement stated below that each  
15 substitute Certificate shall have a single stated maturity date), as requested in writing by the Registered  
16 Owner or its assignee or assignees, in an aggregate principal amount equal to the unredeemed principal  
17 amount of any Certificate or Certificates so surrendered, and payable to the appropriate Registered  
18 Owner, assignee, or assignees. If a portion of any Certificate is assigned and transferred, each Certificate  
19 issued in exchange shall have the same maturity date and bear interest at the same rate as the Certificate  
20 for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to  
21 distinguish it from each other Certificate. The Paying Agent/Registrar shall exchange or replace  
22 Certificates as provided in this Ordinance, and each fully registered Certificate delivered in exchange for  
23 or replacement of any Certificate or portion of a Certificate as permitted or required by any provision of  
24 this Ordinance shall constitute one of the Certificates for all purposes of this Ordinance, and may again  
25 be exchanged or replaced. Any Certificate delivered in exchange for or replacement of another  
26 Certificate before the first scheduled interest payment date on the Certificates (as stated on the face of  
27 the Certificate) shall be dated the same date, but each substitute Certificate delivered on or after the first  
28 scheduled interest payment date shall be dated the interest payment date preceding the date on which the  
29 substitute Certificate is delivered, unless the substitute Certificate is delivered on an interest payment  
30 date, in which case it shall be dated as of the date of delivery; however, if at the time of delivery of any  
31 substitute Certificate the interest on the Certificate for which it is being exchanged has not been paid,  
32 then the substitute Certificate shall be dated the date to which interest has been paid in full. On each  
33 substitute Certificate issued in exchange for or replacement of any Certificate issued under this  
34 Ordinance there shall be printed on the Certificate the Authentication Certificate. An authorized  
35 representative of the Paying Agent/Registrar shall, before the delivery of any substitute Certificate, date  
36 the substitute Certificate in the manner set forth above, and manually sign and date the Authentication  
37 Certificate, and no substitute Certificate shall be considered to be issued or outstanding unless the  
38 Authentication Certificate is executed. The Paying Agent/Registrar promptly shall cancel all  
39 Certificates surrendered for exchange or replacement. No additional ordinances, orders, or resolutions  
40 need be passed or adopted by Council or any other body or person to accomplish the exchange or  
41 replacement of any Certificate, and the Paying Agent/Registrar shall provide for the printing, execution,  
42 and delivery of the substitute Certificates in the manner prescribed in this Ordinance. Pursuant to  
43 Chapter 1206, the duty of exchange or replacement of any Certificate is imposed on the Paying  
44 Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced  
45 obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as  
46 the Certificates which originally were delivered pursuant to this Ordinance, approved by the Texas

1 Attorney General, and registered by the Texas Comptroller of Public Accounts. Neither the City nor the  
2 Paying Agent/Registrar shall be required to transfer or exchange any Certificate selected for redemption,  
3 in whole or in part, within 45 calendar days of the date fixed for redemption; *provided, however*; the  
4 limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled  
5 principal of a Certificate.

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

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

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



1 Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage  
2 prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the  
3 position and performing as such, each Paying Agent/Registrar shall be considered to have agreed to the  
4 provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying  
5 Agent/Registrar.

6 **PART 8. FORM OF CERTIFICATES.**

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

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

15 (a) The Interest and Sinking Fund (which may include the designation or title by which a  
16 series of Certificates shall be known, as determined pursuant to PART 4(b) of this Ordinance) is created  
17 and it shall be established and maintained at an official depository of the City. The Interest and Sinking  
18 Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used  
19 only for paying the interest on and principal of the Certificates. All ad valorem taxes levied and  
20 collected for and on account of the Certificates shall be deposited, as collected, to the credit of the  
21 Interest and Sinking Fund. During each year while any Certificate is outstanding and unpaid, Council  
22 shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls  
23 of the City, with full allowances being made for tax delinquencies and costs of tax collections, which  
24 will be sufficient to raise and produce the money required to pay the interest on the Certificates as the  
25 interest comes due, and to provide a sinking fund to pay the principal (including mandatory sinking fund  
26 redemption payments, if any) of the Certificates as the principal matures, but never less than 2% of the  
27 outstanding principal amount of the Certificates as a sinking fund each year. The rate and amount of ad  
28 valorem tax needed to fund this obligation is ordered to be and is hereby levied against all taxable  
29 property in the City for each year while any Certificate is outstanding and unpaid, and the ad valorem  
30 tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking  
31 Fund. The ad valorem taxes necessary to pay the interest on and principal of the Certificates, as the  
32 interest comes due, and the principal matures or comes due through operation of the mandatory sinking  
33 fund redemption, if any, as provided in the Pricing Certificate, are pledged for this purpose, within the  
34 limit set by law. The City appropriates from current funds on hand, and directs the transfer for deposit  
35 into the Interest and Sinking Fund moneys as may be necessary to pay debt service on the Certificates  
36 scheduled to occur prior to receipt of taxes levied to pay such debt service. Money in the Interest and  
37 Sinking Fund, at the option of the City, may be invested in the securities or Certificates as permitted  
38 under applicable law and the City's investment policy. Any securities or Certificates in which money is  
39 invested shall be kept and held in trust for the benefit of the owners of the Certificates and shall be sold  
40 and the proceeds of sale shall be timely applied to the making of all payments required to be made from  
41 the Interest and Sinking Fund. Interest and income derived from the investment of money in the Interest  
42 and Sinking Fund shall be credited to the Interest and Sinking Fund.

