

ORDINANCE NO.

1
2
3 **AN ORDINANCE AUTHORIZING THE ISSUANCE OF CITY OF AUSTIN,**
4 **TEXAS, AIRPORT SYSTEM REVENUE REFUNDING BONDS, SERIES 2019**
5 **(AMT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED**
6 **\$185,000,000**
7

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

9 ***ARTICLE ONE***

10 ***FINDINGS***

11
12 Section 1.01 **BOND AUTHORIZATION.** Capitalized terms used in this Article
13 One and not otherwise defined have the meaning assigned in Article Two. Council finds
14 that:

15 (a) The City has previously issued, and there are currently outstanding, the Series
16 2005 Bonds, pursuant to the Series 2005 Bond Ordinance, the Series 2013 Bonds, pursuant
17 to the Series 2013 Bond Ordinance, the Series 2014 Bonds, pursuant to the Series 2014
18 Bond Ordinance, the Series 2017A Bonds, pursuant to the Series 2017A Bond Ordinance,
19 and the Series 2017B Bonds, pursuant to the Series 2017B Bond Ordinance, issued as
20 Revenue Bonds in compliance with the terms of each Series' respective ordinance.

21 (b) The Currently Outstanding Revenue Bonds, and all bonds issued on parity
22 with the Currently Outstanding Revenue Bonds are, and will be, secured by a first lien on
23 and pledge of the Net Revenues.

24 (c) The Revenue Bond Ordinances each (i) provide for the issuance of additional
25 series of obligations, secured by a lien on and pledge of Net Revenues on parity with the
26 Currently Outstanding Revenue Bonds, and (ii) reserve the right to issue subordinated
27 revenue obligations.

28 (d) The issuance and delivery of the bonds authorized by this Ordinance is in the
29 public interest and the use of the proceeds in the manner specified in this Ordinance
30 constitutes a valid public purpose.

31 (e) The bonds authorized by this Ordinance are issued as Revenue Bonds and as
32 Refunding Revenue Bonds in compliance with the Revenue Bond Ordinances and shall be
33 equally and ratably secured on parity with the Currently Outstanding Revenue Bonds.

34 (f) The refunding of the Refunded Bonds through the issuance of the bonds
35 authorized by this Ordinance is in the best interest of the City in order to restructure a
36 portion of the City's Currently Outstanding Revenue Bonds and terminate the Series 2005
37 Swap Agreement and other Credit Agreements relating to the Refunded Bonds.

38 (g) As permitted by Section 1207.008(b) of Chapter 1207, the manner in which
39 the refunding of the Refunded Bonds is being executed through the issuance of the bonds
40 authorized by this Ordinance does not make it practicable to make the determination
41 required by Section 1207.008(a)(2) of Chapter 1207 (with respect to the maximum amount
42 by which the aggregate amount of payments which could be made on the bonds authorized
43 by this Ordinance could exceed the aggregate amount of payments that would have been
44 made under the terms of the Refunded Bonds).

45 (h) This Ordinance is substantially in the forms of the Revenue Bond Ordinances,
46 with changes to reflect the terms and conditions of sale of the bonds authorized by this
47 Ordinance.

48 (i) Council finds that sufficient written notice of the date, hour, place, and subject
49 of the council meeting at which this Ordinance was adopted was posted at a place
50 convenient and readily accessible at all times to the general public at the City Hall of the
51 City for the time required by law preceding this meeting, as required by the Open Meetings
52 Law, Chapter 551, Texas Government Code, and that this meeting has been open to the
53 public as required by law at all times during which this Ordinance has been discussed,
54 considered, and formally acted upon. Council further ratifies, approves and confirms the
55 written notice and the contents and posting of the meeting notice.

56 (j) The table of contents, titles, and headings of the articles and sections of this
57 Ordinance have been provided for convenience of reference only and are not considered to
58 be a part of this Ordinance and shall never be considered or given any effect in interpreting
59 this Ordinance or in determining intent, if any question of intent arises.

60 ***ARTICLE TWO***

61 ***DEFINITIONS***

62
63 Section 2.01 **DEFINITIONS.** Unless otherwise expressly provided or unless the
64 context otherwise requires, the terms defined in this Section for all purposes of this
65 Ordinance, and any ordinance amending or supplementing this Ordinance, have the
66 meanings stated below:

67 “Additional Revenue Bonds” means the additional parity Revenue Bonds permitted
68 to be issued by the City pursuant to Section 6.01 of this Ordinance.

69 “Administrative Expense Fund” means the fund by that name established in Section
70 5.04(d) of this Ordinance.

71 “Administrative Expenses” means the fees, expenses, and indemnification liabilities
72 payable to the Persons to whom fees and expenses are due and owing in connection with
73 the Revenue Bonds, and Credit Agreement Obligations incurred in connection with a
74 related series of Revenue Bonds, including but not limited to the fees and expenses of the

75 Paying Agent/Registrars, the Credit Providers, the rebate analysts, the remarketing agents
76 and the tender agents, and of which the City is given actual notice at least 30 days prior to
77 the date payment of these amounts is due.

78 “Airport” means the air carrier airport developed, constructed and operated by the
79 City pursuant to the city-wide election held within the City on May 1, 1993, and designated
80 as the Austin-Bergstrom International Airport (ABIA).

81 “Airport Consultant” means a nationally recognized independent firm, person or
82 corporation having a widely known and favorable reputation for special skill, knowledge,
83 and experience in methods of developing, operating and financing airports of
84 approximately the same size as the properties constituting the Airport System.

85 “Airport System” means all or any interest in airport, heliport and aviation facilities,
86 now or from time to time owned, operated or controlled in whole or in part by the City,
87 including the Airport, together with all properties, facilities, and services of the Airport,
88 and all additions, extensions, replacements and improvements to the Airport, and all
89 services currently provided, or to be provided, by the City in connection with the Airport,
90 but expressly excluding (i) any heliport or heliports operated by City departments other
91 than the Aviation Department, (ii) the Austin consolidated rental car facility, financed by
92 the issuance of City of Austin, Texas Rental Car Special Facility Revenue Bonds, Taxable
93 Series 2013, as Special Facilities, and (iii) the Mueller Airport Property.

94 “AMT Projects” means, collectively, any projects refinanced with Proceeds of the
95 Bonds.

96 “Authorized Denominations” means \$5,000 and integral multiples of \$5,000.

97 “Authorized Officer” means the City Manager of the City, the Chief Financial
98 Officer of the City, the City Treasurer, or any Assistant City Manager authorized by the
99 City Manager to sign documents on his or her behalf.

100 “Aviation Director” means the Executive Director of the City’s Department of
101 Aviation, or any successor or person acting in that capacity.

102 “Bond Insurer” or “Insurer” means, so long as the Series 2005 Bonds are
103 Outstanding, Assured Guaranty Municipal Corp. (the successor to Financial Security
104 Assurance Inc., a New York stock insurance company), or any successor to or assignee of
105 Assured Guaranty Municipal Corp.

106 “Bond Purchase Agreement” means the bond purchase agreement between the City
107 and the Underwriters, relating to the sale and delivery of the Bonds, in substantially the
108 form approved by council in the sale of obligations to underwriters in a negotiated sale.

109 “Bonds” means the City of Austin, Texas, Airport System Revenue Refunding
110 Bonds, Series 2019 (AMT), authorized by this Ordinance.

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

115 “Capital Fund” means the fund designated in Section 5.04 of this Ordinance.

116 “Capitalized Interest Account” means the applicable account by that name
117 established within the Construction Fund by the Revenue Bond Ordinances for any
118 Currently Outstanding Revenue Bonds.

119 “Chapter 9” means Chapter 9, Texas Business & Commerce Code.

120 “Chapter 22” means Chapter 22, Texas Transportation Code.

121 “Chapter 1207” means Chapter 1207, Texas Government Code.

122 “Chapter 1208” means Chapter 1208, Texas Government Code.

123 “Chapter 1371” means Chapter 1371, Texas Government Code.

124 “City” means the City of Austin, Texas, and, where appropriate, council, or any
125 successor as owner and operator of the Airport System.

126 “Code” means the Internal Revenue Code of 1986, as amended, and, with respect to
127 a specific section thereof, such reference shall be deemed to include (a) the Regulations
128 promulgated under such section, (b) any successor provision of similar import hereafter
129 enacted, (c) any corresponding provision of any subsequent Internal Revenue Code, and
130 (d) the regulations promulgated under the provisions described in (b) and (c).

131 “Construction Fund” means the fund designated in Section 5.04(g) of this
132 Ordinance.

133 “Credit Agreement” means (i) any agreement of the City entered into in connection
134 with and for the purpose of (A) enhancing or supporting the creditworthiness of a series of
135 Revenue Bonds or (B) providing liquidity with respect to Revenue Bonds which by their
136 terms are subject to tender for purchase, and which, by its terms, creates a liability on the
137 part of the City on a parity with the Revenue Bonds to which it relates, and (ii) a Swap
138 Agreement. A determination by the City that an agreement constitutes a Credit Agreement
139 under this definition shall be conclusive as against all Owners.

140 “Credit Agreement Obligations” means any amounts payable by the City under and
141 pursuant to a Credit Agreement other than amounts payable as an Administrative Expense.

142 “Credit Provider” means the issuer or provider of a Credit Agreement.

143 “Currently Outstanding Revenue Bonds” means the Series 2005 Bonds, the Series
144 2013 Bonds, the Series 2014 Bonds, the Series 2017A Bonds, and the Series 2017B Bonds.

145 “Debt Service” means (i) with respect to a series of Revenue Bonds, an amount equal
146 to the Principal Installment, redemption premium, if any, and interest on such Revenue
147 Bonds, (ii) with respect to a Credit Agreement other than a Swap Agreement, amounts
148 payable as Credit Agreement Obligations, and (iii) with respect to a Swap Agreement,
149 regularly scheduled amounts payable by the City under a Swap Agreement, so long as the
150 counterparty is not in default (specifically excluding Termination Payments, which shall
151 constitute Subordinate Obligations).

152 “Debt Service Fund” means the fund designated in Section 5.04(b) of this Ordinance
153 established with respect to the Revenue Bonds.

154 “Debt Service Requirements” means for any particular period of time, an amount
155 equal to the sum of the following for such period with respect to all or any portion of
156 Revenue Bonds or Credit Agreement Obligations, as applicable, then Outstanding:

157 (a) That portion of interest which would accrue with respect to Revenue Bonds
158 during such period if interest were deemed to accrue only during the six month period prior
159 to its payment (12 month period in the case of capital appreciation or compound interest
160 bonds), plus

161 (b) That portion of the principal amount of Revenue Bonds which would accrue
162 during such period if principal were deemed to accrue only during the 12 month period
163 prior to its scheduled payment date (either at maturity or by reason of scheduled mandatory
164 redemptions, but after taking into account all prior optional and mandatory Revenue Bond
165 redemptions), less and except any such interest or principal for the payment of which
166 provision has been made by: (i) appropriating for such purpose amounts sufficient to
167 provide for the full and timely payment of such interest or principal either from proceeds
168 of bonds, from interest earned or to be earned thereon, from Airport System funds other
169 than Net Revenues, or from any combination of such sources; and (ii) depositing such
170 amounts (except in the case of interest to be earned, which shall be deposited as received)
171 into a dedicated fund or account (including, without limitation, the Capitalized Interest
172 Account), the proceeds of which are required to be transferred as needed into the Debt
173 Service Fund, or directly to the Paying Agent/Registrar for the Revenue Bonds.

174 For purposes of calculating Debt Service Requirements, in making estimates as to
175 interest accrued or to accrue on Variable Rate Bonds, the actual interest rate shall be used
176 to the extent known or ascertainable and to the extent unknown and not ascertainable, the
177 Maximum Interest Rate shall be used; provided, however, that to the extent Variable Rate

178 Bonds are subject to a Swap Agreement, the fixed rate that is effective with respect to such
179 Variable Rate Bonds pursuant to such Swap Agreement shall be used.

180 “Debt Service Reserve Fund” means the fund designated and established in Section
181 5.04(c) of this Ordinance with respect to the Revenue Bonds.

182 “Debt Service Reserve Fund Requirement” means the amount required to be
183 maintained in the Debt Service Reserve Fund. This amount shall be computed and
184 recomputed annually as a part of the City’s budget process and upon the issuance of each
185 series of Revenue Bonds to be the arithmetic average of the Debt Service Requirements
186 scheduled to occur in the then current and each future Fiscal Year for all Revenue Bonds
187 then Outstanding including the series of Revenue Bonds then being issued. In no event,
188 however, will the amount deposited in the Debt Service Reserve Fund that is allocable to
189 the Revenue Bonds or Additional Revenue Bonds, in accordance with section 1.148-6 of
190 the regulations promulgated under the Code, exceed the least of: (a) 10% of the stated
191 principal amount of each issue of which the Revenue Bonds or Additional Revenue Bonds
192 are a part; (b) the maximum annual principal and interest requirements of the issue; or (c)
193 125% of the average annual principal and interest requirements of the issue, unless there is
194 received an opinion of nationally recognized bond counsel to the effect that the additional
195 amount will not cause the Revenue Bonds and any Additional Revenue Bonds to be
196 “arbitrage bonds” within the meaning of section 148 of the Code and the related regulations
197 promulgated from time to time.

198 “Debt Service Reserve Fund Surety Bond” means any surety bond or insurance
199 policy having a rating in the highest respective rating categories by Moody’s and Standard
200 & Poor’s issued to the City for the benefit of the Owners of the Revenue Bonds to satisfy
201 any part of the Debt Service Reserve Fund Requirement as provided in Section 5.07 of this
202 Ordinance.

203 “Defeasance Obligations” means: (i) direct, noncallable obligations of the United
204 States of America, including obligations that are unconditionally guaranteed by the United
205 States; (ii) noncallable obligations of an agency or instrumentality of the United States of
206 America, including obligations that are unconditionally guaranteed or insured by the
207 agency or instrumentality and that, on the date of their purchase, are rated as to investment
208 quality by a nationally recognized investment rating firm not less than “AAA” or its
209 equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality,
210 or other political subdivision of a state that have been refunded and that, on the date council
211 adopts or approves the proceedings authorizing the financial arrangements, are rated as to
212 investment quality by a nationally recognized investment rating firm not less than “AAA”
213 or its equivalent; and (iv) any other then authorized securities or obligations under
214 applicable Texas law in existence on the date the City adopts or approves any proceedings
215 authorizing the issuance of Refunding Revenue Bonds that may be used to defease
216 obligations such as the Bonds. The foregoing notwithstanding, the Authorized Officer may
217 determine in the Bond Purchase Agreement to modify the foregoing definition of

218 “Defeasance Obligations” by eliminating any securities or obligations set forth in the
219 preceding sentence upon determining that it is in the best interest of the City to do so.

220 “Designated Payment/Transfer Office” means (i) with respect to the initial Paying
221 Agent/Registrar named in Section 8.01 of this Ordinance, its corporate trust office in
222 Dallas, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of
223 the successor designated and located as may be agreed upon by the City and the successor.

224 “DTC” means The Depository Trust Company, New York, New York, and its
225 successors and assigns.

226 “DTC Participant” means the securities brokers, dealers, banks, trust companies,
227 clearing corporations and certain other organizations on whose behalf DTC was created to
228 hold securities to facilitate the clearance and settlement of securities transactions among
229 DTC Participants.

230 “Escrow Agent” means U.S. Bank National Association, as escrow agent for the
231 Refunded Bonds pursuant to the Escrow Agreement.

232 “Escrow Agreement” means the Escrow Agreement between the City and the
233 Escrow Agent providing for the final payment and defeasance of the Refunded Bonds.

234 “Favorable Opinion of Bond Counsel” means, with respect to any action, or
235 omission of an action, the taking or omission of which requires such an opinion, an
236 unqualified written opinion of nationally recognized bond counsel to the effect that, under
237 existing law, such action or omission does not adversely affect the excludability of interest
238 payable on the Bonds from gross income for federal income tax purposes (subject to the
239 inclusion of any exceptions contained in the opinion of bond counsel delivered upon
240 original issuance of the Bonds or other customary exceptions acceptable to the recipient
241 thereof).

242 “Federal Payments” means those funds received by the Airport System from the
243 federal government or any agency of the federal government as payments for the use of
244 any facilities or services of the Airport System.

245 “Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered
246 into in connection with, or pledged as security or a source of payment for, an existing or
247 planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative
248 instrument; provided that Financial Obligation shall not include municipal securities as to
249 which a final official statement (as defined in the Rule) has been provided to the MSRB
250 consistent with the Rule.

251 “Fiscal Year” means the City’s fiscal year as from time to time designated by the
252 City, which is currently October 1 to September 30.

253 “General Obligation Airport Bonds” means those bonds or other obligations of the
254 City secured by a levy of ad valorem taxes from time to time issued or to be issued by the
255 City for Airport System purposes.

256 “Gross Proceeds” means any Proceeds and any Replacement Proceeds of the Bonds.

257 “Gross Revenues” means all income and revenues derived directly or indirectly by
258 the City from the operation and use of and otherwise pertaining to all or any part of the
259 Airport System, whether resulting from extensions, enlargements, repairs, betterments or
260 other improvements to the Airport System, or otherwise, and includes, except to the extent
261 expressly excluded below, all revenues received by the City from the Airport System,
262 including, without limitation, all rentals, rates, fees and other charges for the use of the
263 Airport System, or for any service rendered by the City in the operation of the Airport
264 System, interest and other income realized from the investment or deposit of amounts
265 required to be transferred or credited to the Revenue Fund. Gross Revenues expressly
266 excludes:

267 (a) proceeds of any Revenue Bonds and Subordinate Obligations;

268 (b) interest or other investment income derived from proceeds of Revenue Bonds
269 and Subordinate Obligations deposited to the credit of a construction fund, and all other
270 interest or investment income not required to be transferred or credited to the Revenue
271 Fund;

272 (c) any monies received as grants, appropriations, or gifts, the use of which is
273 limited by the grantor or donor to the construction or acquisition of Airport System
274 facilities, except to the extent any such monies shall be received as payments for the use of
275 the Airport System facilities;

276 (d) any revenues derived from any Special Facilities (e.g., customer facility
277 charges) which are pledged to the payment of Special Facilities Bonds;

278 (e) insurance proceeds other than loss of use or business interruption insurance
279 proceeds;

280 (f) the proceeds of the passenger facility charge (PFC) currently imposed by the
281 City and any other per-passenger charge as may be lawfully authorized;

282 (g) sales and other taxes collected by the Airport System on behalf of the State of
283 Texas and any other taxing entities;

284 (h) Federal Payments received by the Airport System unless the City first receives
285 an opinion from nationally recognized bond counsel to the effect that the payments, if
286 included in Gross Revenues, would not cause the interest on the Bonds to be includable
287 within the gross income of the Owners of the Bonds for federal income tax purposes;

288 (i) the proceeds received by the City from the sale or other disposition of Airport
289 System property, except amounts representing interest or finance charges in a deferred sale
290 or other similar method of conveyance where a portion of the sale price is payable on a
291 deferred basis, in which case any interest or finance charges shall be considered Gross
292 Revenues; and

293 (j) Other Available Funds transferred to the Revenue Fund as provided in this
294 Ordinance.

295 “Initial Bonds” means the Initial Bonds authorized by Section 3.06 of this
296 Ordinance.

297 “Insurance Agreement” means the Insurance Agreement, if any, related to the Debt
298 Service Reserve Fund Surety Bond for the Bonds if approved by the Authorized Officer in
299 the Pricing Certificate.

