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PART 1. FINDINGS.

PART 2. DEFINITIONS.

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

1 “Bidding Instructions” means the notice of sale and bidding instructions prepared in connection
2 with the sale of the Obligations.
3

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

7 “Chapter 9” means Chapter 9 of the Texas Business & Commerce 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 (i) direct, noncallable obligations of the United States of America,
16 including obligations that are unconditionally guaranteed by the United States of America and (ii)
17 noncallable obligations of an agency or instrumentality of the United States of America, including
18 obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on
19 the date of approval of the proceedings authorizing the issuance of the refunding bonds, are rated as to
20 investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

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

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

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

28 “Event of Default” has the meaning described in PART 17 of this Ordinance.

29 “Expiration Date” means February 16, 2019.

30 “Future Escrow Agreement” means an escrow agreement or other similar instrument with respect
31 to Defeased Obligations.

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

1 “MSRB” means the Municipal Securities Rulemaking Board.

2 “Obligations” means the contractual obligations of the City to be issued under authority of this
3 Ordinance.

4 “Official Bid Form” means the bid form to be submitted by bidders seeking to purchase the
5 Obligations as provided in the Bidding Instructions.

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

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

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

14 “Property” has the meaning described in PART 1 of this Ordinance.

15 “Purchasers” means the entity or entities designated in the Pricing Certificate.

16 “Registered Owner” means the owner of any Obligation as recorded in the Registration Books.

17 “Registration Books” means the books or records of registration and transfer of the Obligations
18 maintained by the Paying Agent/Registrar.

19 “Rule” means SEC Rule 15c2-12.

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

21 “Treasury Regulations” means all applicable temporary, proposed and final regulations and
22 procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954, to the
23 extent applicable to the Code.
24

25 **PART 3. OBLIGATIONS AUTHORIZED.**

26 The Obligations shall be issued in accordance with the Constitution, laws of the State of Texas,
27 and the Charter of the City, in one or more series, in the aggregate principal amount not to exceed
28 \$23,115,000 for the purposes of (a) paying all or a portion of the City’s contractual obligations to be
29 incurred with the acquisition, purchase or financing of the Property, in accordance with the provisions of
30 the Act, and (b) paying the costs of issuance associated with the sale of the Obligations. The aggregate
31 principal amount and the designation of Obligations issued pursuant to this Ordinance shall be set forth in
32 the Pricing Certificate.

1 **PART 4. SALE PARAMETERS.**

2 (a) The Obligations shall be issued in any Authorized Denomination as fully registered
3 obligations, without interest coupons, payable to the respective initial registered owners of the
4 Obligations, or to the registered assignee or assignees of the Obligations, maturing not later than 25 years
5 from their issue date, payable serially or otherwise on the dates, in the years and in the principal amounts,
6 and dated, all as set forth in the Pricing Certificate.

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

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

29 It is in the best interests of the City for the Obligations to be sold through a competitive sale, and
30 Council authorizes the preparation and distribution of the Bidding Instructions and the Official Bid Form.
31 Each Authorized Representative is authorized to execute the Official Bid Form to evidence the acceptance
32 by the City of the best and winning bid submitted, and the best and winning bid shall be the price the
33 Authorized Representative executing the Official Bid Form determines to be the most advantageous to the
34 City. The conditions set forth in PART 12 of this Ordinance must be met prior to any Authorized
35 Representative executing the Official Bid Form to evidence the acceptance by the City of the best and
36 winning bid submitted.

37 The authority of an Authorized Representative to execute any Official Bid Form shall expire at
38 11:59 p.m. on the Expiration Date. Bonds sold pursuant to an Official Bid Form executed on or before
39 the Expiration Date may be delivered after the Expiration Date.

40 In establishing the aggregate principal amount of the Obligations of each series, the Authorized
41 Representative shall establish an amount which shall be sufficient (together with any premium received

1 from the sale of the Obligations) to provide for the purposes for which the Obligations are authorized.
2 The Obligations of any series shall be sold at such price, with and subject to such terms, as set forth in the
3 Pricing Certificate.