1 (b) Should more than one series of Certificates be sold under authority of this Ordinance, a  
2 separate interest and sinking fund will be created and maintained at an official depository of the City to  
3 secure each series of Certificates.

4 **PART 10. REVENUES; APPLICABILITY OF CHAPTER 1208.**

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

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

19 **PART 11. DAMAGED, LOST, STOLEN OR DESTROYED CERTIFICATES.**

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

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

33 (c) Notwithstanding clauses (a) and (b), in the event any Certificate shall have matured, and  
34 there is no continuing default in the payment of the principal of, premium, if any, or interest on the  
35 Certificate, the City may authorize its payment (without surrender except in the case of a damaged or  
36 mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is  
37 furnished as above provided in this PART.

38 (d) Prior to the issuance of any replacement Certificate, the Paying Agent/Registrar shall  
39 charge the owner of the Certificate with all legal, printing, and other expenses in connection with the  
40 replacement. Every replacement Certificate issued pursuant to the provisions of this Ordinance by

1 virtue of the fact that any Certificate is damaged, mutilated, lost, stolen, or destroyed shall constitute a  
2 contractual obligation of the City whether the damaged, mutilated, lost, stolen, or destroyed Certificate  
3 shall be found, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance  
4 equally and proportionately with any and all other Certificates duly issued under this Ordinance.

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

11 **PART 12. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.**

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

21 **PART 13. SALE OF CERTIFICATES; OFFICIAL STATEMENT.**

22 (a) The Certificates shall be sold to the Underwriters at the price set forth in the Pricing  
23 Certificate, and delivery of the Certificates to the Underwriters shall be made upon receipt of payment in  
24 accordance with the terms of the Purchase Agreement. An Authorized Representative is authorized and  
25 directed to execute the Pricing Certificate and the Purchase Agreement on behalf of the City, and the  
26 Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer, City Clerk and all other officials, agents  
27 and representatives of the City are authorized to execute and deliver such agreements, certificates,  
28 instruments and other documents, and do any and all things necessary or desirable to satisfy the  
29 conditions set out in the documents, to provide for the issuance and delivery of the Certificates.

30 (b) Council ratifies, authorizes and approves, in connection with the sale of the Certificates,  
31 the preparation and distribution of the Preliminary Official Statement and a final Official Statement,  
32 substantially in the form of the Preliminary Official Statement, containing additional information and  
33 amendments as may be necessary to conform to the terms of the Certificates, this Ordinance, the Pricing  
34 Certificate and the Purchase Agreement, and the Preliminary Official Statement is deemed final as of its  
35 date within the meaning and for the purposes of paragraph (b)(1) of the Rule. An Authorized  
36 Representative is authorized to approve such amendments and supplements to the Official Statement as  
37 either of them shall deem necessary or appropriate. The Mayor and City Clerk are authorized to execute  
38 the final Official Statement by manual, facsimile or electronic signature and/or to deliver a certificate  
39 pertaining to the final Official Statement as prescribed in the Official Statement or in the Purchase  
40 Agreement, dated as of the date of payment for and delivery of the Certificates.

1 (c) The Mayor, Mayor Pro Tem, City Manager, City Clerk, Chief Financial Officer and all  
2 other officials, agents and representatives of the City are authorized to take actions as any officer,  
3 official, agent or representative shall approve in seeking ratings on the Certificates from one or more  
4 nationally recognized statistical ratings organizations, or any confirmation of ratings issued by a rating  
5 agency, and these actions are ratified and confirmed.