300 “Interest Payment Date” means each May 15 and November 15, commencing on the
301 date set forth in the Bond Purchase Agreement, until maturity or prior redemption of the
302 Bonds.

303 “Investment Proceeds” has the meaning set forth in Section 1.148-1(b) of the
304 Regulations and, generally, consist of any amounts actually or constructively received from
305 investing Proceeds.

306 “Minimum Capital Reserve” means an amount, designated by the Aviation Director
307 not less frequently than annually at the end of each Fiscal Year, but in any event not more
308 than \$100,000 each Fiscal Year, necessary to accumulate or to re-accumulate in the Capital
309 Fund a reserve in an amount not less than \$1,000,000.

310 “Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and
311 if this corporation shall for any reason no longer perform the functions of a securities rating
312 agency, “Moody’s” shall refer to any other nationally recognized securities rating agency
313 designated by the City.

314 “MSRB” means the Municipal Securities Rulemaking Board.

315 “Mueller Airport Property” means the property and facilities that comprised the
316 former Robert Mueller Municipal Airport, located within the City. The Mueller Airport
317 Property is not part of the Airport System.

318 “Net Proceeds” has the meaning set forth in section 150(a)(3) of the Code and,
319 generally, means Proceeds, less any Proceeds invested in a “reasonably required reserve or
320 replacement fund” as described in Section 148 of the Code.

321 “Net Revenues” means that portion of the Gross Revenues remaining after the
322 deduction of the Operation and Maintenance Expenses of the Airport System.

323 “Operation and Maintenance Expenses” means all reasonable and necessary current
324 expenses of the City, paid or accrued, of operating, maintaining and repairing the Airport
325 System, including, without limitation, those reasonably allocated City overhead expenses
326 relating to the administration, operation and maintenance of the Airport System; insurance
327 and fidelity bond premiums; payments to pension and other funds and to any self-insurance
328 fund; any general and excise taxes or other governmental charges imposed by entities other
329 than the City; any required rebate of any portion of interest income to the federal
330 government which is payable from Gross Revenues or the Revenue Fund; costs of
331 contractual and professional services, labor, materials and supplies for current operations,
332 including the costs of direct City services rendered to the Airport System as are requested
333 from the City by the Airport System and as are reasonably necessary for the operation of
334 the Airport System; costs of issuance of Revenue Bonds and Subordinate Obligations for
335 the Airport System (except to the extent paid from the proceeds); fiduciary costs; costs of
336 collecting and refunding Gross Revenues; utility costs; any lawful refunds of any Gross
337 Revenues; and all other administrative, general and commercial expenses, but excluding:

- 338 (a) any allowance for depreciation;
- 339 (b) costs of capital improvements;
- 340 (c) reserves for major capital improvements, Airport System operations,
341 maintenance or repair;
- 342 (d) any allowance for redemption of, or payment of interest or premium on,
343 Revenue Bonds and Subordinate Obligations;
- 344 (e) any liabilities incurred in acquiring or improving properties of the Airport
345 System;
- 346 (f) expenses of lessees under Special Facilities Leases and operation and
347 maintenance expenses pertaining to Special Facilities to the extent they are required to be
348 paid by such lessees pursuant to the terms of the Special Facilities Leases;
- 349 (g) any charges or obligations incurred in connection with any lawful Airport
350 System purpose, including the lease, acquisition, operation or maintenance of any facility
351 or property benefiting the Airport System, provided that the payment of such charges or
352 obligations is expressly agreed by the payee to be payable solely from proceeds of the
353 Capital Fund;
- 354 (h) liabilities based upon the City’s negligence or other ground not based on
355 contract; and

356 (i) so long as Federal Payments are excluded from Gross Revenues, an amount
357 of expenses that would otherwise constitute Operation and Maintenance Expenses for such
358 period equal to the Federal Payments for such period.

359 “Operation and Maintenance Reserve Fund” means the fund designated and
360 established in Section 5.04(a) of this Ordinance.

361 “Ordinance” means this ordinance and all amendments and supplements to this
362 ordinance.

363 “Other Available Funds” means any amount of unencumbered funds accumulated in
364 the Capital Fund in excess of the Minimum Capital Reserve which, before the beginning
365 of any Fiscal Year, are designated by the City as Other Available Funds and transferred at
366 the beginning of such Fiscal Year to the Revenue Fund; but in no event may this amount
367 exceed 25% of the Debt Service Requirements for the Revenue Bonds for such Fiscal Year
368 for purposes of Sections 5.03 and 6.01 of this Ordinance.

369 “Outstanding” when used with reference to any Revenue Bonds or Subordinate
370 Obligations, means, as of a particular date, all those Revenue Bonds or Subordinate
371 Obligations delivered except: (a) any obligation paid, discharged, or cancelled by or on
372 behalf of the City at or before that date; (b) any obligation defeased pursuant to the
373 defeasance provisions of the ordinance authorizing its issuance, or otherwise defeased as
374 permitted by applicable law; and (c) any obligation in lieu of or in substitution for which
375 another obligation was delivered pursuant to the ordinance authorizing the issuance of the
376 obligation.

377 “Owner” or “Registered Owner”, when used with respect to any Revenue Bond
378 means the person or entity in whose name the Revenue Bond is registered in the Register.
379 Any reference to a particular percentage or proportion of the Owners means the Owners at
380 a particular time of the specified percentage or proportion in aggregate principal amount
381 of all Revenue Bonds then Outstanding under this Ordinance.

382 “Paying Agent/Registrar” initially means, for the Bonds, the entity named in Section
383 8.01 and its successors in that capacity.

384 “Person” means any individual, corporation, partnership, limited liability company,
385 joint venture, association, joint-stock company, trust, unincorporated organization or
386 government or any agency or political subdivision of the government.

387 “Pricing Certificate” means one or more certificates executed by an Authorized
388 Officer containing the terms and provisions authorized by Section 10.01 of this Ordinance.

389 “Principal Installment” means, with respect to Revenue Bonds or a series of Revenue
390 Bonds, any amounts, including any mandatory sinking fund installments, which are stated
391 to be due or required to be made on or with respect to a Revenue Bond or series of Revenue

392 Bonds, which, when made, would reduce the amount of the Revenue Bond or series of
393 Revenue Bonds that remain Outstanding or would retire and pay the same in full.

394 “Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations and,
395 generally, means any Sale Proceeds and Investment Proceeds.

396 “Project Account” means the applicable account by that name established within the
397 Construction Fund by the Revenue Bond Ordinances for any Currently Outstanding
398 Revenue Bonds.

399 “Qualified Project Costs” means costs relating to the AMT Projects that meet the
400 following requirements:

401 (a) The costs meet the requirements of Section 1.150-2 of the Regulations;

402 (b) The costs are chargeable to a capital account for federal income tax
403 purposes, or would be so chargeable either with a proper election or but for the
404 proper election to deduct those amounts;

405 (c) The costs are not costs of issuance; and

406 (d) The costs are incurred to provide “airport facilities,” which may include
407 both an “airport” (within the meaning of Section 142 of the Code) and property that
408 is functionally related and subordinate thereto (within the meaning of Section 1.103-
409 8(a)(3) and 1.103-8(e)(2)(ii) of the Regulations). For purposes of this definition, a
410 storage or training facility is an “airport facility” only if such facility is directly
411 related to and is physically located on or adjacent to the airport. In addition, an
412 “office” is considered an “airport facility” only if such office is located on the
413 premises of an airport and all but a de minimis amount of the functions to be
414 performed at such office are directly related to the day-to-day operations at such
415 airport.

416 “Qualified Put” means any agreement, however denominated, provided by a
417 qualifying financial institution (as described in the next sentence) which contractually
418 commits to purchase, upon no more than seven days’ notice, for not less than a stated price
419 any class or amount of investment securities or other authorized investments of the City at
420 any time that such investment securities or investments must be liquidated in order to make
421 cash transfers from the fund or account that holds such investments. A Qualified Put may
422 be entered into only with a qualifying financial institution which is (a) a domestic bank the
423 long-term debt of which is rated at least “AA” by Standard & Poor’s and “Aa” by Moody’s,
424 or (b) a foreign bank the long-term debt of which is rated “AAA” by Standard & Poor’s
425 and at least “Aa” by Moody’s , or at least “AA” by Standard & Poor’s and “Aaa” by
426 Moody’s , or (c) a financial institution the long-term debt of which is rated at least “A” by
427 both Standard & Poor’s and Moody’s and agrees to collateralize its obligations under such
428 agreement by lodging with a third party trustee, escrow agent, custodian or other financial

429 third party direct obligations of the United States of America or its agencies with a market
430 value equal to 102% of the difference between the face amount of its purchase obligation
431 under the agreement and the market value of the investment securities to which the
432 agreement relates (based upon periodic market valuations at least monthly). A Qualified
433 Put may be integrated into any investment authorized under Texas law, such as a
434 repurchase agreement.

435 “Record Date” shall have the meaning assigned in the FORM OF BONDS (Exhibit
436 A to this Ordinance).

437 “Refunded Bonds” means the Series 2005 Bonds.

438 “Refunding Revenue Bonds” mean one or more series of bonds or other evidences
439 of indebtedness issued by the City for the purpose of: (i) refunding Outstanding Revenue
440 Bonds or Credit Agreement Obligations; or (ii) to provide for the payment of a Termination
441 Payment.

442 “Register” means the books of registration kept by the Paying Agent/Registrar in
443 which are maintained the names and addresses of and the principal amounts registered to
444 each Owner.

445 “Regulations” means the applicable proposed, temporary or final Treasury
446 Regulations promulgated under the Code or, to the extent applicable to the Code, under the
447 Internal Revenue Code of 1954, as such regulations may be amended or supplemented from
448 time to time.

449 “Related Document” means any transaction document relating to this Ordinance or
450 the Bonds, including any related underlying security agreement.

451 “Renewal and Replacement Fund” means the fund designated in Section 5.04(e) of
452 this Ordinance.

453 “Renewal and Replacement Fund Requirement” means the amount required to be
454 maintained in the Renewal and Replacement Fund pursuant to Article Five, or any greater
455 amount required by any ordinance authorizing any series of Additional Revenue Bonds.

456 “Replacement Proceeds” has the meaning set forth in Section 1.148-1(c) of the
457 Regulations.

458 “Representative of the Underwriters” means Morgan Stanley & Co., LLC,
459 designated by the Underwriters in the Bond Purchase Agreement to act as their
460 representative.

461 “Revenue Bond Ordinances” means the Series 2005 Bond Ordinance, the Series
462 2013 Bond Ordinance, the Series 2014 Bond Ordinance, the Series 2017A Bond

463 Ordinance, the Series 2017B Bond Ordinance, this Ordinance, and any ordinances pursuant
464 to which Additional Revenue Bonds are issued.

465 “Revenue Bonds” means the Currently Outstanding Revenue Bonds, the Bonds, and
466 each series of bonds, notes or other obligations, other than Credit Agreement Obligations,
467 which the City has reserved the right to issue or incur from time to time pursuant to Section
468 6.01, payable from and secured by a first lien on and pledge of Net Revenues.

469 “Revenue Fund” means the fund designated in Section 5.04(a).

470 “Rule” means SEC Rule 15c2-12.

471 “Sale Proceeds” has the meaning set forth in Section 1.148-1(b) of the Regulations
472 and, generally, consist of any amounts actually or constructively received from the sale (or
473 other disposition) of any obligation, including amounts used to pay underwriters’ discount
474 or compensation and accrued interest other than pre-issuance accrued interest. Sale
475 Proceeds also include amounts derived from the sale of a right that is associated with any
476 obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

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

478 “Series 2005 Bond Ordinance” means the ordinance of the City adopted by council
479 on August 4, 2005, authorizing the issuance of the Series 2005 Bonds, and all amendments
480 to the ordinance adopted by council after August 4, 2005.

481 “Series 2005 Bonds” means the City of Austin, Texas, Airport System Refunding
482 Revenue Bonds, Series 2005 (AMT).

483 “Series 2005 Insurance Policy” means, collectively, (i) the municipal bond insurance
484 policy relating to the Series 2005 Bonds, (ii) the municipal bond debt service reserve
485 insurance policy relating to the Series 2005 Bonds, and (iii) the financial guaranty
486 insurance policy relating to certain payments under the Series 2005 Swap Agreement, each
487 with an effective date of August 17, 2005, as amended, and issued by the Bond Insurer.

488 “Series 2005 Letter of Credit” means, collectively, each irrevocable transferable
489 direct pay letter of credit issued by Sumitomo Mitsui Banking Corporation, acting through
490 its New York Branch (“SMBC”), for the Series 2005 Bonds, including the Letter of Credit
491 and Reimbursement Agreement dated as of June 1, 2014, between the City and SMBC.

492 “Series 2005 Swap Agreement” means, collectively, the Master Agreement, dated
493 as of July 2, 2004, including a Schedule and Credit Support Annex thereto, and a
494 Confirmation dated July 2, 2004, each as amended, between the City and Morgan Stanley
495 Capital Services LLC (formerly Morgan Stanley Capital Services Inc.), in connection with
496 the Series 2005 Bonds.

497 “Series 2013 Bond Ordinance” means the ordinance of the City adopted by council
498 on May 9, 2013, authorizing the issuance of the Series 2013 Bonds, and all amendments to
499 the ordinance adopted by council after May 9, 2013.

500 “Series 2013 Bonds” means the City of Austin, Texas, Airport System Revenue
501 Bonds, Series 2013.

502 “Series 2014 Bond Ordinance” means the ordinance of the City adopted by council
503 on November 20, 2014, authorizing the issuance of the Series 2014 Bonds, and all
504 amendments to the ordinance adopted by council after November 20, 2014.

505 “Series 2014 Bonds” means the City of Austin, Texas, Airport System Revenue
506 Bonds, Series 2014 (AMT).

507 “Series 2017A Bond Ordinance” means the ordinance of the City adopted by council
508 on December 15, 2016, authorizing the issuance of the Series 2017A Bonds, and all
509 amendments to the ordinance adopted by council after December 15, 2016.

510 “Series 2017A Bonds” means the City of Austin, Texas, Airport System Revenue
511 Bonds, Series 2017A.

512 “Series 2017B Bond Ordinance” means the ordinance of the City adopted by council
513 on December 15, 2016, authorizing the issuance of the Series 2017A Bonds, and all
514 amendments to the ordinance adopted by council after December 15, 2016.

515 “Series 2017B Bonds” means the City of Austin, Texas, Airport System Revenue
516 Bonds, Series 2017B (AMT).

517 “Series 2017 Hotel Bonds” means the Austin-Bergstrom Landhost Enterprises, Inc.
518 Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017.

519 “Series 2017 Hotel Grant Agreement” means that certain Grant Agreement dated as
520 of October 1, 2017, by and between the City and Austin-Bergstrom Landhost Enterprises,
521 Inc.

522 “Special Facilities” means structures, hangars, aircraft overhaul, maintenance or
523 repair shops, heliports, hotels, storage facilities, garages, inflight kitchens, training
524 facilities and any and all other facilities and appurtenances being a part of, or related to,
525 the Airport System, the cost of the construction or other acquisition of which is financed
526 with the proceeds of Special Facilities Bonds.

527 “Special Facilities Bonds” means those bonds previously issued or from time to time
528 issued by the City after the date of this Ordinance pursuant to Section 6.04 of this
529 Ordinance.

530 “Special Facilities Lease” means any lease or agreement pursuant to which a Special
531 Facility is leased by the City to the lessee in consideration for which the lessee agrees to
532 pay (i) all debt service on the Special Facilities Bonds issued to finance the Special Facility
533 (which payments are pledged to secure the Special Facilities Bonds) and (ii) the operation
534 and maintenance expenses of the Special Facility.

535 “Standard & Poor’s” or “S&P” means S&P Global Ratings, its successors and
536 assigns, and if this entity shall for any reason no longer perform the functions of a securities
537 rating agency, “Standard & Poor’s” and “S&P” shall refer to any other nationally
538 recognized securities rating agency designated by the City.

539 “Subordinate Obligations” means each series of bonds, notes, or other obligations,
540 including reimbursement obligations and obligations pursuant to credit agreements and
541 interest rate hedges, which the City has reserved the right to issue or incur from time to
542 time pursuant to Section 6.03 as Subordinate Obligations secured in whole or in part by
543 liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues
544 securing payment of the Revenue Bonds. The City’s obligation to fund certain reserve
545 fund deficiencies relating to the Series 2017 Hotel Bonds from “Surplus Airport System
546 Revenues” pursuant to the Series 2017 Hotel Grant Agreement, subject in all respects to
547 the terms of the Series 2017 Hotel Grant Agreement and the Revenue Bond Ordinances,
548 constitutes a Subordinate Obligation.

549 “Swap Agreement” means a Credit Agreement, approved (if required) in writing by
550 the Bond Insurer, with respect to a series of Revenue Bonds pursuant to which the City has
551 entered into an interest rate exchange agreement or other interest rate hedge agreement for
552 the purpose of converting in whole or in part the City’s fixed or variable interest rate
553 liability on all or a portion of the Revenue Bonds to a fixed or variable rate liability
554 (including converting a variable rate liability to a different variable rate liability). For the
555 purpose of this definition, a counterparty is not qualified unless it holds, on the date of
556 execution of a Swap Agreement, a current rating by at least two of the following three
557 rating agencies: Moody’s, and by Standard & Poor’s, and by Fitch Ratings, or their
558 respective successors, at least equal to the rating of each such rating agency assigned to the
559 Revenue Bonds without reference to any Credit Agreement. The Series 2005 Swap
560 Agreement previously executed and delivered by the City with respect to the Series 2005
561 Bonds constitutes a Swap Agreement.

562 “Termination Payment” means an amount owed by the City to a counterparty
563 pursuant to a Swap Agreement incurred in connection with the termination of the Swap
564 Agreement and which, on the date of execution of the Swap Agreement, is not an amount
565 representing a regularly scheduled payment under the Swap Agreement. “Termination
566 Payment” shall not include any amount representing an Administrative Expense.

567 “Underwriters” means, with respect to the Bonds, the entities designated in the Bond
568 Purchase Agreement as the underwriters of the Bonds.

569 “Variable Rate” means an interest rate borne by the Revenue Bonds that is reset from
570 time to time.

571 “Variable Rate Bonds” means Revenue Bonds which bear a Variable Rate.

572 “Verification Agent” means Robert Thomas CPA, LLC.

573 “Yield” on (a) an issue of obligations has the meaning set forth in Section 1.148-4
574 of the Regulations and, generally, is the discount rate that when used in computing the
575 present value of all payments of principal, interest and fees for qualified guarantees to be
576 paid on the obligation produces an amount equal to the issue price of such issue and (b)
577 any investment has the meaning set forth in Section 1.148-5 of the Regulations and,
578 generally, is the discount rate that when used in computing the present value of all
579 payments to be received on the investment produces an amount equal to all payments for
580 the investment.