4 (c) Any finding or determination made by an Authorized Representative relating to the
5 issuance and sale of the Obligations and the execution of the Official Bid Form shall have the same force
6 and effect as a finding or determination made by Council.

7 **PART 5. REDEMPTION PROVISIONS.**

8 The Obligations are not subject to redemption prior to maturity.

9 **PART 6. INTEREST.**

10 The Obligations shall bear interest at the rates per annum set forth in the Official Bid Form. The
11 interest shall be payable to the Registered Owner of any Obligation in the manner provided and on the
12 dates stated in the Bidding Instructions. Interest shall be calculated on the basis of a 360-day year
13 consisting of twelve 30-day months.

14 **PART 7. ADDITIONAL CHARACTERISTICS OF THE OBLIGATIONS.**

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

34 (b) The entity in whose name any Obligation shall be registered in the Registration Books at
35 any time shall be treated as the absolute owner of the Obligation for all purposes of this Ordinance,
36 whether the Obligation shall be overdue, and the City and the Paying Agent/Registrar shall not be affected
37 by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and
38 interest on any Obligation shall be made only to the Registered Owner. All payments shall be valid and
39 effectual to satisfy and discharge the liability on the Obligation to the extent of the sum or 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 Obligations, and to act
3 as the agent of the City to exchange or replace Obligations, all as provided in this Ordinance. The Paying
4 Agent/Registrar shall keep proper records of all payments made by the City and the Paying
5 Agent/Registrar with respect to the Obligations, and of all exchanges and replacements, as provided in
6 this Ordinance.

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

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

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

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

1 **PART 8. FORM OF OBLIGATIONS.**

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

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

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

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

39 (c) Chapter 1208 applies to the issuance of the Obligations and the pledge of ad valorem taxes
40 made under PART 9(a) of this Ordinance, and the pledge is valid, effective, and perfected. If Texas law
41 is amended at any time while any Obligation is outstanding and unpaid so that the pledge of ad valorem
42 taxes made by the City under PART 9(a) of this Ordinance is to be subject to the filing requirements of

Chapter 9, then to preserve to the Registered Owners of the Obligations the perfection of the security interest in the pledge, the City agrees to take measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in the pledge.

PART 10. DAMAGED, LOST, STOLEN OR DESTROYED OBLIGATIONS.

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

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

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

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

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

PART 11. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.

The Mayor, or his designee, and each Authorized Representative, is authorized to have control of the Obligations and all necessary records and proceedings pertaining to the Obligations pending their delivery and their investigation, examination and approval by the Texas Attorney General and their

1 registration by the Texas Comptroller of Public Accounts. Upon registration of the Obligations, the
2 Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the
3 Comptroller's Registration Certificate accompanying the Obligations, and the seal of the Comptroller shall
4 be impressed, or placed in facsimile, on each certificate. After registration by the Comptroller, delivery
5 of the Obligations shall be made to the Purchasers, under and subject to the general supervision and
6 direction of the Mayor or an Authorized Representative, against receipt by the City of all amounts due to
7 the City under the terms of sale. Council authorizes the payment of the fee of the Office of the Attorney
8 General of the State of Texas for the examination of the proceedings relating to the issuance of the
9 Obligations, in the amount determined in accordance with the provisions of Section 1202.004, Texas
10 Government Code.

11 **PART 12. SALE OF OBLIGATIONS; OFFICIAL STATEMENT.**

12 (a) The Obligations shall be sold to the Purchasers at the price set forth in the Pricing
13 Certificate, and delivery of the Obligations to the Purchasers shall be made upon receipt of payment in
14 accordance with the terms of the Bidding Instructions. An Authorized Representative is authorized and
15 directed to execute the Pricing Certificate and the Official Bid Form on behalf of the City, and the Mayor,
16 Mayor Pro Tem, City Manager, Chief Financial Officer, City Clerk, and all other officials, agents and
17 representatives of the City are authorized to execute and deliver any agreements, certificates, instruments
18 and other documents, and do any and all things necessary or desirable to satisfy the conditions set out in
19 the documents, to provide for the issuance and delivery of the Obligations.

