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PART 1. FINDINGS.

PART 2. DEFINITIONS.

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

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

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

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

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

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

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

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

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

10 “Concurrent Certificates” means the “City of Austin, Texas Certificates of Obligation, Series
11 2014” authorized to be issued pursuant to an ordinance approved by Council on the date of approval of
12 this Ordinance.

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

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

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

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

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

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

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

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

1 “Maximum Amount” means \$9,600,000, which represents the portion of the maximum amount
2 of certificate of obligation indebtedness set forth in the notice published in *The Austin American-*
3 *Statesman*, and referred to in the recitals to this Ordinance, allocable to the purposes identified in Part 3
4 of this Ordinance. The sum of the Maximum Amount plus the principal amount of the Concurrent
5 Certificates (plus any premium received in connection with the sale of the Certificates and the
6 Concurrent Certificates that is used to pay costs of the projects financed through the issuance of the
7 Certificates and the Concurrent Certificates) shall not exceed \$50,050,000.

8 “MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

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

26 “Rule” means SEC Rule 15c2-12.

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

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

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

33 **PART 3. CERTIFICATES AUTHORIZED.**

34 The Certificates shall be issued in accordance with the Constitution, laws of the State of Texas,
35 and the Charter of the City, in one or more series, in the aggregate principal amount not to exceed the
36 Maximum Amount for the purposes of (i) financing the projects described in Schedule I and (ii) paying
37 the costs of issuance associated with the sale of the Certificates. The aggregate principal amount and

1 the designation of Certificates issued pursuant to this Ordinance shall be set forth in the Pricing
2 Certificate.

3 **PART 4. SALE PARAMETERS.**

4 (a) The Certificates shall be issued as fully registered obligations, without interest coupons,
5 numbered consecutively from R-1 upward, payable to the respective initial registered owners of the
6 Certificates, or to the registered assignee or assignees of the Certificates, in any Authorized
7 Denomination, maturing not later than 40 years from their issue date, payable serially or otherwise on
8 the dates, in the years and in the principal amounts, and dated, 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 date of the Certificates, the
12 designation or title by which a series of the Certificates shall be known, the aggregate principal amount
13 of the Certificates sold, the date of delivery of the Certificates sold, the price at which the Certificates
14 will be sold, the years in which the Certificates will mature, the principal amount of Certificates to
15 mature in each of such years, , the rate or rates of interest to be borne by or accrue on each maturity, the
16 interest payment periods, the dates, price, and terms upon and at which the Certificates shall be subject
17 to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund
18 redemption provisions, and all other matters relating to the issuance, sale, and delivery of the
19 Certificates, , including, without limitation, obtaining a municipal bond insurance policy in support of
20 the Certificates, all of which shall be specified in the Pricing Certificate; provided, that (i) the price to
21 be paid for the Certificates shall not be less than 95% of the aggregate original principal amount of the
22 Certificates, plus accrued interest, if any, (ii) none of the Certificates shall bear interest at a rate greater
23 than 10.00% per annum, and (iii) prior to their delivery, the Certificates shall be rated by a nationally
24 recognized rating agency for municipal securities in one of the four highest rating categories for long-
25 term debt instruments.

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

30 The authority of an Authorized Representative to execute any Purchase Agreement shall expire
31 at 11:59 p.m. on February 28, 2015 (the "Expiration Date"). Certificates sold pursuant to a Purchase
32 Agreement executed on or before the Expiration Date may be delivered after such date.

33 In establishing the aggregate principal amount of the Certificates of each series, the Authorized
34 Representative shall establish an amount which shall be sufficient to provide for the purposes for the
35 Certificates are authorized. The Certificates of each series shall be sold at such price, with and subject
36 to such terms, as set forth in the Pricing Certificate and Purchase Agreement therefor.

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

1 **PART 5. REDEMPTION PROVISIONS.**

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

11 (b) The Certificates are subject to mandatory-sinking fund redemption prior to their stated
12 maturities, to the extent and in the manner provided in the Pricing Certificate and the Form of
13 Certificate.