581 Section 2.02 **INTERPRETATIONS.** All terms defined and all pronouns used in
582 this Ordinance shall apply equally to singular and plural and to all genders. The titles and
583 headings of the articles and sections of this Ordinance have been inserted for convenience
584 of reference only and are not to be considered a part of this Ordinance and shall not in any
585 way modify or restrict any of the terms or provisions of this Ordinance. References to any
586 article or section shall refer to the article or section contained in this Ordinance. References
587 to FORM OF BONDS refer to the form of the Bonds set forth in Exhibit A to this
588 Ordinance. References to any constitutional, statutory or regulatory provision shall include
589 the provision as it exists on the date this Ordinance is adopted and any future amendments
590 to or successor provisions of the provision. References to an Authorized Officer or other
591 City official means the Person acting in that capacity, whether on either an interim or a
592 permanent basis. This Ordinance and all of its terms and provisions shall be liberally
593 construed to effectuate the purposes set forth in this Ordinance and to sustain the validity
594 of the Revenue Bonds, the Credit Agreement Obligations and the Administrative Expenses
595 and the validity of the lien on and pledge of the Net Revenues to secure their payment. A
596 finding or determination made by an Authorized Officer acting under the authority
597 delegated by this Ordinance with respect to all matters relating to the issuance and sale of
598 the Bonds shall have the same force and effect as a finding or determination made by
599 council.

600 ***ARTICLE THREE***

601 ***TERMS OF THE BONDS***

603 Section 3.01 **AUTHORIZATION.** The Bonds shall be known and designated as
604 CITY OF AUSTIN, TEXAS, AIRPORT SYSTEM REVENUE REFUNDING BONDS,
605 SERIES 2019 (AMT). The Bonds are authorized to be issued and delivered pursuant to
606 the authority of Chapter 22, Chapter 1207 and Chapter 1371 and all other applicable law.

607 The Bonds shall be issued in an aggregate principal amount not to exceed \$185,000,000
608 for the purpose of (i) refunding the Refunded Bonds, (ii) funding all or a portion of any
609 Termination Payment due and payable by the City in connection with the termination of
610 the Series 2005 Swap Agreement, (iii) satisfying the Debt Service Reserve Fund
611 Requirement in the manner provided in this Ordinance and the Pricing Certificate, and (iv)
612 paying the costs of issuance of the Bonds.

613 Section 3.02 **INTEREST AND MATURITIES.** The Bonds shall be dated the
614 date set forth in the Bond Purchase Agreement. The Bonds shall be issued in fully
615 registered form, without coupons, in Authorized Denominations, and, except for the Initial
616 Bonds, shall be numbered separately from R-1 upward. Subject to the conditions set forth
617 in Section 10.01 of this Ordinance, the Bonds shall mature on the dates, and shall bear
618 interest at the rates of interest until maturity or prior redemption, as set forth in the Bond
619 Purchase Agreement. Interest shall accrue and be paid on each Bond respectively until its
620 maturity or prior redemption, from the later of the date of initial delivery to the
621 Underwriters or the most recent Interest Payment Date to which interest has been paid or
622 provided for. Interest shall be paid on each Interest Payment Date, or the Business Day
623 immediately following an Interest Payment Date if the scheduled Interest Payment Date is
624 not a Business Day. Interest shall be calculated on the basis of a 360-day year consisting
625 of twelve 30-day months.

626 Section 3.03 **REDEMPTION PRIOR TO MATURITY.** The Bonds are subject
627 to redemption prior to maturity in the manner provided in the Bond Purchase Agreement.
628 The terms of redemption shall be set forth in, and subject to the conditions reserved in, the
629 FORM OF BONDS. Notice of redemption of Bonds subject to redemption shall be given
630 in the manner provided in the FORM OF BONDS.

631 Section 3.04 **MANNER OF EXECUTION AND AUTHENTICATION.** The
632 Paying Agent/Registrar is appointed as the paying agent for the Bonds. The Bonds shall be
633 payable, shall have the characteristics, shall be executed and sealed, and shall be
634 authenticated, all as provided and in the manner indicated in the FORM OF BONDS. If
635 any officer of the City whose manual or facsimile signature shall appear on the Bonds, as
636 provided in the FORM OF BONDS, shall cease to be the officer before the authentication
637 of the Bonds or before the delivery of the Bonds, the signature shall nevertheless be valid
638 and sufficient for all purposes as if the officer had remained in office.

639 Section 3.05 **OWNERSHIP.** The City, the Paying Agent/Registrar and any other
640 Person may treat the Person in whose name any Bond is registered as the absolute owner
641 of the Bond for the purpose of making and receiving payment of the principal of and
642 premium, if any, and the interest on, the Bond and for all other purposes, whether the Bond
643 is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any
644 notice or knowledge to the contrary. All payments made to the Person deemed to be the
645 Owner of any Bond in accordance with this section shall be valid and effectual and shall

646 discharge the liability of the City and the Paying Agent/Registrar upon the Bond to the
647 extent of the sums paid.

648 Section 3.06 **TRANSFER AND EXCHANGE.** On the date of initial delivery and
649 payment for the Bonds, one or more Initial Bonds, representing the entire principal amount
650 of all Bonds, payable to the Underwriters, executed by the Mayor and City Clerk of the
651 City, approved by the Attorney General of the State of Texas, and registered and manually
652 signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to
653 the Representative of the Underwriters. Upon payment for the Initial Bonds, the Paying
654 Agent/Registrar shall cancel the Initial Bonds and deliver to DTC on behalf of the
655 Underwriters one or more registered Bonds for each year of maturity of the Bonds in the
656 aggregate principal amount of the Bonds, registered in the name of Cede & Co., as nominee
657 of DTC.

658 So long as any Bond remains Outstanding, the Paying Agent/Registrar shall maintain
659 the Register in which the Paying Agent/Registrar shall provide for the registration and
660 transfer of the Bonds in accordance with the terms of this Ordinance, subject to reasonable
661 regulations prescribed by the Paying Agent/Registrar.

662 Each Bond shall be transferable only upon its presentation and surrender at the
663 Designated Payment Transfer Office of the Paying Agent/Registrar, duly endorsed for
664 transfer, or accompanied by an assignment duly executed by the Registered Owner or the
665 authorized representative of the Registered Owner in form satisfactory to the Paying
666 Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying
667 Agent/Registrar shall authenticate and deliver, within 72 hours after such presentation, a
668 new Bond or Bonds in exchange for the Bond presented for transfer, registered in the name
669 of the transferee or transferees, in Authorized Denominations and of the same maturity and
670 aggregate principal amount and bearing interest at the same rate as the presented Bond or
671 Bonds.

672 A Bond shall be exchangeable upon its presentation and surrender at the Designated
673 Payment Transfer Office of the Paying Agent/Registrar for a Bond or Bonds of the same
674 maturity and interest rate and in any Authorized Denomination, in an aggregate principal
675 amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange.
676 The Paying Agent/Registrar shall be and is authorized to authenticate and deliver exchange
677 Bonds in accordance with the provisions of this Section. Each Bond delivered in
678 accordance with this Section shall be entitled to the benefits and security of this Ordinance
679 to the same extent as the Bond or Bonds in lieu of which a Bond is delivered.

680 The Paying Agent/Registrar shall require the Owner of any Bond to pay a sum
681 sufficient to cover any tax or other governmental charge that may be imposed in connection
682 with the transfer or exchange of the Bond and any fee or charge in connection with the
683 transfer or exchange other than the Paying Agent/Registrar fees, which shall be paid by the
684 City.

685 The Paying Agent/Registrar shall not be required to transfer or exchange any Bond
686 during the 45-day period prior to the date fixed for redemption; provided, however, that
687 this restriction shall not apply to the transfer or exchange by the Registered Owner of the
688 unredeemed portion of a Bond called for redemption in part.

689 Section 3.07 **CANCELLATION.** All Bonds paid or redeemed, and all Bonds in
690 lieu of which exchange Bonds or replacement Bonds are authenticated and delivered, in
691 accordance with this Ordinance, shall be cancelled and shall be disposed of in accordance
692 with the rules and regulations promulgated under the Securities Exchange Act of 1934.

693 Section 3.08 **REPLACEMENT BONDS.** Upon the presentation and surrender to
694 the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall
695 authenticate and deliver a replacement Bond of like maturity, interest rate, and principal
696 amount, bearing a number not contemporaneously outstanding, in exchange for the
697 presented Bond. The Paying Agent/Registrar shall require the Owner of the Bond to pay
698 a sum sufficient to cover any tax or other governmental charge that may be imposed, and
699 any other expenses, including the fees and expenses of the Paying Agent/Registrar, to effect
700 this exchange.

701 If any Bond is lost, apparently destroyed, or wrongfully taken, the City, pursuant to
702 the applicable laws of the State of Texas and in the absence of notice or knowledge that
703 the Bond has been acquired by a bona fide purchaser, shall execute and the Paying
704 Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest
705 rate, and principal amount, bearing a number not contemporaneously outstanding, provided
706 that the Owner shall have:

707 (a) furnished to the City and the Paying Agent/Registrar satisfactory evidence of
708 the ownership of and the circumstances of the loss, destruction or theft of the Bond;

709 (b) furnished security and indemnity as may be required by the Paying
710 Agent/Registrar and the City to save them harmless;

711 (c) paid all expenses and charges, including, but not limited to, printing costs,
712 legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge
713 that may be imposed, as a result of the loss, destruction or wrongful taking of the Bond;
714 and

715 (d) met or complied with any other reasonable requirements of the City and the
716 Paying Agent/Registrar.

717 If, after the delivery of a replacement Bond, a bona fide purchaser of the original
718 Bond in lieu of which the replacement Bond was issued presents for payment the original
719 Bond, the City and the Paying Agent/Registrar shall be entitled to recover the replacement
720 Bond from the Person to whom it was delivered or any Person taking from the person,
721 except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity

722 provided to the extent of any loss, damage, cost or expense incurred by the City or the
723 Paying Agent/Registrar.

724 If any mutilated, lost, apparently destroyed or wrongfully taken Bond has become
725 or is about to become due and payable, the City in its discretion may, instead of issuing a
726 replacement Bond, authorize the Paying Agent/Registrar to pay that Bond.

727 Each replacement Bond delivered in accordance with this Section shall be entitled
728 to the benefits and security of this Ordinance to the same extent as the Bond or Bonds in
729 lieu of which a replacement Bond is delivered.

730 Section 3.09 **BOOK-ENTRY SYSTEM.** This section describes the book-entry
731 system of DTC. As provided in the Bond Purchase Agreement, the definitive Bonds shall
732 be registered in the name of Cede & Co., as nominee of DTC, as registered owner of the
733 Bonds, and held in the custody of DTC.

734 Unless otherwise requested by DTC, a single certificate will be issued and delivered
735 to DTC for each maturity of the Bonds. Beneficial owners of Bonds will not receive
736 physical delivery of Bond certificates except as provided below. For so long as DTC may
737 serve as securities depository for the Bonds, all transfers of beneficial ownership interests
738 will be made by book-entry only, and no investor or other party purchasing, selling or
739 otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any
740 Bond certificate.

741 With respect to Bonds registered in the name of Cede & Co., as nominee of DTC,
742 neither the City nor the Paying Agent/Registrar shall have any responsibility or obligation
743 to any DTC Participant or to any Person on whose behalf a DTC Participant holds an
744 interest in the Bonds. Without limiting the immediately preceding sentence, neither the
745 City nor the Paying Agent/Registrar shall have any responsibility or obligation with respect
746 to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect
747 to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other
748 person, other than a Registered Owner of the Bonds, as shown on the Register, of any
749 notice with respect to the Bonds, including any notice of redemption, and (iii) the payment
750 to any DTC Participant or any other person, other than a Registered Owner of the Bonds,
751 as shown in the Register, of any amount with respect to principal of and premium, if any,
752 or interest on the Bonds.

753 Replacement Bonds may be issued directly to beneficial owners of Bonds other than
754 DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act
755 as securities depository for the Bonds (which determination shall become effective after
756 reasonable written notice to such effect to the City and the Paying Agent/Registrar), or (ii)
757 the City has advised DTC of its determination (which determination is conclusive as to
758 DTC and the beneficial owners of the Bonds) that DTC is incapable of discharging its
759 duties as securities depository for the Bonds, or (iii) the City has determined (which

760 determination is conclusive as to DTC and the beneficial owners of the Bonds) that the
761 interests of the beneficial owners of the Bonds might be adversely affected if such book-
762 entry only system of transfer is continued. Upon concurrence of any event described in (i)
763 or (ii) above, the City shall use its best efforts to attempt to locate another qualified
764 securities depository. If the City fails to locate another qualified securities depository to
765 replace DTC, the City shall cause to be executed, authenticated and delivered replacement
766 Bonds, in certificated form, to the DTC Participants having an interest in the Bonds as
767 shown on the records of DTC provided by DTC to the City. In the event that the City
768 makes the determination noted in (iii) above and has made provisions to notify the
769 beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC,
770 it shall cause to be issued replacement Bonds in certificated form to the DTC Participants
771 having an interest in the Bonds as shown on the records of DTC provided by DTC to the
772 City. The City undertakes no obligation to make any investigation to determine the
773 occurrence of any events that would permit the City to make any determination described
774 in (ii) or (iii) above.

775 Whenever, during the term of the Bonds, beneficial ownership is determined by a
776 book entry at DTC (or any successor securities depository), the requirements in this
777 Ordinance of holding, registering, delivering, exchanging or transferring Bonds shall be
778 deemed modified to require the appropriate person or entity to meet the requirements of
779 DTC (or such successor securities depository) as to holding, registering, delivering,
780 exchanging or transferring the book entry to produce the same effect.

781 The Blanket Letter of Representations, dated June 1, 1995, between the City and
782 DTC shall apply to the Bonds.

783 If at any time DTC ceases to hold the Bonds, all references to DTC shall be of no
784 further force or effect.

785 Section 3.10 **FUNDING OF DEBT SERVICE RESERVE FUND.** On the date
786 of the initial delivery of the Bonds, the City will deposit to the credit of the Debt Service
787 Reserve Fund either: (i) proceeds of the Bonds and/or other lawfully available funds in not
788 less than the amount which will be sufficient to fund fully the Debt Service Reserve Fund
789 Requirement; or (ii) a Debt Service Reserve Fund Surety Bond sufficient to provide that
790 portion of the Debt Service Reserve Fund Requirement. The Debt Service Reserve
791 Requirement allocable to the Bonds shall be in the amount specified in the Pricing
792 Certificate and will be funded as provided in the Pricing Certificate. The Insurance
793 Agreement, if any, approved by the Authorized Officer in substantially the form and
794 substance attached to the Pricing Certificate, together with such changes or revisions as
795 may be necessary to comply with Texas law, is authorized to be executed by the Authorized
796 Officer for and on behalf of the City; and the Insurance Agreement as executed by the
797 Authorized Officer shall be deemed approved by council.

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ARTICLE FOUR

FORM OF BONDS

Section 4.01 **FORM GENERALLY.** (a) The Bonds, including the forms of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment to appear on each Bond, (i) shall be substantially in the form set forth in Exhibit A to this Ordinance, with appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance or the Bond Purchase Agreement, and (ii) may have distinguishing letters, numbers, or other marks of identification and legends and endorsements (including any reproduction of an opinion of counsel) as may be determined by the City or by the officers executing the Bonds, as evidenced by their execution of the Bonds.

(b) The Bonds shall be typed, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing the Bonds, as evidenced by their execution.

Section 4.02 **CUSIP REGISTRATION.** The City may secure identification numbers through CUSIP Global Services, and may authorize the printing of CUSIP numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards to the legality of the Bonds and neither the City nor the attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 4.03 **LEGAL OPINION.** The approving legal opinion of Bracewell LLP, Bond Counsel, may be printed on or attached to the back of each Bond, but errors or omissions in the printing of the opinion shall have no effect on the validity of the Bonds.

ARTICLE FIVE

SECURITY AND SOURCE OF PAYMENT

Section 5.01 **PLEDGE AND SOURCE OF PAYMENT.** The City covenants and agrees that Gross Revenues shall be deposited and paid into the special funds established and confirmed in this Ordinance, and shall be applied in the manner set forth in this Ordinance, in order to provide for the payment of all Operation and Maintenance Expenses of the Airport System and to provide for the payment of Debt Service on the Revenue Bonds and Credit Agreement Obligations and for the payment when due of Administrative Expenses. Except as otherwise specifically provided in this Ordinance, the Revenue Bonds and the Credit Agreement Obligations shall constitute special obligations of the City that shall be payable from and shall be equally and ratably secured by a first lien on the Net Revenues. The Administrative Expenses shall constitute special obligations of the City

836 that shall be payable from and secured by a lien on the Net Revenues subordinate only to
837 the payment of Debt Service on the Revenue Bonds. Net Revenues shall, in the manner
838 provided in this Ordinance, be set aside for and pledged to the payment of the Revenue
839 Bonds in the Debt Service Fund and the Debt Service Reserve Fund as provided in this
840 Ordinance. The City grants a lien on the Net Revenues and the Debt Service Fund and the
841 Debt Service Reserve Fund to secure the payment of Debt Service on the Revenue Bonds
842 and related Credit Agreement Obligations in accordance with their terms, and to pay
843 Administrative Expenses to the Persons entitled to payment. All Revenue Bonds and
844 related Credit Agreement Obligations shall be in all respects on a parity with and of equal
845 dignity with one another; provided, however, that a Termination Payment shall be a
846 Subordinate Obligation. Neither the Owners nor the Credit Providers shall ever have the
847 right to demand payment of Debt Service out of any funds raised or to be raised by taxation.

848 Chapter 1208 applies to the authorization and issuance of the Revenue Bonds and to
849 the pledge of and lien on the Net Revenues granted by the City under this Ordinance, and
850 the pledge of and lien on the Net Revenues are valid and effective in accordance with the
851 terms of this Ordinance and are perfected from the date of adoption of this Ordinance
852 without the filing of any document or other act. To the extent Texas law is amended at any
853 time while the Revenue Bonds are Outstanding and unpaid such that the pledge of and lien
854 on the Net Revenues granted by the City under this Ordinance are to be subject to the filing
855 requirements of Chapter 9, the City agrees to take all actions and make, or cause to be
856 made, all filings as it determines are reasonable and necessary under Texas law to comply
857 with the applicable provisions of Chapter 9.

858 Section 5.02 **ANNUAL BUDGET.** So long as any Revenue Bond or Credit
859 Agreement Obligation remains Outstanding, the Aviation Director shall, prior to the
860 commencement of each Fiscal Year, prepare and deliver to the chief budget officer of the
861 City, for submission to council, a recommended annual budget for the Airport System for
862 that Fiscal Year. The City shall adopt annual budgets for the Airport System for each Fiscal
863 Year, containing an estimate of Gross Revenues and only those budgeted expenditures as
864 will produce Net Revenues in an amount that is not less than the amount necessary to pay
865 the Debt Service and Administrative Expenses when due and make the required deposits
866 to the Debt Service Reserve Fund. After the adoption of the annual Airport System budget
867 by the City, the total expenditures for Operation and Maintenance Expenses will not exceed
868 the total expenditures authorized for the purposes described in the budget, as the budget
869 may from time to time be amended.

870 Section 5.03 **RATE COVENANT.** The City covenants that it will at all times fix,
871 charge, impose and collect rentals, rates, fees and other charges for the use of the Airport
872 System, and, to the extent it legally may do so, revise the same as may be necessary or
873 appropriate, in order that in each Fiscal Year the Net Revenues will be at least sufficient to
874 equal the larger of either:

875 (a) all amounts required to be deposited in the Fiscal Year to the credit of the
876 Debt Service Fund, the Debt Service Reserve Fund, and the Administrative Expense Fund
877 and to any debt service or debt service reserve fund or account for Subordinate Obligations,
878 or

879 (b) an amount, together with Other Available Funds, not less than 125% of the
880 Debt Service Requirements for Revenue Bonds for the Fiscal Year plus an amount equal
881 to 100% of anticipated and budgeted Administrative Expenses for the Fiscal Year.