20 (b) Council ratifies, authorizes and approves, in connection with the sale of the Bonds, the
21 preparation and distribution of the Preliminary Official Statement and a final Official Statement,
22 substantially in the form of the Preliminary Official Statement, containing additional information and
23 amendments as may be necessary to conform to the terms of the Bonds, this Ordinance, the Bidding
24 Instructions, the Official Bid Form and the Pricing Certificate, and the Preliminary Official Statement is
25 deemed final as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. An
26 Authorized Representative is authorized to approve any amendments and supplements to the Official
27 Statement as either of them deem necessary or appropriate. The Mayor and City Clerk are authorized to
28 execute the final Official Statement by manual, facsimile or electronic signature and/or to deliver a
29 certificate pertaining to the final Official Statement as prescribed in the Official Statement, dated as of the
30 date of payment for and delivery of the Obligations.

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

36 (d) Proceeds from the sale of the Obligations shall be disbursed in the amounts and for the
37 purposes set forth in the Pricing Certificate. An Authorized Representative may provide for the
38 establishment of any fund, account or subaccount as deemed necessary or appropriate for the safekeeping
39 and administration of proceeds from the sale of the Obligations pending their disbursement for authorized
40 purposes.

1 (e) An Authorized Representative shall not execute the Official Bid Form unless the best
2 bidder has confirmed to an Authorized Representative that either it has made disclosure filings to the
3 Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code or is exempt
4 from making filings under Section 2252.008(c)(4), Texas Government Code. Within 30 days of receipt
5 of the disclosure filings from the best bidder for the Obligations, the City will submit a copy of the
6 disclosure filings to the Texas Ethics Commission.

7 **PART 13. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.**

8 The City covenants to refrain from any action which would adversely affect, or to take any action
9 to assure, the treatment of the Obligations as obligations described in section 103 of the Code, the interest
10 on which is not includable in the "gross income" of the holder for purposes of federal income taxation.
11 The City covenants as follows:

12
13 (a) to take any action to assure that no more than 10 percent of the proceeds of the
14 Obligations or the projects financed therewith (less amounts deposited to a reserve fund, if any)
15 are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than
16 10 percent of the proceeds are so used, that amounts, whether or not received by the City, with
17 respect to such private business use, do not, under the terms of this Ordinance or any underlying
18 arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of
19 the debt service on the Obligations, in contravention of section 141(b)(2) of the Code;

20
21 (b) to take any action to assure that in the event that the "private business use" described
22 in subsection (a) hereof exceeds 5 percent of the proceeds of the Obligations or the projects
23 financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess
24 of 5 percent is used for a "private business use" which is "related" and not "disproportionate",
25 within the meaning of section 141(b)(3) of the Code, to the governmental use;

26
27 (c) to take any action to assure that no amount which is greater than the lesser of
28 \$5,000,000, or 5 percent of the proceeds of the Obligations (less amounts deposited into a reserve
29 fund, if any), is directly or indirectly used to finance loans to persons, other than state or local
30 governmental units, in contravention of section 141(c) of the Code;

31
32 (d) to refrain from taking any action which would otherwise result in the Obligations
33 being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

34
35 (e) to refrain from taking any action that would result in the Obligations being
36 "federally guaranteed" within the meaning of section 149(b) of the Code;

37
38 (f) to refrain from using any portion of the proceeds of the Obligations, directly or
39 indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire
40 investment property (as defined in section 148(b)(2) of the Code) which produces a materially
41 higher yield over the term of the Obligations, other than investment property acquired with --

42
43 (1) proceeds of the Obligations invested for a reasonable temporary period,
44 until such proceeds are needed for the purpose for which the Obligations are issued,
45

1 (2) amounts invested in a bona fide debt service fund, within the meaning of
2 section 1.148-1(b) of the Treasury Regulations, and
3

4 (3) amounts deposited in any reasonably required reserve or replacement fund
5 to the extent such amounts do not exceed 10 percent of the proceeds of the Obligations;
6