6 (d) Proceeds from the sale of the Certificates shall be disbursed in the amounts and for the  
7 purposes set forth in the Pricing Certificate. An Authorized Representative may provide for the  
8 establishment of any fund, account or subaccount as deemed necessary or appropriate for the  
9 safekeeping and administration of proceeds from the sale of the Certificates pending their disbursement  
10 for authorized purposes.

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

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

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

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

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

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

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

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

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

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

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

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

29 “Yield of”

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

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

1 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or  
2 omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or  
3 improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if  
4 made or omitted, respectively, would cause the interest on any Certificates to become includable in the  
5 gross income, as defined in section 61 of the Code, of the owner for federal income tax purposes.  
6 Unless and until the City has received a written opinion of counsel nationally recognized in the field of  
7 municipal bond law to the effect that failure to comply with such covenant will not adversely affect the  
8 exemption from federal income tax of the interest on any Certificate, the City shall comply with the  
9 specific covenants in this Section.

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

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

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

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

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

39 (f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code  
40 and the regulations and rulings relating to section 149(b) of the Code, the City shall not take or omit to

1 take any action which would cause the Certificates to be federally guaranteed within the meaning of  
2 section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code.

3 (g) Information Report. The City shall timely file with the Secretary of the Treasury the  
4 information required by section 149(e) of the Code with respect to the Certificates on the forms and at  
5 the place as the Secretary of the Treasury may prescribe.

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

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

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

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

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

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

37 (j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the  
38 Certificates in Nonpurpose Investments having a guaranteed yield for four years or more. On the  
39 closing date, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the

1 Certificates will be used to carry out the governmental purpose of such series within three years after the  
2 closing date.

3 **PART 15. CONTINUING DISCLOSURE OBLIGATION.**

4 (a) *Annual Reports.*

5 (i) The City shall provide annually to the MSRB, (A) within six months after the end  
6 of each fiscal year of the City, financial information and operating data with respect to the City  
7 of the general type included in the final Official Statement authorized by PART 13 of this  
8 Ordinance, being information of the type described in the Pricing Certificate, including financial  
9 statements of the City if audited financial statements of the City are then available, and (B) if not  
10 provided as part such financial information and operating data, audited financial statements of  
11 the City, when and if available. Any financial statements to be provided shall be (x) prepared in  
12 accordance with the accounting principles described in the Pricing Certificate, or such other  
13 accounting principles as the City may be required to employ from time to time pursuant to state  
14 law or regulation, and in substantially the form included in the Official Statement, and  
15 (y) audited, if the City commissions an audit of its financial statements and the audit is  
16 completed within the period during which they must be provided. If the audit of financial  
17 statements is not complete within 12 months after any fiscal year end, then the City shall file  
18 unaudited financial statements within the 12-month period and audited financial statements for  
19 the applicable fiscal year, when and if the audit report on the financial statements becomes  
20 available.

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

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

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

- 32 (i) Principal and interest payment delinquencies;
- 33 (ii) Non-payment related defaults, if material;
- 34 (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 35 (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 36 (v) Substitution of credit or liquidity providers, or their failure to perform;
- 37 (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed  
38 or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-  
39 TEB) or other material notices or determinations with respect to the tax status of

1 the Certificates, or other material events affecting the tax status of the  
2 Certificates;

- 3 (vii) Modifications to rights of holders of the Certificates, if material;
- 4 (viii) Certificate calls, if material, and tender offers;
- 5 (ix) Defeasances;
- 6 (x) Release, substitution, or sale of property securing repayment of the Certificates, if  
7 material;
- 8 (xi) Rating changes;
- 9 (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- 10 (xiii) The consummation of a merger, consolidation, or acquisition involving the City  
11 or the sale of all or substantially all of the assets of the City, other than in the  
12 ordinary course of business, the entry into a definitive agreement to undertake  
13 such an action or the termination of a definitive agreement relating to any such  
14 actions, other than pursuant to its terms, if material; and
- 15 (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the  
16 Paying Agent/Registrar, if material.

17 As used in clause (xii) above, the phrase “bankruptcy, insolvency, receivership or similar event”  
18 means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under the  
19 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or  
20 governmental authority has assumed jurisdiction over substantially all of the assets or business of the  
21 City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in  
22 possession but subject to the supervision and orders of a court or governmental authority, or the entry of  
23 an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental  
24 authority having supervision or jurisdiction over substantially all of the assets or business of the City.

25 The City shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely  
26 manner, of any failure by the City to provide financial information or operating data in accordance with  
27 subsection (a) of this PART by the time required by subsection (a).