882 If the Net Revenues in any Fiscal Year are less than the amounts specified above,
883 the City, promptly upon receipt of the annual audit for the Fiscal Year, must request an
884 Airport Consultant to make any recommendations to revise the City's rentals, rates, fees
885 and other charges, its Operation and Maintenance Expenses or the method of operation of
886 the Airport System in order to satisfy as quickly as practicable the requirements of this
887 Section. Copies of the request and the recommendations of the Airport Consultant shall be
888 filed with the City Clerk. So long as the City substantially complies in a timely fashion
889 with the recommendations of the Airport Consultant, the City will not have defaulted in
890 the performance of its duties under this Ordinance even if the resulting Net Revenues plus
891 Other Available Funds are not sufficient to be in compliance with the rate covenant, so
892 long as Debt Service is paid when due.

893 Section 5.04 **SPECIAL FUNDS.** The following special funds and accounts are
894 established or have been previously established and are confirmed, and shall be maintained
895 and accounted for so long as any Revenue Bond and related Credit Agreement Obligation
896 remains Outstanding and Administrative Expenses remain unpaid. The funds and accounts
897 may also include any additional accounts or subaccounts as may from time to time be
898 designated by the City, including specifically rebate accounts or subaccounts for
899 accumulating rebatable arbitrage payable to the federal government, so long as they are not
900 inconsistent with this Ordinance:

901 (a) Airport System Revenue Fund ("Revenue Fund"), including an Operation and
902 Maintenance Reserve Fund ("Operation and Maintenance Reserve Fund");

903 (b) Airport System Revenue Bond Debt Service Fund ("Debt Service Fund");

904 (c) Airport System Revenue Bond Debt Service Reserve Fund ("Debt Service
905 Reserve Fund");

906 (d) Airport System Revenue Bond Administrative Expense Fund (the
907 "Administrative Expense Fund");

908 (e) Airport System Renewal and Replacement Fund ("Renewal and Replacement
909 Fund");

910 (f) Airport System Capital Fund (“Capital Fund”), including a Capital
911 Improvement Account; and

912 (g) Airport System Construction Fund (“Construction Fund”).

913 The Revenue Fund, including the Operation and Maintenance Reserve Fund, the
914 Renewal and Replacement Fund, the Capital Fund and the Construction Fund (other than
915 any Capitalized Interest Account in the Construction Fund) shall be maintained as separate
916 funds or accounts on the books of the City and all amounts credited to the Funds and
917 Accounts shall be maintained in an official depository bank of the City. The Debt Service
918 Fund, the Debt Service Reserve Fund and the Administrative Expense Fund shall be
919 maintained at an official depository bank of the City or in a trustee bank designated by the
920 City separate and apart from all other funds and accounts of the City. The Debt Service
921 Fund and the Debt Service Reserve Fund shall constitute trust funds which shall be held in
922 trust for the owners of the Revenue Bonds and the proceeds of which shall be pledged, as
923 herein provided, to the payment of the Revenue Bonds. The Administrative Expense Fund
924 shall constitute trust funds which shall be held in trust for the payment of Administrative
925 Expenses to the Persons entitled to those Administrative Expenses.

926 Section 5.05 **FLOW OF FUNDS.** Gross Revenues shall be deposited as received
927 by the City into the Revenue Fund. In addition, the City may deposit into the Revenue Fund
928 any Federal Payments not restricted for capital purposes, provided that, so long as the
929 Federal Payments are excluded from the definition of Gross Revenues, the Federal
930 Payments shall be applied solely to the payment of Operation and Maintenance Expenses
931 or capital expenditures and never constitute Net Revenues. Other Available Funds may
932 also be deposited into the Revenue Fund. Moneys from time to time credited to the Revenue
933 Fund shall be applied as follows in the following order of priority:

934 (a) First, to provide for all payments of Operation and Maintenance Expenses
935 required by the Revenue Bond Ordinances.

936 (b) Second, to transfer all amounts to the Debt Service Fund required by the
937 Revenue Bond Ordinances necessary to pay Debt Service on the Revenue Bonds and any
938 related Credit Agreement Obligations.

939 (c) Third, to transfer all amounts to the Administrative Expense Fund required to
940 pay Administrative Expenses to the Persons entitled to payment when due.

941 (d) Fourth, to transfer all amounts to the Debt Service Reserve Fund required by
942 the Revenue Bond Ordinances.

943 (e) Fifth, to transfer all amounts necessary to provide for the payment of
944 Subordinate Obligations, or to provide reserves for payment, as may be required by any
945 ordinance authorizing Subordinate Obligations and related credit agreement obligations.

946 (f) Sixth, to transfer all amounts necessary to provide for the payment of principal
947 of and interest on General Obligation Airport Bonds.

948 (g) Seventh, to transfer all amounts to the Operation and Maintenance Reserve
949 Fund required by the Revenue Bond Ordinances.

950 (h) Eighth, to transfer all amounts to the Renewal and Replacement Fund required
951 by the Revenue Bond Ordinances.

952 (i) Ninth, the balance shall be transferred to the Capital Fund.

953 Section 5.06 **DEBT SERVICE FUND.** (a) To the extent moneys remain on
954 deposit in any Capitalized Interest Account, there shall be transferred from the Capitalized
955 Interest Account to the Debt Service Fund amounts available to pay the interest coming
956 due on the applicable series of Revenue Bonds at the times provided in the Revenue Bond
957 Ordinances.

958 (b) On or before the last Business Day of each month so long as any Revenue
959 Bonds remain Outstanding, after making all required payments of Operation and
960 Maintenance Expenses, there shall be transferred from the Revenue Fund to the Debt
961 Service Fund the amount necessary to cause the balance in the Debt Service Fund to equal
962 the Debt Service on all Revenue Bonds and Credit Agreement Obligations accrued, but
963 unpaid, through the end of the current month and the Debt Service on all Revenue Bonds
964 and Credit Agreement Obligations reasonably expected to accrue and be payable on or
965 before the last Business Day of the next succeeding month.

966 (c) Moneys credited to the Debt Service Fund shall be used solely for the purpose
967 of paying Debt Service on Revenue Bonds and Credit Agreement Obligations.

968 Section 5.07 **DEBT SERVICE RESERVE FUND.** (a) The City shall establish
969 and maintain a balance in the Debt Service Reserve Fund equal to the Debt Service Reserve
970 Fund Requirement. Each increase in the Debt Service Reserve Fund Requirement resulting
971 from the issuance of Additional Revenue Bonds shall be funded at the time of issuance and
972 delivery of the series of Additional Revenue Bonds by depositing to the credit of the Debt
973 Service Reserve Fund either: (A) proceeds of the Additional Revenue Bonds and/or other
974 lawfully appropriated funds in not less than the amount which will be sufficient to fund
975 fully the Debt Service Reserve Fund Requirement; or (B) a Debt Service Reserve Fund
976 Surety Bond sufficient to provide that portion of the Debt Service Reserve Fund
977 Requirement. The City further expressly reserves the right to substitute at any time a Debt
978 Service Reserve Fund Surety Bond for any funded amounts in the Debt Service Reserve
979 Fund and to apply the funds released, to the greatest extent permitted by law, to any of the
980 purposes for which the related Revenue Bonds were issued or to pay debt service on the
981 related Revenue Bonds. The City shall not employ any Debt Service Reserve Fund Surety
982 Bond unless: (i) the City officially finds that the purchase of the Debt Service Reserve Fund

983 Surety Bond is cost effective; (ii) the Debt Service Reserve Fund Surety Bond does not
984 impose upon the City a repayment obligation (in the event the Debt Service Reserve Fund
985 Surety Bond is drawn upon) greater than can be funded in 18 monthly installments as
986 provided in subsection (b) below, payable out of Net Revenues on a parity with the monthly
987 deposits that are otherwise required to be made to the Debt Service Reserve Fund; and (iii)
988 that any interest due in connection with the repayment obligations does not exceed the
989 highest lawful rate of interest which may be paid by the City at the time of delivery of the
990 Debt Service Reserve Fund Surety Bond.

991 (b) In any month in which the Debt Service Reserve Fund contains less than the
992 Debt Service Reserve Fund Requirement or in which the City is obligated to repay or
993 reimburse any issuer of a Debt Service Reserve Fund Surety Bond (in the event such Debt
994 Service Reserve Fund Surety Bond is drawn upon), then on or before the last Business Day
995 of that month, after making all required transfers to the Debt Service Fund and the
996 Administrative Expense Fund, the City shall transfer into the Debt Service Reserve Fund
997 from the Revenue Fund, in approximately equal monthly installments, amounts sufficient
998 to enable the City within an 18 month period to reestablish in the Debt Service Reserve
999 Fund the Debt Service Reserve Fund Requirement and satisfy any repayment obligations
1000 to the issuer of any Debt Service Reserve Fund Surety Bond. After this amount has been
1001 accumulated in the Debt Service Reserve Fund and after satisfying any repayment
1002 obligation to any Debt Service Reserve Fund Surety Bond issuer and so long thereafter as
1003 the Debt Service Reserve Fund contains this amount and all repayment obligations have
1004 been satisfied, no further transfers shall be required to be made, and any excess amounts in
1005 the Debt Service Reserve Fund shall be transferred to the Revenue Fund. But if and
1006 whenever the balance in the Debt Service Reserve Fund is reduced below this amount or
1007 any Debt Service Reserve Fund Surety Bond repayment obligations arise, monthly
1008 transfers to the Debt Service Reserve Fund shall be resumed and continued in amounts
1009 required to restore the Debt Service Reserve Fund to this amount and to pay reimbursement
1010 obligations within an 18 month period.

1011 (c) The City shall use the Debt Service Reserve Fund to pay Debt Service on the
1012 Revenue Bonds and the Credit Agreement Obligations at any time the amount available in
1013 the Debt Service Fund is insufficient for this purpose, and to make any payments required
1014 to satisfy repayment obligations to issuers of Debt Service Reserve Fund Surety Bonds.
1015 The City may use the Debt Service Reserve Fund to make the final payments for the
1016 retirement or defeasance of Revenue Bonds, related Credit Agreement Obligations, and
1017 Administrative Expenses.

1018 Section 5.08 **FUNDS AND ACCOUNTS FOR SUBORDINATE**
1019 **OBLIGATIONS.** On or before the last Business Day of each month, after making all
1020 required transfers to the Debt Service Fund, the Debt Service Reserve Fund and the
1021 Administrative Expense Fund the City shall transfer into the funds and accounts as the City
1022 may establish pursuant to an ordinance authorizing the issuance or incurrence of

1023 Subordinate Obligations, the amounts required pursuant to the ordinance authorizing the
1024 issuance or incurrence of Subordinate Obligations to provide for the payment, or to provide
1025 reserves for the payment, of the Subordinate Obligations.

1026 Section 5.09 **ADMINISTRATIVE EXPENSE FUND.** On or before the last
1027 Business Day of each month, after making all required transfers to the Debt Service Fund,
1028 the City shall transfer to the Administrative Expense Fund an amount equal to the
1029 Administrative Expenses expected to be paid to the Persons entitled to payment in the next
1030 succeeding month. Amounts on deposit in the Administrative Expense Fund shall be
1031 applied solely to the payment of Administrative Expenses.

1032 Section 5.10 **GENERAL OBLIGATION AIRPORT BONDS.** On or before the
1033 last Business Day of each month, so long as any General Obligation Airport Bond remains
1034 outstanding, after making all required transfers to the Debt Service Fund, the Debt Service
1035 Reserve Fund, the Administrative Expense Fund and any other fund and account
1036 established by ordinance authorizing the issuance of Revenue Bonds and Subordinate
1037 Obligations, the City shall transfer from the Revenue Fund, to the extent there are funds
1038 available, the amounts necessary to provide for the payment, when due, of principal of and
1039 interest on General Obligation Airport Bonds.

1040 Section 5.11 **OPERATION AND MAINTENANCE RESERVE FUND.** The
1041 City shall fund and maintain a balance of money and investments in the Operation and
1042 Maintenance Reserve Fund at least equal to two months current Operation and
1043 Maintenance Expenses, which amount shall annually be re-determined by the Aviation
1044 Director at the time the recommended budget for the Airport System is submitted pursuant
1045 to Section 5.02 of this Ordinance, based upon either the Aviation Director's recommended
1046 budget for Operation and Maintenance Expenses or the Aviation Director's estimate of
1047 actual Operation and Maintenance Expenses for the then current Fiscal Year. On or before
1048 the last Business Day of each month, after making all required transfers to the Debt Service
1049 Fund, the Debt Service Reserve Fund and the Administrative Expense Fund, and any
1050 required transfers for Subordinate Obligations or General Obligation Airport Bonds as
1051 provided in this Ordinance, there shall be transferred from the Revenue Fund, to the extent
1052 there are funds available, to the Operation and Maintenance Reserve Fund an amount equal
1053 to 1/12th of the deficiency, if any, in the Operation and Maintenance Reserve Fund as of
1054 the last day of the previous Fiscal Year until the required balance in the Operation and
1055 Maintenance Reserve Fund is established or reestablished. Amounts from time to time
1056 credited to the Operation and Maintenance Reserve Fund may be used at any time: first, to
1057 pay for any Operation and Maintenance Expenses for which amounts are not otherwise
1058 available in the Revenue Fund; second, to pay any costs or expenses payable from the
1059 Renewal and Replacement Fund for which there are insufficient amounts in the Renewal
1060 and Replacement Fund; and third, to the extent any amounts are remaining, to be
1061 transferred to the Debt Service Fund, the Debt Service Reserve Fund and the
1062 Administrative Expense Fund or any similar fund created to provide for the payment, and

1063 reserves for the payment, of Subordinate Obligations and General Obligation Airport
1064 Bonds to the extent of any deficiency in any of these funds.

1065 Section 5.12 **RENEWAL AND REPLACEMENT FUND.** The City has
1066 established the Renewal and Replacement Fund Requirement to be \$5,000,000. On or
1067 before the last Business Day of each month, if the Renewal and Replacement Fund contains
1068 less than the Renewal and Replacement Fund Requirement, then after making all required
1069 transfers to the Debt Service Fund, the Debt Service Reserve Fund and the Administrative
1070 Expense Fund, and any required transfers for Subordinate Obligations or General
1071 Obligation Airport Bonds as provided in this Ordinance, and to the Operation and
1072 Maintenance Reserve Fund, the City shall transfer from the Revenue Fund, to the extent
1073 there are funds available, to the Renewal and Replacement Fund an amount equal to 1/12th
1074 of the deficiency (being the amount by which the Renewal and Replacement Fund
1075 Requirement exceeded the unappropriated balance in the Renewal and Replacement Fund)
1076 as of the last day of the previous Fiscal Year and, at the discretion of the City, to pay
1077 directly from the Revenue Fund any other costs that could be paid from amounts on deposit
1078 in the Renewal and Replacement Fund. The City is required to make these transfers into
1079 the Renewal and Replacement Fund until such time as the Renewal and Replacement Fund
1080 Requirement has again been accumulated in the Renewal and Replacement Fund. Amounts
1081 from time to time credited to the Renewal and Replacement Fund may be used at any time:
1082 first, to pay for any costs of replacing depreciable property and equipment of the Airport
1083 System and making repairs, replacements or renovations of the Airport System; second, to
1084 pay any Operation and Maintenance Expenses for which insufficient amounts are available
1085 in the Revenue Fund; and third, to the extent any amounts are remaining, to be transferred
1086 to the Debt Service Fund, the Debt Service Reserve Fund and the Administrative Expense
1087 Fund or any similar fund created to provide for the payment, and reserves for the payment,
1088 of Subordinate Obligations and General Obligation Airport Bonds to the extent of any
1089 deficiency.

1090 Section 5.13 **CAPITAL FUND.** After the City makes all payments and transfers
1091 required by this Ordinance, at least annually it shall also transfer all amounts remaining in
1092 the Revenue Fund to the Capital Fund; provided, however, that no transfers shall be made
1093 to the Capital Fund unless the Debt Service Reserve Fund contains the Debt Service
1094 Reserve Requirement and all Administrative Expenses have been paid. Amounts credited
1095 to the Capital Improvement Account may be used only for lawful purposes relating to the
1096 Airport System, including without limitation, to pay for any capital expenditures or to pay
1097 costs of replacing any depreciable property or equipment of the Airport System, to make
1098 any major or extraordinary repairs, replacements or renewals of the Airport System, to
1099 acquire land or any interest in such land, to pay costs necessary or incident to the closing
1100 or disposition of any facility of the Airport System and, at the City's discretion, to be
1101 designated as Other Available Funds to be transferred to the Revenue Fund.

1102 Section 5.14 **DEFICIENCIES IN FUNDS OR ACCOUNTS.** If in any month
1103 the City does not transfer into any Fund or Account maintained pursuant to Sections 5.06
1104 through 5.12, inclusive, the full amounts required by this Ordinance, the City shall set apart
1105 amounts equivalent to the deficiency and shall transfer those amounts to the deficient Fund
1106 or Account from the first available and unallocated moneys in the Revenue Fund, and this
1107 transfer shall be in addition to the amounts otherwise required to be transferred to the Fund
1108 or Account during any succeeding month or months.

1109 Section 5.15 **CONSTRUCTION FUND.** (a) From the proceeds of each series of
1110 Revenue Bonds (other than the proceeds of the Bonds and any other Refunding Revenue
1111 Bonds) there shall be deposited into the Capitalized Interest Account (if any) established
1112 in the Construction Fund for that series the amount of capitalized interest required by the
1113 ordinance authorizing issuance of the series of Revenue Bonds. The amounts may be
1114 applied to pay interest on the series of Revenue Bonds as provided in the authorizing
1115 ordinance.

1116 (b) From the proceeds of each series of Revenue Bonds (other than the proceeds
1117 of the Bonds and any other Refunding Revenue Bonds) there shall be deposited into the
1118 applicable Project Account established in the Construction Fund the amounts as shall be
1119 provided in the ordinance authorizing the series of Revenue Bonds. The amounts may be
1120 applied to pay costs of establishing, improving, enlarging, extending, and repairing the
1121 Airport System or any project to become part of the Airport System, to reimburse advances
1122 made by the City for these costs, to pay costs of issuance of Revenue Bonds and to pay any
1123 other capital costs of the Airport System as provided in the ordinance authorizing the series
1124 of Revenue Bonds.

1125 Section 5.16 **MUELLER AIRPORT DISPOSITION FUND.** The Robert
1126 Mueller Municipal Airport was closed for aviation purposes and the Mueller Airport
1127 Property was transferred out of the Airport System and is no longer part of the Airport
1128 System. In connection with the transfer of the Mueller Airport Property, the City deposited
1129 certain funds into the Mueller Disposition Fund. These funds, together with any other
1130 amounts deposited into the Mueller Disposition Fund, may be used for the payment or
1131 reimbursement of all costs and expenses incurred by the City necessary or incident to the
1132 closing of Robert Mueller Municipal Airport to aviation purposes and the disposition of
1133 the Mueller Airport Property. Any amounts remaining will be transferred to the City's
1134 aviation department.