7 (g) to otherwise restrict the use of the proceeds of the Obligations or amounts treated
8 as proceeds of the Obligations, as may be necessary, so that the Obligations do not otherwise
9 contravene the requirements of section 148 of the Code (relating to arbitrage);
10

11 (h) to refrain from using the proceeds of the Obligations or the proceeds of any prior
12 bonds to pay debt service on another issue more than ninety (90) days after the issuance of the
13 Obligations in contravention of section 149(d) of the Code (relating to advance refundings); and
14

15 (i) to pay to the United States of America at least once during each five-year period
16 (beginning on the date of delivery of the Obligations) an amount that is at least equal to 90 percent
17 of the "excess earnings", within the meaning of section 148(f) of the Code, and to pay to the United
18 States of America, not later than 60 days after the Obligations have been paid in full, 100 percent
19 of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the
20 Code.
21

22 The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury
23 Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the
24 refunded bonds expended prior to the date of the issuance of the Obligations. It is the understanding of
25 the City that the covenants contained herein are intended to assure compliance with the Code and any
26 regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event
27 that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as
28 applicable to the Obligations, the City will not be required to comply with any covenant contained herein
29 to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not
30 adversely affect the exemption from federal income taxation of interest on the Obligations under section
31 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose
32 additional requirements which are applicable to the Obligations, the City agrees to comply with the
33 additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to
34 preserve the exemption from federal income taxation of interest on the Obligations under section 103 of
35 the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager, the
36 Chief Financial Officer, any Deputy Financial Officer and the City Treasurer may execute any certificates
37 or other reports required by the Code and make such elections, on behalf of the City, which may be
38 permitted by the Code as are consistent with the purpose for the issuance of the Obligations. In order to
39 facilitate compliance with the above clause (i), a "Rebate Fund" is hereby established by the City for the
40 sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of
41 any other person, including without limitation the registered owners of the Obligations. The Rebate Fund
42 is established for the additional purpose of compliance with section 148 of the Code.
43

44 The City covenants to account for on its books and records the expenditure of proceeds from the
45 sale of the Obligations and any investment earnings thereon to be used to finance the Property described
46 in Schedule I by allocating proceeds to expenditures within eighteen (18) months of the later of the date

1 that (a) the expenditure on a Property is made or (b) the acquisition of the Property is completed. The
2 City shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the
3 fifth anniversary of the date of delivery of the Obligations or (b) the date the Obligations are retired, unless
4 the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that the
5 expenditure will not adversely affect the tax-exempt status of the Obligations. The City shall not be
6 obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to
7 the effect that the failure to comply will not adversely affect the excludability for federal income tax
8 purposes from gross income of the interest.
9

10 The City covenants that the property financed or refinanced with the proceeds of the Obligations
11 will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other
12 compensation, unless the City obtains an opinion of nationally-recognized bond counsel substantially to
13 the effect that such sale or other disposition will not adversely affect the tax-exempt status of the
14 Obligations. The portion of the property comprising personal property and disposed of in the ordinary
15 course of business shall not be treated as a transaction resulting in the receipt of cash or other
16 compensation. The City shall not be obligated to comply with this covenant if it obtains an opinion of
17 nationally-recognized bond counsel to the effect that the failure to comply will not adversely affect the
18 excludability for federal income tax purposes from gross income of the interest.

19 **PART 14. CONTINUING DISCLOSURE OBLIGATION.**

20 (a) *Annual Reports.*

21 (i) The City shall provide annually to the MSRB, (A) within six months after the end
22 of each fiscal year of the City, financial information and operating data with respect to the City of
23 the general type included in the final Official Statement authorized by PART 12 of this Ordinance,
24 being information of the type described in the final Official Statement, including financial
25 statements of the City if audited financial statements of the City are then available, and (B) if not
26 provided as part of the financial information and operating data, audited financial statements of
27 the City, when and if available. Any financial statements to be provided shall be (x) prepared in
28 accordance with the accounting principles described in the final Official Statement, or other
29 accounting principles as the City may be required to employ from time to time pursuant to state
30 law or regulation, and in substantially the form included in the final Official Statement, and
31 (y) audited, if the City commissions an audit of the financial statements and the audit is completed
32 within the period during which they must be provided. If the audit of financial statements is not
33 complete within 12 months after any fiscal year end, then the City shall file unaudited financial
34 statements within the 12-month period and audited financial statements for the applicable fiscal
35 year, when and if the audit report on the financial statements becomes available.