14 (c) At least 30 days before the date fixed for redemption, the City shall cause a written
15 notice of the redemption to be deposited in the United States mail, first-class postage prepaid, addressed
16 to each Registered Owner at the address shown on the Registration Books. By the date fixed for
17 redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the
18 required redemption price for the Certificates which are to be redeemed, plus accrued interest to the
19 date fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all
20 as provided above, the Certificates, or the portions of the Certificates, which are to be redeemed,
21 automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the
22 date fixed for their redemption, and shall not be regarded as outstanding except for the right of the
23 Registered Owner to receive the redemption price plus accrued interest to the date fixed for redemption
24 from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar
25 shall record in the Registration Books all redemptions of principal of the Certificates or any portion of
26 the principal. If a portion of any Certificate shall be redeemed, one or more substitute Certificates
27 having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the
28 written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed
29 portion of the Certificates, will be issued to the Registered Owner upon the surrender for cancellation,
30 at the expense of the City, all as provided in this Ordinance. In addition, the City shall cause the Paying
31 Agent/Registrar to give notice of any redemption in the manner set forth in PART 7(h). The failure to
32 cause notice to be given, however, or any defect in the notice, shall not affect the validity or
33 effectiveness of the redemption. If a notice of redemption is given and sufficient funds are not received
34 for the payment of the required redemption price for the Certificates which are to be redeemed, the
35 notice shall be of no force and effect, the City shall not redeem the Certificates, and the Paying
36 Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the
37 Certificates have not been redeemed.

38 **PART 6. INTEREST.**

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

PART 7. ADDITIONAL CHARACTERISTICS OF THE CERTIFICATES.

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

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

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

(d) Each Certificate may be exchanged for fully registered Certificates as set forth in this Ordinance. Each Certificate issued and delivered pursuant to this Ordinance, to the extent of the unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office, together with a written request duly executed by the Registered Owner or its assignee or assignees, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as appropriate, be exchanged for fully registered Certificates, without interest coupons, in the form prescribed in the Form of Certificate, in any Authorized Denomination (subject to the requirement stated below that each substitute Certificate shall have a single stated maturity date), as requested in writing by the Registered Owner or its assignee or assignees, in an aggregate principal amount equal to the unredeemed principal amount of any Certificate or Certificates so surrendered, and payable to the appropriate Registered Owner, assignee, or assignees. If a portion of any Certificate is assigned and transferred, each Certificate issued in exchange shall have the same maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a

1 letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall
2 exchange or replace Certificates as provided in this Ordinance, and each fully registered Certificate
3 delivered in exchange for or replacement of any Certificate or portion of a Certificate as permitted or
4 required by any provision of this Ordinance shall constitute one of the Certificates for all purposes of
5 this Ordinance, and may again be exchanged or replaced. Any Certificate delivered in exchange for or
6 replacement of another Certificate before the first scheduled interest payment date on the Certificates
7 (as stated on the face of the Certificate) shall be dated the same date, but each substitute Certificate
8 delivered on or after the first scheduled interest payment date shall be dated the interest payment date
9 preceding the date on which the substitute Certificate is delivered, unless the substitute Certificate is
10 delivered on an interest payment date, in which case it shall be dated as of the date of delivery;
11 however, if at the time of delivery of any substitute Certificate the interest on the Certificate for which
12 it is being exchanged has not been paid, then the substitute Certificate shall be dated the date to which
13 interest has been paid in full. On each substitute Certificate issued in exchange for or replacement of
14 any Certificate issued under this Ordinance there shall be printed on the Certificate the Authentication
15 Certificate. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any
16 substitute Certificate, date the substitute Certificate in the manner set forth above, and manually sign
17 and date the Authentication Certificate, and no substitute Certificate shall be considered to be issued or
18 outstanding unless the Authentication Certificate is executed. The Paying Agent/Registrar promptly
19 shall cancel all Certificates surrendered for exchange or replacement. No additional ordinances, orders,
20 or resolutions need be passed or adopted by Council or any other body or person to accomplish the
21 exchange or replacement of any Certificate, and the Paying Agent/Registrar shall provide for the
22 printing, execution, and delivery of the substitute Certificates in the manner prescribed in this
23 Ordinance. Pursuant to Chapter 1206, the duty of exchange or replacement of any Certificate is
24 imposed on the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the
25 exchanged or replaced obligation shall be valid, incontestable, and enforceable in the same manner and
26 with the same effect as the Certificates which originally were delivered pursuant to this Ordinance,
27 approved by the Texas Attorney General, and registered by the Texas Comptroller of Public Accounts.
28 Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any
29 Certificate selected for redemption, in whole or in part, within 45 calendar days of the date fixed for
30 redemption; *provided, however*; the limitation of transfer shall not be applicable to an exchange by the
31 Registered Owner of the uncalled principal of a Certificate.