1135 Section 5.17 **INVESTMENT; TRANSFER OF INVESTMENT INCOME.**
1136 (a) Money in all Funds and Accounts shall, at the option of the City, be invested in the
1137 manner provided by Texas law; provided, that all deposits and investments shall be made
1138 in a manner that the money required to be expended from any Fund will be available at the
1139 proper time or times. Moneys in the Funds and Accounts may be subjected to further
1140 investment restrictions imposed from time to time by ordinance authorizing the issuance
1141 of Revenue Bonds and Subordinate Obligations. All such investments shall be valued no

1142 less frequently than once per Fiscal Year at market value, except that: (i) any direct
 1143 obligations of the United States of America - State and Local Government Series shall be
 1144 continuously valued at their par value or principal face amount; and (ii) any investments
 1145 which are subject to a Qualified Put may continuously be valued at the amount at which
 1146 they can be put or sold under the terms of such Qualified Put. For purposes of maximizing
 1147 investment returns, money in the Funds may be invested, together with money in other
 1148 Funds or with other money of the City, in common investments or in a common pool of
 1149 such investments maintained by the City at an official depository of the City or in any fund
 1150 or investment vehicle permitted by Texas law, which shall not be deemed to be a loss of
 1151 the segregation of the money or Funds provided that safekeeping receipts, certificates of
 1152 participation or other documents clearly evidencing the investment or investment pool in
 1153 which the money is invested and the share purchased with such money or owned by the
 1154 Fund are held by or on behalf of each Fund. If and to the extent necessary, the investments
 1155 or participations shall be promptly sold to prevent any default.

1156 (b) All interest and income derived from deposits and investments credited to any
 1157 of the following Funds and Accounts shall be applied as follows, except as provided in
 1158 subsection (c) below:

<u>Source of Interest or Income</u>	<u>Fund or Account to which such Interest or Income should be Credited</u>
1159 Revenue Fund	1159 Remains in Revenue Fund
1160 Debt Service Reserve Fund	1160 Remains in the fund until the applicable Debt 1161 Service Reserve Fund Requirement is 1162 satisfied (unless otherwise required to be 1163 transferred to the Rebate Fund by Section 1164 11.01); thereafter to the Revenue Fund
1165 Administrative Expense Fund	1165 Revenue Fund
1166 Operation and Maintenance Reserve 1167 Fund	1166 Remains in the fund until fully funded; 1167 thereafter to the Revenue Fund
1168 Renewal and Replacement Fund	1168 Remains in the fund until Renewal and 1169 Replacement Fund Requirement is met; 1170 thereafter to the Revenue Fund
1171 Capital Fund - Capital Improvement 1172 Account	1171 Remains in the fund (unless otherwise 1172 required to be transferred to the Rebate Fund 1173 by Section 11.01) or in the appropriate fund 1174 or account therein
1175	1175
1176	1176
1177	1177

1178 (c) Notwithstanding anything to the contrary, (i) any interest and income derived
1179 from deposits and investments of any amounts credited to any Fund or Account may be:
1180 (A) transferred into any rebate account or subaccount, and (B) paid to the federal
1181 government if in the opinion of nationally recognized bond counsel the payment is required
1182 to comply with any covenant or required in order to prevent interest on any bonds payable
1183 from Net Revenues from being includable within the gross income of Owners for federal
1184 income tax purposes; and (ii) to the extent any interest or income in the Debt Service
1185 Reserve Fund is allocable to the proceeds of the Revenue Bonds, then such amounts shall
1186 be deposited into the Debt Service Fund unless the City receives a Favorable Opinion of
1187 Bond Counsel.

1188 Section 5.18 **SECURITY FOR UNINVESTED FUNDS.** So long as any
1189 Revenue Bond remains Outstanding, all uninvested moneys on deposit in, or credited to,
1190 the Funds and Accounts established or confirmed as stated in this Ordinance shall be
1191 secured by the pledge of security, as provided by Texas law.

1192 ***ARTICLE SIX***

1193 ***ADDITIONAL BONDS***

1195 Section 6.01 **ADDITIONAL REVENUE BONDS.** The City reserves the right to
1196 issue, for any lawful Airport System purpose, one or more installments of Additional
1197 Revenue Bonds payable from and secured by Net Revenues on a parity with the
1198 Outstanding Revenue Bonds; provided, however, that no series of Additional Revenue
1199 Bonds shall be issued unless:

1200 (a) No Default. The City Manager and the Aviation Director certify that, upon
1201 the issuance of Additional Revenue Bonds, the City will not be in default under any term
1202 or provision of any Revenue Bonds then Outstanding or any ordinance pursuant to which
1203 any Revenue Bonds were issued unless the default will be cured by the issuance of the
1204 Additional Revenue Bonds.

1205 (b) Proper Fund Balances. The City's Chief Financial Officer or trustee, if one
1206 has been appointed, shall certify that, upon the issuance of Additional Revenue Bonds, the
1207 Debt Service Fund will have the required amounts on deposit and that the Debt Service
1208 Reserve Fund will contain the Debt Service Reserve Fund Requirement or the amount as
1209 is required to be funded at that time.

1210 (c) Projected Coverage for Additional Revenue Bonds. An Airport Consultant
1211 provides a written report setting forth projections which indicate that the estimated Net
1212 Revenues, together with the estimated Other Available Funds, of the Airport System for
1213 each of three consecutive Fiscal Years beginning in the earlier of:

1214 (i) the first Fiscal Year following the estimated date of completion and
1215 initial use of all revenue producing facilities to be financed with Additional Revenue
1216 Bonds, based upon a certified written estimated completion date by the consulting
1217 engineer for the facility or facilities; or

1218 (ii) the first Fiscal Year in which the City will have scheduled payments of
1219 interest on or principal of the Additional Revenue Bonds to be issued for the payment
1220 of which provision has not been made as indicated in the report of the Airport
1221 Consultant from proceeds of the Additional Revenue Bonds, investment income on
1222 the proceeds of such Additional Revenue Bonds or from other appropriated sources
1223 (other than Net Revenues),

1224 are equal to at least 125% of the Debt Service Requirements on all Outstanding Revenue
1225 Bonds scheduled to occur during each respective Fiscal Year after taking into consideration
1226 the additional Debt Service Requirements for the Additional Revenue Bonds to be issued.
1227

1228 (d) Alternate Coverage for Additional Revenue Bonds. In lieu of the certification
1229 described in (c) above, the City's Chief Financial Officer may provide a certificate showing
1230 that, for either the City's most recent complete Fiscal Year or for any consecutive 12 out
1231 of the most recent 18 months, the Net Revenues, together with Other Available Funds, of
1232 the Airport System were equal to at least 125% of the maximum Debt Service
1233 Requirements on all Revenue Bonds scheduled to occur in the then current or any future
1234 Fiscal Year after taking into consideration the issuance of the Additional Revenue Bonds
1235 proposed to be issued.

1236 (e) Refunding Bonds. If Additional Revenue Bonds are being issued for the
1237 purpose of refunding less than all previously issued Revenue Bonds which are then
1238 Outstanding, neither of the certifications described in (c) or (d) above are required so long
1239 as the maximum annual Debt Service Requirements in any Fiscal Year after the issuance
1240 of the Additional Revenue Bonds will not exceed the maximum annual Debt Service
1241 Requirements in any Fiscal Year prior to the issuance of the Additional Revenue Bonds.

1242 (f) Bond Ordinance Requirements. Provision is made in the Revenue Bond
1243 Ordinances authorizing the Additional Revenue Bonds proposed to be issued for: (1)
1244 additional payments into the Debt Service Fund sufficient to provide for any principal and
1245 interest requirements resulting from the issuance of the Additional Revenue Bonds
1246 including, in the event that interest on the additional series of Revenue Bonds is capitalized
1247 and/or to be paid from investment earnings, a requirement for the transfer from the
1248 capitalized interest fund or account and/or from the construction fund to the Debt Service
1249 Fund of amounts fully sufficient to pay interest on such Additional Revenue Bonds during
1250 the period specified in the Revenue Bond Ordinances; and (2) satisfaction of the Debt
1251 Service Reserve Fund Requirement by not later than the date required by this Ordinance or
1252 any other Revenue Bond Ordinance authorizing Additional Revenue Bonds.

1253 (g) Special Provisions for Completion Bonds. The provisions of paragraphs (c)
1254 and (d) above shall not apply to the issuance of Completion Bonds in accordance with
1255 Section 6.02.

1256 Section 6.02 **COMPLETION BONDS**. The City reserves the right to issue one
1257 or more series of Revenue Bonds to pay the cost of completing any Airport Project for
1258 which Revenue Bonds have previously been issued.

1259 Prior to the issuance of any series of Completion Bonds the City must provide, in
1260 addition to all of the applicable certificates required by Section 6.01, the following
1261 documents:

1262 (a) a certificate of the consulting engineer engaged by the City to design the
1263 Airport Project for which the Completion Bonds are to be issued stating that the Airport
1264 Project has not materially changed in scope since the issuance of the most recent series of
1265 Revenue Bonds for the intended purpose (except as permitted in the applicable ordinance
1266 authorizing the Revenue Bonds) and setting forth the aggregate cost of the Airport Project
1267 which, in the opinion of the consulting engineer, has been or will be incurred; and

1268 (b) a certificate of the Aviation Director: (i) stating that all amounts allocated to
1269 pay costs of the Airport Project from the proceeds of the most recent series of Revenue
1270 Bonds issued in connection with the Airport Project for which the Completion Bonds are
1271 being issued were used or are still available to be used to pay costs of the Airport Project;
1272 (ii) containing a calculation of the amount by which the aggregate cost of that Airport
1273 Project (furnished in the consulting engineer's certificate described above) exceeds the sum
1274 of the costs of the Airport Project paid to such date plus the moneys available at such date
1275 within any construction fund or other like account applicable to the Airport Project plus
1276 any other moneys which the Aviation Director, in his discretion, has determined are
1277 available to pay such costs in any other fund; and (iii) certifying that, in the opinion of the
1278 Aviation Director, the issuance of the Completion Bonds is necessary to provide funds for
1279 the completion of the Airport Project.

1280 For purposes of this Section, the term "Airport Project" means the Airport or any
1281 other Airport System facility or project which shall be defined as an Airport Project in any
1282 ordinance authorizing the issuance of Additional Revenue Bonds, for the purpose of
1283 financing the Airport Project. Any such ordinance may contain further provisions as the
1284 City shall deem appropriate with regard to the use, completion, modification or
1285 abandonment of the Airport Project.

1286 Section 6.03 **SUBORDINATE OBLIGATIONS**. The City reserves the right to
1287 issue or incur, for any lawful Airport System purpose, Subordinate Obligations and credit
1288 agreement obligations related to the Subordinate Obligations, secured in whole or in part
1289 by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues
1290 securing payment of the Revenue Bonds. Although referred to in this Ordinance as

1291 “Subordinate Obligations,” the Subordinate Obligations may bear any name or designation
1292 provided by ordinance authorizing their issuance or incurrence. The Subordinate
1293 Obligations may be further secured by any other source of payment lawfully available.
1294 Unless expressly provided to the contrary in this Ordinance, no default with respect to a
1295 Subordinate Obligation shall constitute a default under this Ordinance.

1296 Section 6.04 **SPECIAL FACILITIES BONDS.** The City reserves the right to
1297 issue from time to time, in one or more series, Special Facilities Bonds as provided in this
1298 Ordinance to finance and refinance the cost of any Special Facilities, including all required
1299 reserves, all related costs of issuance and other reasonably related amounts, provided that
1300 Special Facilities Bonds shall be payable solely from payments by lessees under Special
1301 Facilities Leases or other security not provided by the City. In no event shall Gross
1302 Revenues or any other amounts held in any other fund or account maintained by the City
1303 as security for the Revenue Bonds or for the construction, operation, maintenance, or repair
1304 of the Airport System be pledged to the payment of Special Facilities Bonds. Unless
1305 expressly provided to the contrary in this Ordinance, no default with respect to a Special
1306 Facilities Bond shall constitute a default under this Ordinance.

1307 Section 6.05 **CREDIT AGREEMENTS.** To the fullest extent permitted by
1308 applicable law, the City expressly reserves the right to enter into Credit Agreements in
1309 connection with any series of Revenue Bonds and to pledge to and secure the payment of
1310 related Credit Agreement Obligations from Net Revenues and the various funds and
1311 accounts established or referred to in this Ordinance to the extent permitted by this
1312 Ordinance, and any of the City’s other ordinances authorizing the issuance of Additional
1313 Revenue Bonds and to enter into credit agreements in connection with any series of
1314 Subordinate Obligations.

1315 *ARTICLE SEVEN*

1316 *COVENANTS AND PROVISIONS RELATING TO ALL REVENUE BONDS*

1317
1318 Section 7.01 **PUNCTUAL PAYMENT OF BONDS.** The City covenants that it
1319 will punctually pay, or cause to be paid, the Debt Service on all Revenue Bonds and Credit
1320 Agreement Obligations, according to their terms, and to pay all Administrative Expenses
1321 to the Persons entitled to payment when due, and will faithfully do and perform, and at all
1322 times fully observe, any and all covenants, undertakings, stipulations and provisions
1323 contained in this Ordinance and in any other ordinance authorizing the issuance of Revenue
1324 Bonds.

1325 Section 7.02 **MAINTENANCE OF AIRPORT SYSTEM.** Except as provided in
1326 Section 7.04, the City covenants that it will at all times maintain and operate the Airport
1327 System, or within the limits of its authority cause the Airport System to be maintained and
1328 operated, in good and serviceable condition.

1329 Section 7.03 **LIMITATION ON CITY CHARGES FOR OPERATION AND**
1330 **MAINTENANCE EXPENSES.** The City covenants that it will not charge the Airport
1331 System any amounts for overhead expenses relating to the administration, operation, and
1332 maintenance of the Airport System except to the extent that the amounts charged are
1333 reasonably allocable to the Airport System based upon a stated policy of allocation,
1334 reasonably applied to the Airport System. All charges imposed by the City upon the Airport
1335 System shall be consistent with all applicable federal laws, regulations, and other
1336 requirements applicable to the Airport System or imposed upon the Airport System in
1337 connection with the acceptance by the Airport System of any federal grants or aid.

1338 Section 7.04 **SALE OR ENCUMBRANCE OF AIRPORT SYSTEM.** Except
1339 for the use of the Airport System or services pertaining to the Airport System in the normal
1340 course of business, the City covenants that neither all nor a substantial part of the Airport
1341 System will be sold, leased, mortgaged, pledged, encumbered, alienated, or otherwise
1342 disposed of until all Revenue Bonds, Credit Agreement Obligations and Administrative
1343 Expenses have been paid in full, or unless provision for payment has been made, and the
1344 City shall not dispose of its title to the Airport System or to any useful part of the Airport
1345 System, including, without limitation, any property necessary to the operation and use of
1346 the Airport System, except for the execution of leases, licenses, easements, or other
1347 agreements in connection with the operation of the Airport System by the City, or in
1348 connection with any Special Facilities, except for any pledges of and liens on revenues
1349 derived from the operation and use of all or any part of the Airport System, or any Special
1350 Facilities, for the payment of Revenue Bonds, Credit Agreement Obligations,
1351 Administrative Expenses, Special Facilities Bonds, and any other obligations pertaining to
1352 the Airport System, and except as otherwise provided in the next two paragraphs.

1353 The City may sell, exchange, lease, or otherwise dispose of, or exclude from the
1354 Airport System, any property constituting a part of the Airport System which the Aviation
1355 Director certifies: (i) to be no longer useful in the construction or operation of the Airport
1356 System; (ii) to be no longer necessary for the efficient operation of the Airport System; or
1357 (iii) to have been replaced by other property of at least equal value. The net proceeds of the
1358 sale or disposition of any Airport System property (or the fair market value of any property
1359 so excluded) pursuant to this paragraph shall be used for the purpose of replacing properties
1360 at the Airport System, shall be paid into the Capital Fund - Capital Improvement Account
1361 or shall be applied to retire or pay principal of or interest on Revenue Bonds.

1362 Nothing in this Ordinance prevents any transfer of all or a substantial part of the
1363 Airport System to another body corporate and politic (including, but not necessarily limited
1364 to, a joint action agency or an airport authority) which assumes the City's obligations under
1365 this Ordinance and in any ordinance authorizing the issuance of Revenue Bonds, in whole
1366 or in part, if: (i) in the written opinion of the Airport Consultant, the ability to meet the rate
1367 covenant and other covenants under this Ordinance and in any ordinance authorizing the
1368 issuance of Revenue Bonds, are not materially and adversely affected; and (ii) in the written

1369 opinion of nationally recognized bond counsel, the transfer and assumption will not cause
1370 the interest on any Revenue Bonds that were issued as “tax-exempt bonds” within the
1371 meaning of the regulations promulgated under the Code to be includable in gross income
1372 of the Owners of the Revenue Bonds for federal income tax purposes. Following the
1373 transfer and assumption, all references to the City, City officials, City ordinances, City
1374 budgetary procedures and any other officials, actions, powers or characteristics of the City
1375 will be references to the transferee entity and comparable officials, actions, powers or
1376 characteristics of the entity. In the event of any transfer and assumption, nothing in this
1377 Ordinance shall prevent the retention by the City of any facility of the Airport System if,
1378 in the written opinion of the Airport Consultant, the retention will not materially and
1379 adversely affect nor unreasonably restrict the transferee entity’s ability to comply with the
1380 requirements of the rate covenant and the other covenants of this Ordinance and any other
1381 Revenue Bond Ordinance.

1382 Section 7.05 **INSURANCE.** The City covenants and agrees that it will keep the
1383 Airport System insured with insurers of good standing against risks, accidents or casualties
1384 against which and to the extent customarily insured against by political subdivisions of the
1385 State of Texas operating similar properties, to the extent that the insurance is available;
1386 provided, however, that if any insurance is not commercially available or not available on
1387 more favorable economic terms, the City may elect to be self-insured in whole or in part
1388 against the risk or loss that would otherwise be covered by insurance, in which case the
1389 City will establish reserves for the risk or loss in amounts the City determines to be
1390 appropriate. All net proceeds of property or casualty insurance shall be applied to repair or
1391 replace the insured property that is damaged or destroyed or to make other capital
1392 improvements to the Airport System or to redeem Revenue Bonds. Proceeds of business
1393 interruption insurance may be credited to the Revenue Fund.

1394 Section 7.06 **ACCOUNTS, RECORDS, AND AUDITS.** The City covenants and
1395 agrees that it will maintain a proper and complete system of records and accounts
1396 pertaining to the Gross Revenues and the operation of the Airport System in which full,
1397 true and proper entries will be made of all dealings, transactions, business and affairs which
1398 in any way affect or pertain to the Gross Revenues and the Airport System. After the close
1399 of each Fiscal Year, the City shall cause an audit report of the records and accounts
1400 described in the preceding sentence to be prepared by an independent certified public
1401 accountant or independent firm of certified public accountants, which may be part of an
1402 overall audit report of the City and/or other of its enterprise funds. All expenses of
1403 obtaining these reports shall constitute Operation and Maintenance Expenses of the Airport
1404 System.

1405 Section 7.07 **PLEDGE AND ENCUMBRANCE OF REVENUES.** The City
1406 covenants and represents that it has the lawful power to create a lien on and to pledge the
1407 Net Revenues to secure the payment of the Revenue Bonds, the Credit Agreement
1408 Obligations and Administrative Expenses, and has lawfully exercised this power under the

1409 Constitution and laws of the State of Texas, including specifically the Act. The City further
1410 covenants and represents that, other than to the payment of Operation and Maintenance
1411 Expenses, the Revenue Bonds, the Credit Agreement Obligations and Administrative
1412 Expenses, the Gross Revenues are not and will not be made subject to any other lien, pledge
1413 or encumbrance to secure the payment of any debt or obligation of the City, unless the lien,
1414 pledge or encumbrance is junior and subordinate to the lien and pledge securing payment
1415 of the Revenue Bonds, the Credit Agreement Obligations and Administrative Expenses.