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

39 The financial information and operating data to be provided pursuant to this PART may be
40 set forth in full in one or more documents or may be included by specific reference to any document
41 (including an official statement or other offering document) available to the public on the MSRB's

1 website or filed with the SEC. Filings shall be made electronically, accompanied by identifying
2 information as prescribed by the MSRB.

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

- 6 (i) Principal and interest payment delinquencies;
- 7 (ii) Non-payment related defaults, if material;
- 8 (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 9 (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 10 (v) Substitution of credit or liquidity providers, or their failure to perform;
- 11 (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or
12 final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB)
13 or other material notices or determinations with respect to the tax status of the
14 Obligations, or other material events affecting the tax status of the Obligations;
- 15 (vii) Modifications to rights of holders of the Obligations, if material;
- 16 (viii) Obligation calls, if material, and tender offers;
- 17 (ix) Defeasances;
- 18 (x) Release, substitution, or sale of property securing repayment of the Obligations, if
19 material;
- 20 (xi) Rating changes;
- 21 (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- 22 (xiii) The consummation of a merger, consolidation, or acquisition involving the City or
23 the sale of all or substantially all of the assets of the City, other than in the ordinary
24 course of business, the entry into a definitive agreement to undertake such an action
25 or the termination of a definitive agreement relating to any such actions, other than
26 pursuant to its terms, if material; and
- 27 (xiv) Appointment of a successor Paying Agent/Registrar or change in the name of the
28 Paying Agent/Registrar, if material.

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

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

40 (c) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe and
41 perform the covenants named in this PART for only so long as the City remains an “obligated person”
42 with respect to the Obligations within the meaning of the Rule, except that the City will give written notice

1 of any deposit made in accordance with this Ordinance, or applicable law, that causes any Obligation no
2 longer to be outstanding.

3 The provisions of this PART are for the sole benefit of the holders and beneficial owners of the
4 Obligations, and nothing in this PART, express or implied, shall give any benefit or any legal or equitable
5 right, remedy, or claim to any other person. The City undertakes to provide only the financial information,
6 operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this
7 PART and does not undertake to provide any other information that may be relevant or material to a
8 complete presentation of the City's financial results, condition, or prospects or to update any information
9 provided in accordance with this PART or otherwise, except as expressly provided in this Ordinance. The
10 City does not make any representation or warranty concerning the information or its usefulness to a
11 decision to invest in or sell Obligations at any future date.

12 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR
13 BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN CONTRACT OR
14 TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE
15 CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT
16 SPECIFIED IN THIS PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN
17 CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN
18 ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

23 The provisions of this PART may be amended by the City from time to time to adapt to changed
24 circumstances that arise from a change in legal requirements, a change in law, or a change in the identity,
25 nature, status, or type of operations of the City, but only if (1) the provisions of this PART, as amended,
26 would have permitted an underwriter to purchase or sell Obligations in the primary offering of the
27 Obligations in compliance with the Rule, taking into account any amendments or interpretations of the
28 Rule since the offering as well as the changed circumstances and (2) either (a) the holders of a majority in
29 aggregate principal amount (or any greater amount required by any other provision of this Ordinance that
30 authorizes an amendment) of the outstanding Obligations consent to the amendment or (b) a person that
31 is unaffiliated with the City (such as nationally-recognized bond counsel) determines that the amendment
32 will not materially impair the interest of the holders and beneficial owners of the Obligations. If the City
33 amends the provisions of this PART, it shall include with the next financial information and operating
34 data provided in accordance with subsection (a) of this PART an explanation, in narrative form, of the
35 reason for the amendment and of the impact of any change in the type of financial information or operating
36 data so provided. The City may also amend or repeal the provisions of this continuing disclosure
37 agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction
38 enters judgment that the provisions of the Rule are invalid, but only if and to the extent that the provisions
39 of this sentence would not prevent an underwriter from lawfully purchasing or selling Obligations in the
40 primary offering of the Obligations. Should the Rule be amended to obligate the City to make filings with
41 or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in
42 accordance with the Rule as amended.