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

39 (f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and
40 charges for making transfers of Certificates, but the Registered Owner of any Certificate requesting the
41 transfer shall pay any taxes or other governmental charges required for the transfer. The Registered
42 Owner of any Certificate requesting any exchange shall pay the Paying Agent/Registrar's reasonable
43 and standard or customary fees and charges for exchanging any Certificate or a portion of a Certificate,
44 together with any required taxes or governmental charges, all as a condition precedent to the exercise of
45 the privilege of exchange, except in the case of the exchange of an assigned and transferred Certificate
46 or Certificates or any portion or portions in any Authorized Denomination, the fees and charges will be
47 paid by the City. In addition, the City covenants with the Registered Owners of the Certificates that it

1 will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar
2 for its services with respect to the payment of the principal of and interest on the Certificates, when
3 due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the
4 transfer or registration of Certificates, and with respect to the exchange of Certificates solely to the
5 extent stated above.

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

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

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

37 **PART 8. FORM OF CERTIFICATES.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 (a) The sale of the Certificates to the Underwriters at the price set forth in the Pricing
3 Certificate, is hereby approved; and delivery of the Certificates to the Underwriters shall be made upon
4 payment therefor in accordance with the terms of the Purchase Agreement presented to and hereby
5 approved by the Council, with such changes as are acceptable to the Authorized Representative, which
6 price and terms are hereby found and determined to be the most advantageous reasonably obtainable by
7 the City. The Authorized Representative is hereby authorized and directed to execute such Purchase
8 Agreement on behalf of the City, and the Mayor, the Mayor Pro Tem, the City Manager, the City Clerk,
9 the Chief Financial Officer and all other officials, agents and representatives of the City are hereby
10 authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to
11 provide for the issuance and delivery of the Certificates.

12 (b) Council hereby ratifies, authorizes and approves, in connection with the sale of the
13 Certificates, the preparation and distribution of the Preliminary Official Statement and a final Official
14 Statement, substantially in the form of the Preliminary Official Statement, containing such additional
15 information and amendments as may be necessary to conform to the terms of the Certificates, this
16 Ordinance and the Purchase Agreement, and the Preliminary Official Statement is hereby deemed final
17 as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. An Authorized
18 Representative is authorized to approve such amendments and supplements to the Official Statement as
19 either of them shall be deemed necessary or appropriate. The Mayor and City Clerk are hereby
20 authorized to execute such Official Statement by manual, facsimile or electronic signature and/or to
21 deliver a certificate pertaining to such Official Statement as prescribed therein or in the Purchase
22 Agreement, dated as of the date of payment for and delivery of the Certificates.

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

27 **PART 14. TAX EXEMPTION.**

28 The City does not intend to issue the Certificates as obligations described in section 103(a) of
29 the Code.

30 **PART 15. CONTINUING DISCLOSURE OBLIGATION.**

31 (a) *Annual Reports.* (i) The City shall provide annually to the MSRB, within six months
32 after the end of each fiscal year, financial information and operating data with respect to the City of the
33 general type included in the Official Statement authorized by PART 13 of this Ordinance, being the
34 information described in Exhibit B. Any financial statements to be provided shall be (1) prepared in
35 accordance with the accounting principles described in Exhibit B, or other accounting principles as the
36 City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if
37 the City commissions an audit of such statements and the audit is completed within the period during
38 which they must be provided. If the audit of the financial statements is not complete within this period,
39 then the City shall provide unaudited financial statements by the required time, and shall provide
40 audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on
41 the statements becomes available.

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

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

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

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

36 As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event"
37 means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under
38 the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or
39 governmental authority has assumed jurisdiction over substantially all of the assets or business of the
40 City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in
41 possession but subject to the supervision and orders of a court or governmental authority, or the entry
42 of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental
43 authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

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

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

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

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

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

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

invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

PART 16. DTC REGISTRATION.