1416 Section 7.08 **BONDHOLDERS REMEDIES.** This Ordinance is a contract
1417 between the City and the Owners of the Revenue Bonds and the holders of related Credit
1418 Agreement Obligations from time to time outstanding and this Ordinance shall be and
1419 remain irrevocable until the Revenue Bonds, the related Credit Agreement Obligations and
1420 Administrative Expenses shall be fully paid or discharged or provision for their payment
1421 shall have been made as provided in this Ordinance. In the event of a default in the payment
1422 of the Debt Service on any of the Revenue Bonds or Credit Agreement Obligations or a
1423 default in the performance of any duty or covenant provided by law or in this Ordinance,
1424 the Owner or Owners of any of the Revenue Bonds, and the holders of any Credit
1425 Agreement Obligations and the Persons to whom Administrative Expenses are owed may
1426 pursue all legal remedies afforded by the Constitution and laws of the State of Texas to
1427 compel the City to remedy such default and to prevent further default or defaults. Without
1428 in any way limiting the generality of the foregoing, it is expressly provided that any Owner
1429 of any of the Revenue Bonds or holder of Credit Agreement Obligations or Person to whom
1430 Administrative Expenses are owed, may at law or in equity, by suit, action, mandamus, or
1431 other proceedings, enforce and compel performance of all duties required to be performed
1432 by the City under this Ordinance, including the making of reasonably required rates and
1433 charges for the use and services of the Airport System, the deposit of the Gross Revenues
1434 into the special funds provided in this Ordinance, and the application of such Gross
1435 Revenues in the manner required in this Ordinance.

1436 Notwithstanding the provisions of the foregoing paragraph: (i) acceleration as a
1437 remedy is expressly denied; (ii) no grace period for a default in the performance of any
1438 duty or covenant shall exceed 30 days, nor shall any grace period be extended for more
1439 than 60 days without the written consent of the Bond Insurer (to the extent consent is
1440 required); and (iii) no grace period is permitted with respect to a default in the payment of
1441 Debt Service or the payment of Administrative Expenses when due. For purposes of
1442 exercising the rights of Owners upon the occurrence of an event of default described in the
1443 immediately preceding paragraph, the Bond Insurer shall be deemed to be the sole holder
1444 of the Series 2005 Bonds for the purpose of exercising any voting right or privilege or
1445 giving any consent or direction or taking any other action that the Owners are entitled to
1446 take pursuant to this Ordinance.

1447 Section 7.09 **DISCHARGE BY DEPOSIT.** The City may discharge its obligation
1448 to the Owners of any or all of the Bonds to pay Debt Service, or any portion of the Debt

1449 Service, by depositing with the Paying Agent/Registrar cash in an amount equal to the Debt
1450 Service of the Bonds to the date of maturity or redemption, or any portion of the Bonds to
1451 be discharged, or by depositing either with the Paying Agent/Registrar or with any national
1452 banking association with capital and surplus in excess of \$100,000,000, pursuant to an
1453 escrow or trust agreement, cash and/or Defeasance Obligations in principal amounts and
1454 maturities and bearing interest at rates sufficient to provide for the timely payment of Debt
1455 Service on the Bonds to the date of maturity or redemption or any portion thereof to be
1456 discharged. Upon such deposit, the Bonds, or any portion thereof, shall no longer be
1457 regarded to be Outstanding or unpaid. In case any Bonds are to be redeemed on any date
1458 prior to their maturity, the City shall give to the Paying Agent/Registrar irrevocable
1459 instructions to give notice of redemption of Bonds to be so redeemed in the manner
1460 required in this Ordinance. Any determination not to redeem Bonds that is made in
1461 conjunction with the payment arrangements described above shall not be irrevocable,
1462 provided that: (1) in the proceedings providing for the payment arrangements, the City
1463 expressly reserves the right to call the Bonds for redemption; (2) the City gives notice of
1464 the reservation of that right to the owners of the Bonds immediately following the making
1465 of the payment arrangements; and (3) the City directs that notice of the reservation be
1466 included in any redemption notices that it authorizes.

1467 Section 7.10 **LEGAL HOLIDAYS.** If any date on which a payment of Debt
1468 Service is due is not a Business Day, then such payment need not be made on such date but
1469 may be made on the next succeeding Business Day with the same force and effect as if
1470 made on the date of scheduled payment of Debt Service.

1471 ***ARTICLE EIGHT***

1472 ***CONCERNING THE PAYING AGENT/REGISTRAR***

1474 Section 8.01 **APPOINTMENT OF INITIAL PAYING AGENT/REGISTRAR.**
1475 U.S. Bank National Association, is appointed to serve as the initial Paying Agent/Registrar
1476 for the Bonds.

1477 Section 8.02 **QUALIFICATIONS.** Each Paying Agent/Registrar shall be a
1478 commercial bank or a trust company organized under the laws of the State of Texas or the
1479 United States of America, or any other entity duly qualified and legally authorized to serve
1480 as and perform the duties and services of paying agent and registrar for the Bonds.

1481 Section 8.03 **MAINTAINING PAYING AGENT/REGISTRAR.** (a) At all
1482 times while any Bond is Outstanding, the City will maintain a Paying Agent/Registrar that
1483 is qualified under Section 8.02. An Authorized Officer is authorized and directed to
1484 execute an agreement with the Paying Agent/Registrar specifying the duties and
1485 responsibilities of the City and the Paying Agent/Registrar in substantially the form of
1486 paying agent agreements previously executed in connection with the issuance of public
1487 securities by the City.

1488 (b) If the Paying Agent/Registrar resigns or otherwise ceases to serve in this
1489 capacity, the City will promptly appoint a replacement.

1490 Section 8.04 **TERMINATION.** The City may terminate the appointment of any
1491 Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated
1492 written notice, at least 15 days before termination, of such termination.

1493 Section 8.05 **NOTICE OF CHANGE TO OWNERS.** Promptly upon each
1494 change in the entity serving as Paying Agent/Registrar, the City will cause notice of the
1495 change to be sent to each Owner by first class United States mail, postage prepaid, at the
1496 address in the Register, stating the effective date of the change and the name and mailing
1497 address of the replacement Paying Agent/Registrar.

1498 Section 8.06 **AGREEMENT TO PERFORM DUTIES AND FUNCTIONS.** By
1499 accepting the appointment as Paying Agent/Registrar and executing the Paying
1500 Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the
1501 provisions of this Ordinance and that it will perform the prescribed duties and functions of
1502 Paying Agent/Registrar. The Paying Agent/Registrar Agreement presented with this
1503 Ordinance is approved and the Authorized Officers are directed to execute and deliver the
1504 Paying Agent/Registrar Agreement with any changes as may be approved by the
1505 Authorized Officer.

1506 Section 8.07 **DELIVERY OF RECORDS TO SUCCESSOR.** If a Paying
1507 Agent/Registrar is replaced, the Paying Agent/Registrar, promptly upon the appointment
1508 of the successor, will deliver the Register (or a copy) and all other pertinent books and
1509 records relating to the Bonds to the successor Paying Agent/Registrar.

1510 Section 8.08 **TRUST FUNDS.** All money transferred to the Paying
1511 Agent/Registrar under this Ordinance (except sums representing Paying Agent/Registrar's
1512 fees) shall be held in trust for the benefit of the City, shall be the property of the City, and
1513 shall be disbursed in accordance with this Ordinance.

1514 Section 8.09 **BONDS PRESENTED.** Subject to the provisions of Section 8.10,
1515 all matured Bonds presented to the Paying Agent/Registrar for payment shall be paid
1516 without the necessity of further instructions from the City. The Bonds shall be cancelled
1517 as provided in this Ordinance.

1518 Section 8.10 **UNCLAIMED FUNDS HELD BY THE PAYING**
1519 **AGENT/REGISTRAR.** Funds held by the Paying Agent/Registrar which represent
1520 principal of and interest on the Bonds remaining unclaimed by the Owner after the
1521 expiration of three years from the date the funds have become due and payable shall be
1522 reported and disposed of by the Paying Agent/Registrar in accordance with the provisions
1523 of Texas law including, to the extent applicable, Title 6 of the Texas Property Code.

1524 The Paying Agent/Registrar shall have no liability to the Owners of the Bonds by
1525 virtue of actions taken in compliance with this Section.

1526 ***ARTICLE NINE***

1527
1528 ***ALTERATION OF RIGHTS AND AMENDMENT OF ORDINANCE***

1529 Section 9.01 **ALTERATION OF RIGHTS AND DUTIES.** The rights, duties,
1530 and obligations of the City and the Owners of the Bonds and the holders of Credit
1531 Agreement Obligations related to the Bonds, and Persons to whom Administrative
1532 Expenses are owed, are subject in all respects to all applicable federal and state laws
1533 including, without limitation, the provisions of federal law regarding the composition of
1534 indebtedness of political subdivisions, as the same now exist or as may be amended in the
1535 future.

1536 Section 9.02 **AMENDMENT OF ORDINANCE WITHOUT CONSENT.** The
1537 City may, without the consent of or notice to any of the Owners of the Bonds, amend this
1538 Ordinance for any one or more of the following purposes:

1539 (a) to cure any ambiguity, defect, omission or inconsistent provision in the
1540 Revenue Bond Ordinances or in the Revenue Bonds; or to comply with any applicable
1541 provision of law or regulation of Federal agencies; to obtain a rating on the Revenue Bonds
1542 from any Rating Agency; or to obtain the approving opinion of the Attorney General of
1543 Texas as required by law; provided, however, that such action shall not adversely affect
1544 the interests of the Owners of the Revenue Bonds;

1545 (b) to change the terms or provisions of this Ordinance to the extent necessary to
1546 prevent the interest on the Revenue Bonds from being includable within the gross income
1547 of the Owners for federal income tax purposes;

1548 (c) to grant to or confer upon the Owners of the Revenue Bonds any additional
1549 rights, remedies, powers or authority that may lawfully be granted to or conferred upon the
1550 Owners of the Revenue Bonds;

1551 (d) to add to the covenants and agreements of the City contained in the Revenue
1552 Bond Ordinances other covenants and agreements of, or conditions or restrictions upon,
1553 the City or to surrender or eliminate any right or power reserved to or conferred upon the
1554 City in this Ordinance;

1555 (e) to amend any provisions of this Ordinance relating to the issuance of Revenue
1556 Bonds and Subordinate Obligations, or the incurrence of and security for reimbursement
1557 obligations in connection with the issuance of Revenue Bonds and Subordinate
1558 Obligations, so long as to do so does not cause any reduction in any rating assigned to the
1559 Outstanding Revenue Bonds by any nationally recognized rating agency then rating any
1560 series of Revenue Bonds;

1561 (f) to subject to the lien and pledge of the Revenue Bond Ordinances additional
1562 Net Revenues which may include revenues, properties or other collateral; and

1563 (g) to amend the provisions of Article Twelve to the extent permitted in Article
1564 Twelve.

1565 Section 9.03 **AMENDMENTS OF ORDINANCE REQUIRING CONSENT.**
1566 The City may at any time adopt one or more ordinances amending, modifying, adding to
1567 or eliminating any of the provisions of this Ordinance but, if the amendment is not of the
1568 character described in Section 9.02, only with the consent given in accordance with Section
1569 9.04 of the Owner or Owners of not less than 66-2/3% of the aggregate unpaid principal
1570 amount of the Revenue Bonds then Outstanding and affected by the amendment,
1571 modification, addition, or elimination and with the consent of the Bond Insurer (to the
1572 extent the consent is required); provided, however, that nothing in this Section shall permit
1573 (a) an extension of the maturity of the principal of or interest on any Revenue Bond issued
1574 under this Ordinance, or (b) a reduction in the principal amount of any Revenue Bond or
1575 the rate of interest on any Revenue Bond, or (c) a privilege or priority of any Revenue Bond
1576 or Revenue Bonds over any other Revenue Bond or Revenue Bonds, or (d) a reduction in
1577 the percentage of aggregate principal amount of the Revenue Bonds required for consent
1578 to the amendment.

1579 Section 9.04 **CONSENT OF OWNERS.** Any consent required by Section 9.03
1580 by any Owner must be in writing, may be in any number of concurrent writings of similar
1581 tenor, and may be signed by the Owner or its duly authorized attorney. Proof of the
1582 execution of any consent or of the writing appointing any attorney and of the ownership of
1583 Revenue Bonds, if made in the following manner, shall be sufficient for any of the purposes
1584 of the Revenue Bond Ordinances, and shall be conclusive in favor of the City with regard
1585 to any action taken, suffered or omitted to be taken by the City under the instrument,
1586 namely:

1587 (a) The fact and date of the execution by any person of any writing may be proved
1588 by the certificate of any officer in any jurisdiction who by law has power to take
1589 acknowledgments within that jurisdiction that the person signing the writing acknowledged
1590 its execution before him or her, or by affidavit of any witness to the execution;

1591 (b) The fact of the ownership by any person of any Revenue Bond and the date
1592 of the ownership may be proved by a certificate executed by an appropriate officer of the
1593 Paying Agent/Registrar, stating that on that date the Revenue Bond was registered in the
1594 name of that party in the Register.

1595 In lieu of the foregoing the City may accept any other proof as it finds appropriate.

1596 Consents required pursuant to Section 9.03 shall be valid only if given following the
1597 giving of notice by or on behalf of the City requesting the consent and setting forth the

1598 substance of the amendment of this Ordinance in respect of which such consent is sought
1599 and stating that copies thereof are available at the office of the City Clerk for inspection.
1600 Such notice shall be given by certified mail to each Registered Owner of the Revenue
1601 Bonds affected at the address shown on the Register.

1602 Copies of all amendments and supplements to this Ordinance or to any Related
1603 Document shall be sent to Standard & Poor's and Moody's at least 10 days before its
1604 effective date.

1605 Section 9.05 **REVOCATION OF CONSENT.** Any consent by any Owner of a
1606 Revenue Bond pursuant to the provisions of this Article shall be irrevocable for a period
1607 of 18 months from the date of mailing of the notice provided for in this Article, and shall
1608 be conclusive and binding upon all future Owners of the same Revenue Bond and any
1609 Revenue Bond delivered on transfer thereof or in exchange for or replacement of the
1610 Revenue Bond during this period. The consent may be revoked at any time after 18 months
1611 from the date of the first mailing of the notice by the Owner who gave the consent or by a
1612 successor in title, by filing notice with the Paying Agent/Registrar, but the revocation shall
1613 not be effective if the Owners of a majority in aggregate principal amount of the Revenue
1614 Bonds Outstanding as in this Ordinance defined have, prior to the attempted revocation,
1615 consented to and approved the amendment.

1616 Section 9.06 **CONSENT TO CERTAIN AMENDMENTS GIVEN**
1617 **THROUGH OWNERSHIP OF BONDS.** By acceptance of the Bonds, each Owner of a
1618 Bond: (i) irrevocably and specifically consents to and approves the amendments described
1619 in (1) and (2) below; (ii) irrevocably appoints the Aviation Director as its true and lawful
1620 attorney-in-fact for the limited purpose of executing the written instrument required by
1621 Section 9.04 of this Ordinance to evidence the Owner's specific consent to and approval
1622 of the amendments described in (1) and (2) below; and (iii) confirms all actions taken by
1623 the Aviation Director as attorney-in-fact for the Owner, it being specifically provided that
1624 the Aviation Director need not consult with, or provide notice to, an Owner in connection
1625 with the actions taken by the Aviation Director under this Section. The power of attorney
1626 granted to the Aviation Director shall be limited to effecting the below amendments and is
1627 irrevocable for so long as any Bond remains Outstanding.

1628 The amendments are:

1629 (1) Amend Section 6.01(e) of this Ordinance and the Revenue Bond Ordinances
1630 to read:

1631 "Refunding Bonds. If Additional Revenue Bonds are being issued for the purpose
1632 of refunding less than all previously issued Prior Lien Bonds or Revenue Bonds which are
1633 then Outstanding, neither of the certifications described in (c) or (d) above are required so
1634 long as the aggregate Debt Service Requirements after the issuance of the Additional
1635 Revenue Bonds do not exceed the aggregate Debt Service Requirements prior to the

1636 issuance of the Additional Revenue Bonds; provided, that the annual debt service on the
1637 refunding bonds in any Fiscal Year will not be more than 10% higher than it is in any other
1638 Fiscal Year.”

1639 (2) Amend Section 9.03 of this Ordinance and the Revenue Bond Ordinances by
1640 changing the phrase “66-2/3% of the aggregate unpaid principal amount of the Revenue
1641 Bonds then Outstanding” to “a majority of the aggregate unpaid principal amount of the
1642 Revenue Bonds then Outstanding”.

1643 The amendment described in clause (1) will become effective once the City
1644 determines that the consent of 66-2/3% of the aggregate unpaid principal amount of the
1645 Revenue Bonds then Outstanding is received, and the amendment described in clause (2)
1646 will become effective once the City determines that the consent of 100% of the aggregate
1647 unpaid principal amount of the Revenue Bonds then Outstanding is received. Since there
1648 are no Prior Lien Bonds (as defined in the Series 2005 Bond Ordinance) now Outstanding,
1649 the reference to Prior Lien Bonds in clause (1) above is of no force and effect.

1650 **ARTICLE TEN**

1651 ***SALE OF THE BONDS; APPROVAL OF BOND PURCHASE AGREEMENT;***
1652 ***APPLICATION OF PROCEEDS OF THE BONDS; REFUNDING OF THE***
1653 ***REFUNDED BONDS***
1654

1655 Section 10.01 **SALE OF THE BONDS; BOND PURCHASE AGREEMENT.**
1656 As authorized by Chapter 1207 and Chapter 1371, the Authorized Officer is authorized to
1657 act on behalf of the City upon determining that the conditions set forth below can be
1658 satisfied, in selling and delivering the Bonds and carrying out the other procedures
1659 specified in this Ordinance, including determining the price at which each of the Bonds
1660 will be sold, the form and designation of the Bonds, the aggregate principal amount of the
1661 Bonds, the years in which the Bonds will mature, the principal amount of the Bonds to
1662 mature in each year, the Refunded Bonds to be refunded, the dates, prices, interest rates,
1663 interest payment dates, principal payment dates and redemption features of the Bonds, the
1664 designation of a paying agent/registrar, if different from the Paying Agent/Registrar, the
1665 designation of an escrow agent, if different from the Escrow Agent, the selection of a
1666 provider of a Debt Service Reserve Fund Surety Bond, if any, with respect to the Debt
1667 Service Reserve Fund or the amount to be deposited to fund the Debt Service Reserve Fund
1668 Requirement for the Bonds, and all other matters relating to the issuance, sale and delivery
1669 of the Bonds, including, without limitation, the refunding of the Refunded Bonds, the
1670 termination of the Series 2005 Swap Agreement, the Series 2005 Letter of Credit and the
1671 Series 2005 Insurance Policy, and the amount of the Termination Payment to be paid
1672 relating to the Series 2005 Swap Agreement, all of which shall be specified in the Bond
1673 Purchase Agreement, the Pricing Certificate or a combination of the Bond Purchase
1674 Agreement and the Pricing Certificate. A finding or determination made by the Authorized
1675 Officer acting under the authority of this Ordinance with respect to all matters relating to

1676 the issuance and sale of the Bonds, the refunding of the Refunded Bonds and the
1677 termination of the Series 2005 Swap Agreement and other Credit Agreements authorized
1678 by this Ordinance shall have the same force and effect as a finding or determination made
1679 by council.