1 **PART 15. DTC REGISTRATION.**

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

32 **PART 16. DEFEASANCE.**

33 (a) *Defeased Obligations.* Except as otherwise provided in the Pricing Certificate, any
34 Obligation will be treated as a Defeased Obligation, except to the extent provided in subsection (d) of this
35 PART, when payment of the principal of the Obligation, plus interest to the due date (whether the due
36 date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in
37 accordance with the terms of this Ordinance, or (ii) shall have been provided for on or before the due date
38 by irrevocably depositing with or making available to the Paying Agent/Registrar or any commercial bank
39 or trust company authorized to serve as escrow agent for the Obligation in accordance with a Future
40 Escrow Agreement for the payment of the Obligation (1) lawful money of the United States of America
41 sufficient to make the payment or (2) Defeasance Securities to mature as to principal and interest in the
42 amounts and at the time as will ensure the availability, without reinvestment, of sufficient money to
43 provide for the payment, and when proper arrangements have been made by the City with the Paying
44 Agent/Registrar for the payment of its services until all Defeased Obligations shall have become due and

1 payable. There shall be delivered to the Paying Agent/Registrar a certificate of a qualified financial
2 professional or a report from a firm of certified public accountants evidencing the sufficiency of the
3 deposit made pursuant to clause (ii) above. The Paying Agent/Registrar shall also receive an opinion of
4 bond counsel acceptable to the City that reflects this payment does not adversely affect the exclusion under
5 the Code of interest on the Defeased Obligations from the gross income of the holders for federal income
6 taxation purposes. At the time as an Obligation shall be considered to be a Defeased Obligation, the
7 Obligation and the interest on that Obligation shall no longer be secured by, payable from, or entitled to
8 the benefits of the ad valorem taxes levied and pledged as provided in this Ordinance, and the principal
9 and interest shall be payable solely from the money or Defeasance Securities.

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

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

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

31 **PART 17. DEFAULT AND REMEDIES.**

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

33 (i) the failure to pay the principal of or interest on any Obligation when it becomes due
34 and payable; or

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

40 (b) *Remedies for Default.*

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

9 (ii) All default proceedings shall be instituted and maintained for the equal benefit of
10 all Registered Owners of outstanding Obligations.

11 (c) *Remedies Not Exclusive.*

12 (i) No remedy in this Ordinance is exclusive of any other available remedy, but each
13 remedy shall be cumulative and shall be in addition to every other remedy given in this Ordinance
14 or under the Obligations; however, there is no right to accelerate the debt evidenced by the
15 Obligations.

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

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

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

26 **PART 18. OFFICIALS MAY ACT ON BEHALF OF THE CITY.**

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

37 (b) The Mayor, the Mayor Pro Tem and any Authorized Representative are each authorized to
38 make or approve such revisions, additions, deletions, and variations to this Ordinance that, in their
39 judgment and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or

1 assist in carrying out the purposes of this Ordinance, the Bidding Instructions, the Official Bid Form, the
2 Pricing Certificate, the Paying Agent/Registrar Agreement, the Preliminary Official Statement and the
3 final Official Statement or as may be required for approval of the Obligations by the Attorney General of
4 Texas.