28 (c) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe and  
29 perform the covenants named in this PART for only so long as the City remains an “obligated person”  
30 with respect to the Certificates within the meaning of the Rule, except that the City will give written  
31 notice of any deposit made in accordance with this Ordinance, or applicable law, that causes any  
32 Certificate no longer to be outstanding.

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



1 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR  
2 BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR  
3 TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE  
4 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT  
5 SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN  
6 CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN  
7 ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

12 The provisions of this PART may be amended by the City from time to time to adapt to changed  
13 circumstances that arise from a change in legal requirements, a change in law, or a change in the  
14 identity, nature, status, or type of operations of the City, but only if (1) the provisions of this PART, as  
15 amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of  
16 the Certificates in compliance with the Rule, taking into account any amendments or interpretations of  
17 the Rule since the offering as well as the changed circumstances and (2) either (a) the holders of a  
18 majority in aggregate principal amount (or any greater amount required by any other provision of this  
19 Ordinance that authorizes an amendment) of the outstanding Certificates consent to the amendment or  
20 (b) a person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines  
21 that the amendment will not materially impair the interest of the holders and beneficial owners of the  
22 Certificates. If the City amends the provisions of this PART, it shall include with the next financial  
23 information and operating data provided in accordance with subsection (a) of this PART an explanation,  
24 in narrative form, of the reason for the amendment and of the impact of any change in the type of  
25 financial information or operating data so provided. The City may also amend or repeal the provisions  
26 of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the  
27 Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only  
28 if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully  
29 purchasing or selling Certificates in the primary offering of the Certificates.

#### 30 **PART 16. DTC REGISTRATION.**

31 The Certificates initially shall be issued and delivered in the manner that no physical distribution  
32 of the Certificates will be made to the public, and DTC initially will act as depository for the  
33 Certificates. DTC has represented that it is a limited purpose trust company incorporated under the laws  
34 of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the  
35 meaning of the New York Uniform Commercial Code, and a “clearing agency” registered under Section  
36 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies,  
37 the representations of DTC. The Certificates initially authorized by this Ordinance intended to be held  
38 by DTC shall be delivered to and registered in the name of Cede & Co., the nominee of DTC. It is  
39 expected that DTC will hold the Certificates on behalf of the Underwriters and their participants. So  
40 long as each Certificate is registered in the name of Cede & Co., the Paying Agent/Registrar shall treat  
41 and deal with DTC the same in all respects as if it were the actual and beneficial owner. It is expected  
42 that DTC will maintain a book-entry system, which will identify ownership of the Certificates in  
43 Authorized Denominations, with transfers of ownership being effected on the records of DTC and its

1 participants pursuant to rules and regulations established by them, and that the Certificates initially  
2 deposited with DTC shall be immobilized and not be further exchanged for substitute Certificates except  
3 as set forth in this Ordinance. The City and the Paying Agent/Registrar are not responsible or liable for  
4 any functions of DTC, will not be responsible for paying any fees or charges with respect to its services,  
5 will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its  
6 participants, or protecting any interests or rights of the beneficial owners of the Certificates. It shall be  
7 the duty of the DTC Participants, as defined in the Official Statement, to make all arrangements with  
8 DTC to establish this book-entry system, the beneficial ownership of the Certificates, and the method of  
9 paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that  
10 the initial book-entry system established with DTC will be maintained in the future. Notwithstanding  
11 the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the  
12 originally delivered Certificates is duly filed with the Paying Agent/Registrar with proper request for  
13 transfer and substitution, as provided for in this Ordinance, substitute Certificates will be duly delivered  
14 as provided in this Ordinance, and there will be no assurance or representation that any book-entry  
15 system will be maintained for the Certificates. In connection with the initial establishment of the  
16 foregoing book-entry system with DTC, the City has executed a "Blanket Letter of Representations"  
17 prepared by DTC in order to implement the book-entry system described above.