1680 The Bonds shall be sold to the Underwriters in accordance with the terms of this
1681 Ordinance and the Bond Purchase Agreement. In the Bond Purchase Agreement, there shall
1682 be a finding made that the sale of the Bonds to the Underwriters is on terms that are most
1683 advantageous to the City reasonably obtained and, upon the advice of the City's financial
1684 advisor, is in the best interests of the City.

1685 Each Authorized Officer is authorized to come to an agreement with the
1686 Underwriters on the following, among other matters:

- 1687 (1) The details of the purchase and sale of the Bonds, including series designation;
- 1688 (2) The details of the public offering of the Bonds by the Underwriters;
- 1689 (3) The details of an Official Statement (and, if appropriate, any Preliminary
1690 Official Statement) relating to the Bonds and the City's compliance with the Rule;
- 1691 (4) A security deposit for the Bonds;
- 1692 (5) The representations and warranties of the City to the Underwriters;
- 1693 (6) The details of the delivery of, and payment for, the Bonds;
- 1694 (7) The Underwriters' obligations under the Bond Purchase Agreement;
- 1695 (8) The conditions to the obligations of the City and the Underwriters under the
1696 Bond Purchase Agreement;
- 1697 (9) Termination of the Bond Purchase Agreement;
- 1698 (10) Particular covenants of the City;
- 1699 (11) The survival of representations made in the Bond Purchase Agreement;
- 1700 (12) The payment of any expenses relating to the Bond Purchase Agreement;
- 1701 (13) Notices; and
- 1702 (14) Any and all such other details that are found by the Authorized Officer to be
1703 necessary and advisable for the purchase and sale of the Bonds and the refunding of the
1704 Refunded Bonds.

1705 The Authorized Officer and other appropriate officers, employees, and agents of the
1706 City shall carry out and comply with the terms and provisions of the Bond Purchase
1707 Agreement. Bonds sold under the Bond Purchase Agreement may not be sold: (1) in an
1708 aggregate principal amount in excess of \$185,000,000; (2) bearing interest in any maturity
1709 in excess of 5.00% per annum; (3) having a final maturity after November 15, 2025; and
1710 (4) unless the Bonds have a credit rating that would cause the Bonds to be “obligations”,
1711 as defined in Chapter 1371. The authority of an Authorized Officer to execute a Bond
1712 Purchase Agreement expires at 5:00 p.m., Friday, December 20, 2019.

1713 The Mayor and City Clerk of the City may manually or electronically execute and
1714 deliver for and on behalf of the City copies of a Preliminary Official Statement and a final
1715 Official Statement, prepared in connection with the offering of the Bonds by the
1716 Underwriters, in the form and content as approved by an Authorized Officer. The
1717 Preliminary Official Statement and final Official Statement approved by an Authorized
1718 Officer or as manually or electronically executed by the City officials shall be deemed to
1719 be approved by council and constitute the Preliminary Official Statement and final Official
1720 Statement authorized for distribution and use by the Underwriters.

1721 Notwithstanding any other provision of this Ordinance to the contrary, an
1722 Authorized Officer may execute and deliver a Pricing Certificate containing any of the
1723 findings, determinations, terms and provisions that are required by this Ordinance to be set
1724 forth in the Bond Purchase Agreement, including but not limited to, any insertions,
1725 omissions, substitutions and other variations to the form of Bond set forth in Exhibit A to
1726 this Ordinance as are permitted or required by this Ordinance. In the event an Authorized
1727 Officer executes a Pricing Certificate as authorized by this Section 10.01, all references in
1728 this Ordinance to the Bond Purchase Agreement shall include the Pricing Certificate, as
1729 appropriate. All terms and provisions of the Bonds set forth in the Bond Purchase
1730 Agreement and the Pricing Certificate shall be deemed to be a part of this Ordinance.

1731 Section 10.02 **APPROVAL, REGISTRATION, AND INITIAL DELIVERY.**
1732 The Authorized Officer shall have control and custody of the Bonds and all necessary
1733 records and proceedings pertaining to the Bonds pending their delivery, and the Authorized
1734 Officer and other officers and employees of the City are instructed to make certifications
1735 and to execute instruments as may be necessary to accomplish the initial delivery of the
1736 Initial Bonds and to assure the investigation, examination, and approval of the Bonds by
1737 the Attorney General of the State of Texas and their registration by the Comptroller of
1738 Public Accounts of the State of Texas. Upon registration of the Bonds, the Comptroller of
1739 Public Accounts of the State of Texas (or a deputy designated in writing to act for him)
1740 shall be requested to sign manually the Comptroller’s Registration Certificate set forth in
1741 the FORM OF BONDS and the seal of the Comptroller of Public Accounts of the State of
1742 Texas shall be impressed or printed or lithographed on the Initial Bonds. The Bonds will
1743 be delivered to the Underwriters in accordance with the terms of the Bond Purchase
1744 Agreement.

1745 Section 10.03 **APPLICATION OF PROCEEDS OF THE BONDS.** On the
1746 closing date for the Bonds, proceeds from the sale of the Bonds shall be applied as set forth
1747 in the letter of instructions executed by the City, as follows:

1748 (a) A portion of the proceeds from the sale of the Bonds, together with other
1749 lawfully available funds of the City, if any, shall be deposited to the Escrow Fund (as
1750 defined in the Escrow Agreement) in an amount sufficient to provide for the refunding of
1751 the Refunded Bonds; and

1752 (b) A portion of the proceeds from the sale of the Bonds, together with other
1753 lawfully available funds of the City, if any, shall be used to pay any Termination Payment
1754 due and payable by the City in connection with the termination of the Series 2005 Swap
1755 Agreement; and

1756 (c) A portion of the proceeds from the sale of the Bonds either shall be
1757 (i) deposited to the credit of the Debt Service Reserve Fund in an amount determined in
1758 accordance with Section 3.10 of this Ordinance, or (ii) used to purchase a Debt Service
1759 Reserve Fund Surety Bond to fund the Debt Service Reserve Fund Requirement; and

1760 (d) The balance of the proceeds of the Bonds shall be applied to pay all costs of
1761 issuance of the Bonds, including the payments of all amounts due and payable by the City
1762 in connection with the refunding of the Refunded Bonds (other than the amount referred to
1763 in subsection (b) above) and the termination of the Series 2005 Insurance Policy, the Series
1764 2005 Letter of Credit and the Series 2005 Swap Agreement (other than the Termination
1765 Payment referred to in subsection (c) above), and, to the extent not so used, shall be
1766 deposited into the Debt Service Fund.

1767 Section 10.04 **USE OF PASSENGER FACILITY CHARGES.** Consistent with
1768 the definitions of Debt Service Requirements and Gross Revenues, the City acknowledges
1769 and agrees that debt service with respect to the Revenue Bonds paid from passenger facility
1770 charges is not included in the calculation of Debt Service Requirements. The City
1771 covenants and agrees, for the benefit of the Owners of the Revenue Bonds, that during each
1772 Fiscal Year the City will set aside from any passenger facility charges imposed by the City
1773 on enplaned passengers the lesser of (i) such passenger facility charges imposed and
1774 collected by the City or (ii) \$4.50 derived from each passenger facility charge so imposed
1775 and collected by the City for the payment of debt service on the Revenue Bonds in the
1776 following Fiscal Year, unless the City receives a report from an Airport Consultant
1777 showing that an alternative use of all or a portion of the passenger facility charges will not
1778 reduce the forecast coverage of Debt Service Requirements with respect to the Revenue
1779 Bonds by forecast Net Revenues during the following Fiscal Year (or such longer forecast
1780 period as may be covered in the Airport Consultant's Report) to less than 125%.

1781 Section 10.05 **DISPOSITION OF CERTAIN FUNDS MAINTAINED FOR**
1782 **REFUNDED BONDS.** Amounts in funds and accounts established for the Bonds shall be

1783 applied as required by this Ordinance and, if not herein otherwise provided, as set forth in
1784 the report of the Verification Agent, referred to in Section 10.06 below.

1785 Section 10.06 **REFUNDING OF REFUNDED BONDS; ESCROW**
1786 **AGREEMENT.** The discharge and defeasance of the Refunded Bonds designated in the
1787 Bond Purchase Agreement or the Pricing Certificate shall be effectuated pursuant to the
1788 terms and provisions of the Escrow Agreement in substantially the form of escrow
1789 agreements previously executed in connection with the issuance of public securities by the
1790 City, the terms and provisions of which are approved, subject to the insertions, additions
1791 and modifications as shall be necessary (a) to carry out the purposes of this Ordinance and
1792 to provide for the establishment of an escrow fund in an amount which, together with any
1793 earnings thereon, will be sufficient to effect the defeasance of and provide for the payment
1794 when due of the Refunded Bonds, the sufficiency of which shall be certified as to
1795 mathematical accuracy by the Verification Agent, (b) to minimize the City's cost of
1796 refunding the Refunded Bonds, (c) to comply with all applicable laws and regulations
1797 relating to the refunding of the Refunded Bonds, (d) to carry out the other intents and
1798 purposes of this Ordinance, and (e) to comply with the terms set forth in the Bond Purchase
1799 Agreement. Each Authorized Officer is authorized to execute and deliver the Escrow
1800 Agreement on behalf of the City. Council authorizes and directs that the callable Refunded
1801 Bonds shall be called for redemption prior to maturity in their entirety, on the date or dates
1802 and at the prices set forth in the Bond Purchase Agreement. Each Authorized Officer, all
1803 other appropriate officers of the City and the paying agent/registrars for the Refunded Bonds
1804 are authorized and directed to take all necessary and appropriate action to give or cause to
1805 be given notice of redemption to the registered holders of the Refunded Bonds in any
1806 manner required in the Refunded Bonds, the Series 2005 Bond Ordinance and the other
1807 documents and instruments authorizing the Refunded Bonds.

1808 Section 10.07 **PURCHASE OF ESCROWED SECURITIES.** Each Authorized
1809 Officer is authorized to agree to purchase, and to purchase, Escrowed Securities referred
1810 to in the Escrow Agreement, in the amounts and maturities and bearing interest at the rates
1811 as may be provided for in the Escrow Agreement, and to execute any and all purchase
1812 agreements, commitments, letters of authorization and other documents necessary to
1813 effectuate the foregoing, and any actions taken before the approval of this Ordinance for
1814 those purposes are ratified and approved. Each Authorized Officer is further authorized to
1815 carry out any transaction in which Escrowed Securities are substituted, exchanged,
1816 reinvested or acquired on a forward purchase basis so long as it is consistent with the
1817 provisions of the Escrow Agreement upon the terms as are determined by an Authorized
1818 Officer to be in the best interests of the City.

1819 Section 10.08 **TERMINATION OF SERIES 2005 SWAP AGREEMENT AND**
1820 **OTHER CREDIT AGREEMENTS.** In connection with the refunding of the Refunded
1821 Bonds, the City has determined that the Series 2005 Swap Agreement should be terminated,
1822 and the Series 2005 Insurance Policy and the Series 2005 Letter of Credit will terminate in

1823 accordance with their respective terms. Each Authorized Officer, the Aviation Director,
1824 and other appropriate officials of the City are authorized and directed to take all actions
1825 necessary to terminate the Series 2005 Swap Agreement, the Series 2005 Insurance Policy
1826 and the Series 2005 Letter of Credit in connection with the refunding and defeasance of
1827 the Refunded Bonds and to determine the amount of the Termination Payment owed by the
1828 City in connection with the termination of the Series 2005 Swap Agreement. In the event
1829 the Bonds are not issued on or before the date the Termination Payment is due in connection
1830 with the termination of the Series 2005 Swap Agreement, each Authorized Officer, the
1831 Aviation Director, and other appropriate officials of the City are authorized to reinstate the
1832 Series 2005 Swap Agreement and adjust the fixed rate payable by the City under the terms
1833 of the Series 2005 Swap Agreement at a rate sufficient to reinstate the Series 2005 Swap
1834 Agreement; provided that the fixed rate does not exceed the maximum rate permitted by
1835 applicable law.

1836 ***ARTICLE ELEVEN***

1837
1838 ***FEDERAL INCOME TAX COVENANTS***

1839 Section 11.01 **GENERAL TAX COVENANTS.** The City intends that the interest
1840 on the Bonds be excludable from gross income for purposes of federal income taxation
1841 pursuant to sections 103, 142 and 147 through 150 of the Code, inclusive. The City
1842 covenants and agrees not to take any action, or knowingly omit to take any action within
1843 its control, that if taken or omitted, respectively, would (i) cause the interest on the Bonds
1844 to be includable in gross income, as defined in section 61 of the Code, for federal income
1845 tax purposes, or (ii) result in the violation of or failure to satisfy any provision of sections
1846 103, 142 and 147 through 150 of the Code, inclusive. In particular, the City covenants and
1847 agrees to comply with each requirement of this Article XI; provided, however, that the City
1848 will not be required to comply with any particular requirement of this Article XI if the City
1849 has received a Favorable Opinion of Bond Counsel.

1850 Section 11.02 **USE OF PROCEEDS.** The City represents, covenants and agrees
1851 that its use of the Net Proceeds of the Bonds and the Refunded Bonds at all times has
1852 satisfied and will satisfy the following requirements:

1853 (i) At least 95 percent of the Net Proceeds of the Refunded Bonds
1854 actually expended has been expended for Qualified Project Costs.

1855 (ii) The AMT Projects have been and will be owned for all federal
1856 income tax purposes by the City. Any leases, management contracts or similar
1857 operating or use agreements entered into with any person with respect to all
1858 or any portion of the AMT Projects comply or, in the case of future
1859 agreements, will comply with the requirements of section 142(b)(1)(B)(i)-(iii)
1860 of the Code.

1861 (iii) The AMT Projects do not and will not include (i) any lodging
1862 facilities, (ii) any retail facilities (including food and beverage facilities) in
1863 excess of the size necessary to serve passengers and employees at the airport,
1864 (iii) any retail facility (other than parking) for passengers or the general public
1865 located outside of an airport terminal, (iv) any office building for individuals
1866 who are not employees of the City, or (v) any industrial park or manufacturing
1867 facility.

1868 (iv) The AMT Projects do not and will not include any airplane,
1869 skybox or other private luxury box, health club facility, facility primarily used
1870 for gambling, or store the principal business of which is the sale of alcoholic
1871 beverages for consumption off premises.

1872 (v) Less than 25 percent of the Net Proceeds of the Refunded Bonds
1873 has been used, directly or indirectly, for the acquisition of land or an interest
1874 therein; provided that land acquired for noise abatement purposes or for future
1875 use as an airport is not taken into account, if there is no significant other use
1876 of such land. Notwithstanding the immediately preceding sentence, no
1877 portion of the Net Proceeds of the Refunded Bonds has been used, directly or
1878 indirectly, for the acquisition of land or an interest therein to be used for
1879 farming purposes.

1880 (vi) No portion of the Net Proceeds of the Refunded Bonds has been
1881 used for the acquisition of any existing property or an interest therein unless
1882 (i) the first use of such property was pursuant to such acquisition or (ii) the
1883 rehabilitation expenditures with respect to any building and the equipment
1884 therefor equal or exceed 15 percent of the cost of acquiring such building
1885 financed with the Net Proceeds of the Bonds (with respect to structures other
1886 than buildings, this clause shall be applied by substituting 100 percent for 15
1887 percent). For purposes of the preceding sentence, the term "rehabilitation
1888 expenditures" has the meaning set forth in section 147(d)(3) of the Code.

1889 (vii) The costs of issuance (within the meaning of section 147(g) of
1890 the Code) financed (a) with the Proceeds of the Refunded Bonds did not
1891 exceed two percent of the Proceeds of the Refunded Bonds, and (b) with the
1892 Proceeds of the Bonds will not exceed two percent of the Proceeds of the
1893 Bonds; provided that, for purposes of clause (b) hereof, costs of issuance of
1894 the Refunded Bonds that are refinanced with the proceeds of the Bonds are
1895 not taken into account.

1896 Section 11.03 **LIMITATION ON MATURITY.** The City covenants and agrees
1897 that the average maturity of the Bonds, taking into account the issue price of the various
1898 maturities of the Bonds, will not exceed 120 percent of the reasonably expected remaining
1899 economic life of the AMT Projects, taking into account the respective cost of each

1900 component of the AMT Projects. For purposes of the preceding sentence, the reasonably
1901 expected remaining economic life of each component of the AMT Projects is determined
1902 as of the date on which the Bonds are issued. In addition, land is not to be taken into account
1903 in determining the reasonably expected economic life of the AMT Projects. The City will
1904 not make any changes to the facilities that would, at the time made, decrease the average
1905 reasonably expected remaining economic life of the AMT Projects, unless the City receives
1906 a Favorable Opinion of Bond Counsel.

1907 Section 11.04 **LIMITATIONS ON INVESTMENT.** The cumulative, blended
1908 Yield on the investment of the Gross Proceeds of the Bonds will be restricted as required
1909 by section 148 of the Code.

1910 Section 11.05 **PUBLIC APPROVAL.** The City held a public hearing with respect
1911 to the Bonds, as required under section 147(f) of the Code. Notice of the applicable date,
1912 hour, place and subject of such public hearing was published no less than 7 days before the
1913 date such public hearing was held, in a newspaper of general circulation for the City. All
1914 actions taken by the City, its officers and its employees with respect to the publication of
1915 the notice or notices of such public hearings and the conducting of such public hearings
1916 are hereby ratified. The Mayor is authorized to execute a certificate with respect to each
1917 such hearing, as necessary, of the kind required by such section 147(f) of the Code with
1918 respect to the Bonds and the AMT Projects.

1919 Section 11.06 **NO FEDERAL GUARANTEE.** The City covenants and agrees that
1920 it has not and will not take any action, and has not knowingly omitted and will not
1921 knowingly omit to take any action within its control, that, if taken or omitted, respectively,
1922 would cause the Bonds to be “federally guaranteed” within the meaning of section 149(b)
1923 of the Code, except as permitted by section 149(b)(3) of the Code.

1924 Section 11.07 **NO HEDGE BONDS.** The City covenants and agrees that it has not
1925 and will not take any action, and has not knowingly omitted and will not knowingly omit
1926 to take any action within its control, that, if taken or omitted, respectively, would cause the
1927 Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code. Moreover,
1928 the City will certify, through an authorized officer, employee or agent, based upon all facts
1929 in existence on the date the Bonds are delivered, that the proceeds of the Refunded Bonds
1930 have not been used in a manner that would cause the Refunded Bonds or the Bonds to be
1931 “hedge bonds” within the meaning of section 149(g) of the Code.

1932 Section 11.08 **NO-ARBITRAGE.** The City will certify, through an authorized
1933 officer, employee or agent, that, based upon all facts and estimates known or reasonably
1934 expected to be in existence on the issue date of the Bonds, the Proceeds of the Bonds will
1935 not be used in a manner that would cause the Bonds to be “arbitrage bonds” within the
1936 meaning of section 148(a) of the Code. Moreover, the City covenants and agrees that it
1937 will make such use of the Proceeds of the Bonds, including interest or other investment
1938 income derived from such Proceeds, regulate investments of such Proceeds, and take such

1939 other and further action as may be required so that the Bonds will not be “arbitrage bonds”
1940 within the meaning of section 148(a) of the Code.