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

PART 17. DEFEASANCE.

(a) *Defeased Certificates.* Any Certificate will be treated as a Defeased Certificate, except to the extent provided in subsection (d) of this PART, when payment of the principal of the Certificate, plus interest to the due date (whether the due date be by reason of maturity, redemption or otherwise) either (i) shall have been made or caused to be made in accordance with the terms of this Ordinance, or (ii) shall have been provided for on or before the due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any commercial bank or trust company authorized to serve as escrow agent for the Certificates in accordance with a Future Escrow Agreement for the payment of the Certificate (1) lawful money of the United States of America sufficient to make the payment or (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in the amounts and at the time as will insure the availability, without reinvestment, of sufficient money to provide for the payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased

1 Certificates shall have become due and payable. There shall be delivered to the Paying Agent/Registrar
2 a certificate or 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
5 under the Code of interest on the Defeased Certificates from the gross income of the holders for federal
6 income taxation purposes. At the time as a Certificate shall be considered to be a Defeased Certificate,
7 the Certificate and the interest on that Certificate shall no longer be secured by, payable from, or
8 entitled to the benefits of the ad valorem taxes levied and pledged as provided in this Ordinance, and
9 the principal and interest shall be payable solely from the money or Defeasance Securities.

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

24 (c) *Paying Agent/Registrar Services.* Until all Defeased Certificates shall have become due
25 and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for the
26 Defeased Certificates 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 Certificates for Defeasance.* In the event that the City elects to defease less
29 than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or
30 cause to be selected, the amount of Certificates by the random method as it considers fair and
31 appropriate.

32 **PART 18. DEFAULT AND REMEDIES.**

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

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

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

41 (b) *Remedies for Default.*

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

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

(c) *Remedies Not Exclusive.*

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

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

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

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

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

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

(b) The Mayor and Mayor Pro Tem are each authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance that, in their judgment and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Purchase Agreement, the Paying Agent/Registrar Agreement, the Preliminary

1 Official Statement and the final Official Statement or as may be required for approval of the
2 Certificates by the Attorney General of Texas.

3 **PART 20. RULES OF CONSTRUCTION.**

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

16 **PART 21. CONFLICTING ORDINANCES REPEALED.**

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

18 **PART 22. IMMEDIATE EFFECT.**

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

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

PASSED AND APPROVED AND EFFECTIVE AUGUST 28, 2014.

Lee Leffingwell,
Mayor,
City of Austin, Texas

ATTEST:

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

(SEAL)

APPROVED:

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

1 **EXHIBIT A**

2 Form of Certificate

3 NO. R-__¹ \$_____

4 UNITED STATES OF AMERICA
5 STATE OF TEXAS

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

Maturity Date² Interest Rate² Dated Date CUSIP No.²
September 1, 20__ % September 1, 2014

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

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

14 _____ DOLLARS

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

¹ The initial Certificate shall be numbered T-1.

² To be omitted from the initial Certificate.

³ The first paragraph of the initial Certificate shall read as follows:

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

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

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

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

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

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

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

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

*

25 _____
26 * Final Maturity

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

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

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

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

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

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

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

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

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

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

City Clerk,
City of Austin, Texas

Mayor,
City of Austin, Texas

(SEAL)

* * * * *

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

2 PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated:

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

By: _____

Authorized Representative

12 * * * * *

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

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

REGISTER NO. _____

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

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

25 _____
26 Comptroller of Public Accounts of the
27 State of Texas

28 (SEAL)

29 * * * * *

1 FORM OF ASSIGNMENT:

2 ASSIGNMENT

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

4 _____

5 _____

6 Please insert Social Security or Taxpayer Identification Number of Transferee

7 _____

8 / _____ /

9 _____

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

11 _____

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

13 _____

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

16 Dated: _____

17 Signature Guaranteed:

18 _____

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

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

1 **EXHIBIT B**

2 Description of Annual Financial Information

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

4 **Annual Financial Statements and Operating Data**

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

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

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

13 **Accounting Principles**

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

SCHEDULE I

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

1. Acquisition and improvement of Grey Rock Golf Course.
2. Payment of fiscal, engineering and legal fees incurred in connection with the projects funded with the proceeds of the Certificates.

DRAFT