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

8 **PART 19. RULES OF CONSTRUCTION.**

9 For all purposes of this Ordinance, unless the context requires otherwise, all references to
10 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this Ordinance.
11 Except where the context otherwise requires, terms defined in this Ordinance to impart the singular
12 number shall be considered to include the plural number and vice versa. References to any named person
13 shall mean that party and his or her successors and assigns. Any duty, responsibility, privilege, power or
14 authority conferred by this Ordinance upon an official or officer shall extend to an individual who occupies
15 such office in an interim, acting or provisional capacity. References to any constitutional, statutory or
16 regulatory provision means the provision as it exists on the date this Ordinance is adopted by the City.
17 Any reference to "Form of Obligation" refers to the form of the Obligations in Exhibit A to this Ordinance.
18 The titles and headings of the PARTS and subsections of this Ordinance have been inserted for
19 convenience of reference only and are not a part of this Ordinance and shall not in any way modify or
20 restrict any of its terms or provisions.

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

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

23 **PART 21. IMMEDIATE EFFECT.**

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

26 [The remainder of this page is intentionally left blank]

PASSED AND APPROVED AND EFFECTIVE AUGUST 23, 2018.

Steve Adler,
Mayor,
City of Austin, Texas

ATTEST:

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

(SEAL)

APPROVED:

Anne L. Morgan,
City Attorney,
City of Austin, Texas

EXHIBIT A

Form of Obligation

NO. R-__

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF AUSTIN, TEXAS
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION,
SERIES 2018

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
____ 1, 20____	____ %	____, 2018	

ON THE MATURITY DATE SPECIFIED ABOVE, 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 amount of:

_____ DOLLARS

and to pay interest thereon, from the Dated Date specified above, to the Maturity Date specified above at the rate of interest per annum specified above, with said interest being payable on May 1, 2019, and semiannually on each November 1 and May 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Obligation is dated later than May 1, 2019, such interest is payable semiannually on each November 1 and May 1 following such date.

THE PRINCIPAL OF AND INTEREST ON this Obligation are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Obligation shall be paid to the registered owner hereof upon presentation and surrender of this Obligation at maturity at the designated corporate trust office in _____, Texas (the "Designated Payment/Transfer Office") of _____, which is the "Paying Agent/Registrar" for this Obligation. The payment of interest on this Obligation shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the record date, which is the 15th day of the month next preceding such interest payment date by check, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity of this Obligation prior to maturity as provided

herein shall be paid to the registered owner upon presentation and surrender of this Obligation for payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Obligation that no later than each principal payment and/or interest payment date for this Obligation it will make available to the Paying Agent/Registrar from the Interest and Sinking Fund as defined by the ordinance authorizing the Obligations (the "Ordinance") the amounts required to provide for the payment, in immediately available funds, of all principal of, premium, if any, and interest on the Obligations, when due.

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

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

THIS OBLIGATION is one of a series of Obligations of like tenor and effect except as to number, principal amount, interest rate and maturity authorized in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$_____, for the purpose of (i) paying all or a portion of the City's contractual obligations to be incurred in connection with the acquisition, purchase or financing of personal property, and (ii) paying the costs of issuance associated with the sale of the Obligations, as described in the Ordinance, in accordance with the provisions of the Public Property Finance Act, Section 271.001, et seq., Local Government Code.

ALL OBLIGATIONS OF THIS SERIES are issuable solely as fully registered obligations, without interest coupons, in the denomination of any integral multiple of \$5,000 (an "Authorized Denomination"). As provided in the Ordinance, this Obligation may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered obligations, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any Authorized Denomination as requested in writing by the appropriate registered owner, assignee, or assignees, as the case may be, upon

surrender of this Obligation to the Paying Agent/Registrar at its Designated Payment/Transfer Office for cancellation, all in accordance with the form and procedures set forth in the Ordinance. Among other requirements for such assignment and transfer, this Obligation must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Obligation or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Obligation or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Obligation may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Obligation or any portion or portions hereof from time to time by the registered owner. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Obligation or portion thereof. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Obligation or Obligations or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar will be paid by the City. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the exercise of such privilege.

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

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Obligation, and the series of which it is a part, is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of this series of Obligations, and of this Obligation, have been properly done and performed and have happened in regular and due time, form and manner as required by law; that sufficient and proper provision for the levy and collection of ad valorem taxes has been made, which, when collected, shall be appropriated exclusively to the payment of this Obligation and the series of which it is a part; and that the total indebtedness of the City of Austin, Texas, including the entire series of Obligations of which this is one, does not exceed any constitutional or statutory limitation.