1941 Section 11.09 **ARBITRAGE REBATE.** If the City does not qualify for an
1942 exception to the requirements of section 148(f) of the Code relating to the required rebate
1943 to the United States, the City will take all necessary steps to comply with the requirement
1944 that certain amounts earned by the City on the investment of the Gross Proceeds of the
1945 Bonds be rebated to the federal government. Specifically, the City will (i) maintain records
1946 regarding the investment of the Gross Proceeds of the Bonds as may be required to
1947 calculate the amount earned on the investment of the Gross Proceeds of the Bonds
1948 separately from records of amounts on deposit in the funds and accounts of the City
1949 allocable to other bond issues of the City or moneys that do not represent Gross Proceeds
1950 of any bonds of the City, (ii) calculate at such times as are required by applicable
1951 Regulations, the amount earned from the investment of the Gross Proceeds of the Bonds
1952 that is required to be rebated to the federal government, and (iii) pay, not less often than
1953 every fifth anniversary date of the delivery of the Bonds or on such other dates as may be
1954 permitted under applicable Regulations, all amounts required to be rebated to the federal
1955 government. Further, the City will not indirectly pay any amount otherwise payable to the
1956 federal government pursuant to the foregoing requirements to any person other than the
1957 federal government by entering into any investment arrangement with respect to the Gross
1958 Proceeds of the Bonds that might result in a reduction in the amount required to be paid to
1959 the federal government because such arrangement results in a smaller profit or a larger loss
1960 than would have resulted if the arrangement had been at arm’s length and had the yield on
1961 the issue not been relevant to either party.

1962 Section 11.10 **INFORMATION REPORTING.** The City covenants and agrees to
1963 file or cause to be filed with the United States Secretary of the Treasury, not later than the
1964 15th day of the second calendar month after the close of the calendar quarter in which the
1965 Bonds are issued, an information statement concerning the Bonds, all under and in
1966 accordance with section 149(e) of the Code.

1967 Section 11.11 **REMEDIAL ACTIONS.** The City will not take any action, or
1968 knowingly omit to take any action that causes the Bonds to fail to meet any requirement of
1969 the Code or the Regulations regarding the use of Gross Proceeds after the issue date of the
1970 Bonds unless an appropriate remedial action is permitted by section 1.142-2 of the
1971 Regulations, the City has taken such remedial action and there has been delivered a
1972 Favorable Opinion of Bond Counsel.

1973 Section 11.12 **RECORD RETENTION.** The City will retain all pertinent and
1974 material records relating to the use and expenditure of the Gross Proceeds of the Refunded
1975 Bonds and the Bonds until three years after the Bonds are redeemed or paid at maturity, or
1976 such other period as authorized or required by subsequent guidance issued by the United
1977 States Department of Treasury, if applicable. All records will be kept in a manner that
1978 ensures their complete access throughout the retention period. For this purpose, it is

1979 acceptable that such records are kept either as hardcopy books and records or in an
1980 electronic storage and retrieval system, provided that such electronic system includes
1981 reasonable controls and quality assurance programs that assure the ability of the City to
1982 retrieve and reproduce such books and records in the event of an examination of the Bonds
1983 by the Internal Revenue Service.

1984 Section 11.13 **REGISTRATION.** The Bonds will be issued in registered form.

1985 Section 11.14 **CONTINUING OBLIGATION.** Notwithstanding any other
1986 provision of this Ordinance, the City's obligations under the covenants and provisions of
1987 this Article XI will survive the defeasance and discharge of the Bonds for as long as such
1988 matters are relevant to the excludability of interest on the Bonds from gross income for
1989 federal income tax purposes.

1990
1991
1992
1993

ARTICLE TWELVE

CONTINUING DISCLOSURE

1994 Section 12.01 **ANNUAL REPORTS.** The City shall provide annually to the
1995 MSRB, within six months after the end of each Fiscal Year ending in or after 2019,
1996 financial information and operating data with respect to the City of the general type
1997 included in the final Official Statement authorized by Section 10.01 of this Ordinance,
1998 being the information described in Section 12.04. Any financial statements provided shall
1999 be prepared in accordance with the accounting principles described in Section 12.04, or
2000 other accounting principles as the City may be required to employ from time to time
2001 pursuant to state law or regulation, and audited, if the City commissions an audit of the
2002 statements and the audit is completed within twelve months after the end of each Fiscal
2003 Year ending in or after 2019. If audited financial statements of the City are not available
2004 by the end of the 12 month period, the City will provide notice that the audited financial
2005 statements are not available, and will provide unaudited financial statements by the end of
2006 the 12 month period and audited financial statements for the applicable Fiscal Year when
2007 and if the audited financial statements become available.

2008 If the City changes its Fiscal Year, it will notify the MSRB of the change (and of the
2009 date of the new Fiscal Year end) before the next date the City would be required to provide
2010 financial information and operating data pursuant to this Article. The financial information
2011 and operating data to be provided pursuant to this Article may be set forth in full in one or
2012 more documents or may be included by specific reference to any document (including an
2013 official statement or other offering document), if it is available to the public on the MSRB's
2014 internet website or filed with the SEC. Filings shall be made electronically, in the format
2015 and accompanied by identifying information as prescribed by the MSRB.

2016 Section 12.02 **DISCLOSURE EVENT NOTICES.** The City shall provide to the
2017 MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in
2018 excess of ten Business Days after the occurrence of the event, notice of any of the following
2019 events with respect to the Bonds:

- 2020 1. Principal and interest payment delinquencies;
- 2021 2. Non-payment related defaults, if material;
- 2022 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
- 2023 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
- 2024 5. Substitution of credit or liquidity providers, or their failure to perform;
- 2025 6. Adverse tax opinions, the issuance by the Internal Revenue Service of
2026 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-
2027 TEB) or other material notices or determinations with respect to the tax status of the Bonds,
2028 or other material events affecting the tax status of the Bonds;
- 2029 7. Modifications to rights of holders of the Bonds, if material;
- 2030 8. Bond calls, if material, and tender offers;
- 2031 9. Defeasances;
- 2032 10. Release, substitution, or sale of property securing repayment of the Bonds, if
2033 material;
- 2034 11. Rating changes;
- 2035 12. Bankruptcy, insolvency, receivership or similar event of the City;
- 2036 13. The consummation of a merger, consolidation, or acquisition involving the
2037 City or the sale of all or substantially all of the assets of the City, other than in the ordinary
2038 course of business, the entry into a definitive agreement to undertake such an action or the
2039 termination of a definitive agreement relating to any such actions, other than pursuant to
2040 its terms, if material;
- 2041 14. Appointment of a successor Paying Agent/Registrar or change in the name of
2042 the Paying Agent/Registrar, if material;
- 2043 15. Incurrence of a Financial Obligation of the City, if material, or agreement to
2044 covenants, events of default, remedies, priority rights, or other similar terms of a Financial
2045 Obligation of the City, any of which affect security holders, if material; and

2046 16. Default, event of acceleration, termination event, modification of terms, or
2047 other similar events under the terms of a Financial Obligation of the City, any of which
2048 reflect financial difficulties.

2049 For these purposes, (A) any event described in the immediately preceding clause 12
2050 in this Section is considered to occur when any of the following occur: the appointment of
2051 a receiver, fiscal agent or similar officer for the City in a proceeding under the U.S.
2052 Bankruptcy Code or in any other proceeding under state or federal law in which a court or
2053 governmental authority has assumed jurisdiction over substantially all of the assets or
2054 business of the City, or if jurisdiction has been assumed by leaving council and officials or
2055 officers of the City in possession but subject to the supervision and orders of a court or
2056 governmental authority, or the entry of an order confirming a plan of reorganization,
2057 arrangement or liquidation by a court or governmental authority having supervision or
2058 jurisdiction over substantially all of the assets or business of the City, and (B) the City
2059 intends the words used in the immediately preceding clauses 15 and 16 in this Section and
2060 in the definition of Financial Obligation in Section 2.01 to have the meanings ascribed to
2061 them in SEC Release No. 34-83885 dated August 20, 2018.

2062 The City shall provide to the MSRB, in an electronic format as prescribed by the
2063 MSRB, notice in a timely manner, of any failure by the City to provide financial
2064 information or operating data in accordance with Section 12.01 of this Ordinance by the
2065 time required by Section 12.01 of this Ordinance. All documents provided to the MSRB
2066 pursuant to this Section shall be accompanied by identifying information as prescribed by
2067 the MSRB.

2068 Section 12.03 **LIMITATIONS, DISCLAIMERS, AND AMENDMENTS.** The
2069 City shall be obligated to observe and perform the covenants specified in this Article for
2070 so long as, but only for so long as, the City remains an “obligated person” with respect to
2071 the Bonds within the meaning of the Rule, except that the City in any event will give the
2072 notice required by Section 12.02 of any Bond calls and any defeasance that cause the City
2073 to be no longer an “obligated person.”

2074 The provisions of this Article are for the sole benefit of the Owners and beneficial
2075 owners of the Bonds, and nothing in this Article, express or implied, shall give any benefit
2076 or any legal or equitable right, remedy, or claim hereunder to any other person. The City
2077 undertakes to provide only the financial information, operating data, financial statements,
2078 and notices which it has expressly agreed to provide pursuant to this Article and does not
2079 undertake to provide any other information that may be relevant or material to a complete
2080 presentation of the City’s financial results, condition, or prospects or to update any
2081 information provided in accordance with this Article or otherwise, except as expressly
2082 provided in this Ordinance. The City does not make any representation or warranty
2083 concerning such information or its usefulness to a decision to invest in or sell Bonds at any
2084 future date.

2085 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
2086 OWNER OR BENEFICIAL OWNER OF ANY BONDS OR ANY OTHER PERSON, IN
2087 CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART
2088 FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT
2089 FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT
2090 EVERY RIGHT AND REMEDY OF ANY PERSON, IN CONTRACT OR TORT, FOR
2091 OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN ACTION FOR
2092 MANDAMUS OR SPECIFIC PERFORMANCE.

2093 No default by the City in observing or performing its obligations under this Article
2094 shall comprise a breach of or default under this Ordinance for purposes of any other
2095 provision of this Ordinance.

2096 Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit
2097 the duties of the City under federal and state securities laws.

2098 Should the Rule be amended to obligate the City to make filings with or provide
2099 notices to entities other than the MSRB, the City agrees to undertake the obligation in
2100 accordance with the Rule, as amended.

2101 The provisions of this Article may be amended by the City from time to time to adapt
2102 to changed circumstances that arise from a change in legal requirements, a change in law,
2103 or a change in the identity, nature, status, or type of operations of the City, but only if (1)
2104 the provisions of this Article, as so amended, would have permitted an underwriter to
2105 purchase or sell the Bonds in the primary offering of the Bonds in compliance with the
2106 Rule, taking into account any amendments or interpretations of the Rule to the date of such
2107 amendment, as well as such changed circumstances, and (2) either (a) the Owners of a
2108 majority in aggregate principal amount (or any greater amount required by any other
2109 provision of this Ordinance that authorizes such an amendment) of the Outstanding Bonds
2110 consent to such amendment or (b) a Person that is unaffiliated with the City (such as
2111 nationally recognized bond counsel) determines that such amendment will not materially
2112 impair the interests of the Owners and beneficial owners of the Bonds. If the City amends
2113 the provisions of this Article, it shall include with any amended financial information or
2114 operating data next provided in accordance with Section 12.01 an explanation, in narrative
2115 form, of the reason for the amendment and of the impact of any change in the type of
2116 financial information or operating data so provided. The City may also amend or repeal
2117 the provisions of this Article if the SEC amends or repeals the applicable provision of the
2118 Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are
2119 invalid, but only and to the extent that the provisions of this sentence would not prevent an
2120 underwriter from lawfully purchasing or selling Bonds in the primary offering of the
2121 Bonds.

2122 Notwithstanding any other provision of this Section 12.03 to the contrary, in the
2123 event the Authorized Officer, in consultation with Bond Counsel and the City's financial

2162 filings from the contracting party, the City will submit a copy of the disclosure filings with
2163 the Texas Ethics Commission.

2164 Section 13.03 **SEVERABILITY.** If any article, section, paragraph, clause or
2165 provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the
2166 invalidity or unenforceability of the article, section, paragraph, clause or provision shall
2167 not affect any of the remaining provisions of this Ordinance.

2168 Section 13.04 **EFFECTIVE IMMEDIATELY.** Notwithstanding the provisions of
2169 the City Charter, this Ordinance is effective immediately upon its adoption at this meeting
2170 pursuant to Section 1201.028, Texas Government Code.

2171 Section 13.05 **REPEALER.** All orders, resolutions and ordinances, or parts
2172 inconsistent with this Ordinance are repealed to the extent of such inconsistency.

2173 PASSED AND APPROVED this ____ day of _____, 2019.

2174

2175

2176

2177 _____
Steve Adler, Mayor

2178

2179

2180 ATTEST:

2181

2182

2183

2184 _____
Jannette S. Goodall, City Clerk

2185

2186

2187 APPROVED:

2188

2189

2190

2191 _____
Anne L. Morgan, City Attorney

(SEAL)

Payment Transfer Office”), of U.S. Bank National Association, as Paying Agent/Registrar, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment Transfer Office of such successor. The payment of interest on this Bond 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 last Business Day of the month next preceding such Interest Payment Date (a “Record 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 or upon redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that no later than each principal payment and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar from the Debt Service Fund the amounts required to provide for the payment, in immediately available funds, of all principal of, premium, if any, and interest on the Bonds, when due.

In the event of nonpayment of interest on a scheduled Interest Payment Date, and for 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. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be 15 days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the City or in the city in which the Designated Payment Transfer Office is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Bond is one of a series of fully registered bonds specified in the title hereof, dated _____, 2019 issued in the aggregate principal amount of \$_____ pursuant to the Ordinance. This Bond is one of the Revenue Bonds authorized by the Ordinance and is subject to the terms and provisions thereof. The Ordinance and its terms and provisions are incorporated herein for all purposes. To the extent of any conflict between the terms and provisions of the Ordinance and this Bond, the terms and provisions of the Ordinance shall govern and control.

The Bonds are issued by the City for the purposes of obtaining funds to refund certain outstanding Revenue Bonds (as defined below), to fund a swap termination payment, to fund a reserve fund for the Bonds, and to pay the City's costs incurred in connection with the issuance of the Bonds.

This Bond and all of the Bonds are special obligations of the City that are equally and ratably payable from and secured by a first lien on and pledge of the "Net Revenues" and by amounts on deposit in certain special funds of the "Airport System" of the City. Net Revenues are required to be set aside for and pledged to the payment of the Bonds and certain other outstanding obligations equally and ratably secured on a parity with the Bonds (collectively, the "Revenue Bonds") and "Credit Agreement Obligations" heretofore or hereafter issued or incurred in connection therewith, in the debt service fund and the debt service reserve fund required to be maintained for the payment of all such Revenue Bonds, all as more fully described and provided for in the Ordinance. This Bond and the series of which it is a part, together with the interest thereon, are payable solely from such Net Revenues and special funds and do not constitute an indebtedness or general obligation of the City.

The City has reserved the right to issue additional obligations on a parity with the outstanding Revenue Bonds and the Bonds and subordinate or inferior obligations, subject to the restrictions contained in the Ordinance, which may be secured by a lien on a parity with, subordinate or inferior to, the lien on the aforesaid Net Revenues securing this Bond and the series of which it is a part.

The Ordinance contains provisions permitting the City to defease the Ordinance and to amend the Ordinance under certain circumstances. Any amendment to the Ordinance shall be binding upon the Owner of this Bond without endorsement hereon or any reference to such amendment, provided that no amendment shall permit (a) an extension of the maturity of the principal of or the interest on this Bond, or (b) a reduction of the principal amount of this Bond or the rate of interest thereon.

The Bonds are not subject to redemption at the option of the City prior to their scheduled maturity.

The Bonds maturing on November 15 in each of the years ___ and ___ are subject to mandatory sinking fund redemption in part (at random in such manner as the Paying Agent/Registrar in its discretion deems proper) on the dates and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the Redemption Date, from sinking fund installments which are required to be made in amounts sufficient to redeem on the dates set forth below the principal amount of such respective Bonds specified below:

Sinking Fund Installments

<u>Date</u>	<u>Principal Amount (\$)</u>
11/15/____	
11/15/____	
11/15/____	
11/15/____*	
11/15/____	
11/15/____	
11/15/____	
11/15/____	
11/15/____*	

*Final Maturity

The principal amount of the Term Bonds of a stated maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of Term Bonds of like maturity which, at least 50 days prior to the mandatory redemption date, shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation.

Not less than thirty days prior to a redemption date, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the registration books maintained by the Paying Agent/Registrar and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been called for redemption and notice of

such redemption given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

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

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Bonds of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Bond is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Bond be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

It is hereby certified, recited and represented that the issuance of the Bonds is duly authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid have been properly done and performed and have happened in regular and due

time, form and manner, as required by law; that due provision has been made for the payment of the principal of and interest on the Revenue Bonds by granting a first lien on and pledge of the Net Revenues and special funds as provided in the Ordinance; and that the issuance of the Bonds does not exceed any constitutional or statutory limitation.

This Bond shall not be valid or obligatory for any purpose or be entitled to any benefit under the Ordinance unless this Bond either (i) is registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) is authenticated by the Paying Agent/Registrar by due execution of the authentication certificate manually endorsed hereon. A duly executed certificate of authentication shall be conclusive evidence that this Bond was delivered by the Paying Agent/Registrar under the provisions of the Ordinance.

The owner of this Bond shall never have the right to demand payment of this Bond or the interest thereon out of any funds raised or to be raised by taxation.

IN WITNESS WHEREOF, the City has caused the official seal of the City to be impressed or placed in facsimile hereon and this Bond to be signed by the Mayor and attested by the City Clerk by their manual, lithographed, or printed facsimile signatures.

Jannette S. Goodall, City Clerk

Steve Adler, Mayor

[SEAL]

Form of Certificate of Paying Agent/Registrar

CERTIFICATE OF PAYING AGENT/REGISTRAR

It is hereby certified that this Bond has been issued under the Ordinance as described in the text of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or portions of a bond or bonds of an issued 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.

U.S. Bank National Association,
as Paying Agent/Registrar

Dated: _____

DRAFT

Form of Comptroller's Registration Certificate

The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Bonds in lieu of the Certificate of the Paying Agent/Registrar:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO._____
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and registered by the Comptroller of Public Accounts of the State of Texas

WITNESS MY SIGNATURE AND SEAL OF OFFICE this
_____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

Form of Assignment

ASSIGNMENT

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

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

Signature Guaranteed By:

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed in a manner satisfactory to the Paying Agent/Registrar.

Insertions for Initial Bond

The Initial Bond shall be in the form set forth in this Exhibit A, except that:

A. Immediately under the name of the Bond, the headings “MATURITY DATE” and “INTEREST RATE” shall both be completed with the words “As shown below”, and the heading “CUSIP” shall be deleted. The first paragraph of the Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Bond Purchase Agreement):

“THE CITY OF AUSTIN, TEXAS (the “City”), in Travis, Williamson and Hays Counties, Texas, or value received, hereby promises to pay to _____, or registered assigns, on _____ in each of the years in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
-------------------------	----------------------	----------------------

(Information from Bond Purchase Agreement to be inserted)

The City promises to pay interest on the unpaid principal amount hereof from the Delivery Date specified above to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the per annum Interest Rate specified above, with said interest being payable on _____ 15, 2019, and semiannually on each November 15 and May 15 thereafter; except that if the date of authentication of this Bond is later than _____ 15, 2019, such interest is payable semiannually on each November 15 and May 15 following such date. Interest on the Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.”

B. The Initial Bond shall be numbered “T-1”.

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