#### 18 **PART 17. DEFEASANCE.**

19 (a) *Defeased Certificates.* Except as otherwise provided in the Pricing Certificate, any  
20 Certificate will be treated as a Defeased Certificate, except to the extent provided in subsection (d) of  
21 this PART, when payment of the principal of the Certificate, plus interest to the due date (whether the  
22 due date be by reason of maturity, redemption or otherwise) either (i) shall have been made or caused to  
23 be made in accordance with the terms of this Ordinance, or (ii) shall have been provided for on or before  
24 the due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any  
25 commercial bank or trust company authorized to serve as escrow agent for the Certificates in accordance  
26 with a Future Escrow Agreement for the payment of the Certificate (1) lawful money of the United  
27 States of America sufficient to make the payment or (2) Defeasance Securities, certified by an  
28 independent public accounting firm of national reputation to mature as to principal and interest in the  
29 amounts and at the time as will insure the availability, without reinvestment, of sufficient money to  
30 provide for the payment, and when proper arrangements have been made by the City with the Paying  
31 Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and  
32 payable. There shall be delivered to the Paying Agent/Registrar a certificate or report from a firm of  
33 certified public accountants evidencing the sufficiency of the deposit made pursuant to clause (ii) above.  
34 The Paying Agent/Registrar shall also receive an opinion of bond counsel acceptable to the City that  
35 reflects this payment does not adversely affect the exclusion under the Code of interest on the Defeased  
36 Certificates from the gross income of the holders for federal income taxation purposes. At the time as a  
37 Certificate shall be considered to be a Defeased Certificate, the Certificate and the interest on that  
38 Certificate shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem  
39 taxes levied and pledged as provided in this Ordinance, and the principal and interest shall be payable  
40 solely from the money or Defeasance Securities.

41 (b) *Investment in Defeasance Securities.* Any funds deposited with the Paying  
42 Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing  
43 in the amounts and times as set forth in this Ordinance, and all income from these Defeasance Securities  
44 received by the Paying Agent/Registrar that is not required for the payment of the Certificates and

1 interest, with respect to which money has been deposited, shall be turned over to the City, or deposited  
2 as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or  
3 Defeasance Securities are held for the payment of Defeased Certificates may contain provisions  
4 permitting the investment or reinvestment of the moneys in Defeasance Securities or the substitution of  
5 other Defeasance Securities upon the satisfaction of the requirements described in subsections (a) (i) or  
6 (ii) of this PART. All income from the Defeasance Securities received by the Paying Agent/Registrar  
7 which is not required for the payment of the Defeased Certificates, with respect to which money has  
8 been so deposited, shall be remitted to the City or deposited as directed in writing by the City. The  
9 Paying Agent/Registrar shall not be liable for any loss pertaining to an investment executed in  
10 accordance with written instructions from the City.

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

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

19 **PART 18. DEFAULT AND REMEDIES.**

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

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

23 (ii) default in the performance or observance of any other covenant, agreement or  
24 obligation of the City, the failure to perform which materially, adversely affects the rights of the  
25 Registered Owners of the Certificates, including their prospect or ability to be repaid in  
26 accordance with this Ordinance, and the continuation for a period of 60 days after notice of the  
27 default is given by any Registered Owner to the City.

28 (b) *Remedies for Default.*

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

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

1 (c) *Remedies Not Exclusive.*

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

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

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

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

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

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

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

33 (c) Any duty, responsibility, privilege, power or authority conferred by this Ordinance upon  
34 an officer shall extend to an individual who occupies such office in an interim, acting or provisional  
35 capacity.

36 **PART 20. RULES OF CONSTRUCTION.**

37 For all purposes of this Ordinance, unless the context requires otherwise, all references to  
38 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this Ordinance.

1 Except where the context otherwise requires, terms defined in this Ordinance to impart the singular  
2 number shall be considered to include the plural number and vice versa. References to any named  
3 person shall mean that party and his or her successors and assigns. Any duty, responsibility, privilege,  
4 power or authority conferred by this Ordinance upon an official or officer shall extend to an individual  
5 who occupies such office in an interim, acting or provisional capacity. References to any constitutional,  
6 statutory or regulatory provision means the provision as it exists on the date this Ordinance is adopted  
7 by the City. Any reference to the payment of principal in this Ordinance shall include the payment of  
8 any mandatory sinking fund redemption payments as described in this Ordinance. Any reference to  
9 "Form of Certificate" refers to the form of the Certificates in Exhibit A to this Ordinance. The titles and  
10 headings of the PARTS and subsections of this Ordinance have been inserted for convenience of  
11 reference only and are not a part of this Ordinance and shall not in any way modify or restrict any of its  
12 terms or provisions.

13 **PART 21. CONFLICTING ORDINANCES REPEALED.**

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

15 **PART 22. IMMEDIATE EFFECT.**

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

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

1 **PASSED AND APPROVED AND EFFECTIVE AUGUST 17, 2017.**

2  
3 \_\_\_\_\_  
4 Steve Adler,  
5 Mayor,  
6 City of Austin, Texas

7 ATTEST:

8 \_\_\_\_\_  
9 Jannette S. Goodall,  
10 City Clerk,  
11 City of Austin, Texas

(SEAL)

12 APPROVED:

13 \_\_\_\_\_  
14 Anne L. Morgan,  
15 City Attorney,  
16 City of Austin, Texas