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

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

City Clerk,
City of Austin, Texas

(SEAL)

Mayor,
City of Austin, Texas

* * * * *

DRAFT

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Obligation has been issued under the provisions of the proceedings adopted by the City as described in the text of this Obligation; and that this Obligation has been issued in conversion of and exchange for or replacement of an obligation, obligations, or a portion of an obligation or obligations of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

[_____] ,
Paying Agent/Registrar

By: _____
Authorized Representative

* * * * *

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

OFFICE OF COMPTROLLER :
:
STATE OF TEXAS :

REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Obligation and that this Obligation has been registered this day by me.

WITNESS MY HAND and seal of office at Austin, Texas _____.

Comptroller of Public Accounts of the
State of Texas

(SEAL)

* * * * *

FORM OF ASSIGNMENT:

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

/_____/

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

the within Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints

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

Dated: _____

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
Obligation in every particular, without
alteration or enlargement or any change
whatsoever.

SCHEDULE I

DESCRIPTION OF PERSONAL PROPERTY TO BE FINANCED

<u>Description</u>	<u>Approximate Cost</u>	<u>Useful Life</u>	<u>Approximate Delivery Date</u>
Austin Resource Recovery			
25 Yd. Multipacks (x4)	\$1,660,000	7 Years	09/01/2018
32 Gal Carts (x38,000)	\$1,740,000	7 Years	09/01/2018
25 Yd. Rear Loader (x2)	\$668,000	<u>7 Years</u>	09/01/2018
28 Yd. Automated (x3)	\$1,155,000	<u>7 Years</u>	09/01/2018
Fleet			
Boat (x5)	\$15,000	10 Years	01/01/2019
Bus (x2)	\$95,000	10 Years	01/01/2019
Dodge 3500 Pick Up (x4)	\$90,000	10 Years	01/01/2019
Dodge 3500 Pick up	\$60,000	10 Years	01/01/2019
Dodge 3500 Pick up	\$80,000	10 Years	01/01/2019
Dodge 4500 Pick up	\$90,000	10 Years	01/01/2019
Dodge 4500 Road Rescue Ambulance (x10)	\$300,000	10 Years	01/01/2019
Ford Explorer SUV (x118)	\$40,000	5 Years	01/01/2019
Ford Explorer Police K9 (x2)	\$44,000	5 Years	01/01/2019
Ford Taurus Police Sedan (x8)	\$30,000	5 Years	01/01/2019
Polaris ATV (x5)	\$20,000	8 Years	01/01/2019
Electric Van (x2)	\$150,000	10 Years	01/01/2019
Electric Vehicle (x30)	\$40,000	10 Years	01/01/2019
Ford F150 Pick up (x7)	\$30,000	10 Years	01/01/2019
Ford F250 Pick up (x2)	\$90,000	10 Years	01/01/2019
Ford F250 Pick up (x4)	\$50,000	10 Years	01/01/2019
Ford E350 Van 15 Pass (x9)	\$40,000	10 Years	01/01/2019
Ford E350 Van Cargo (x6)	\$40,000	10 Years	01/01/2019
Ladder Fire Truck	\$1,200,000	15 Years	01/01/2019
Mower	\$95,000	5 Years	01/01/2019
Mower	\$90,000	5 Years	01/01/2019
Police Motorcycle (x2)	\$35,000	7 Years	01/01/2019
Pumper (x5)	\$800,000	15 Years	01/01/2019
Remount Ambulance Module on Dodge (x2)	\$150,000	8 Years	01/01/2019
Remount Command Module on Dodge	\$130,000	8 Years	01/01/2019
Tractor	\$30,000	15 Years	01/01/2019
Trailer (x2)	\$20,000	20 Years	01/01/2019
Trailer	\$30,000	20 Years	01/01/2019
Trailer	\$32,000	20 Years	01/01/2019
Van Collins (x4)	\$60,000	10 Years	01/01/2019
Vans (x3)	\$55,000	10 Years	01/01/2019