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

General obligation bonds of the City were duly and favorably voted, as required by the Constitution and laws of Texas, at elections held in the City on the dates as described in Schedule I to this Ordinance; and

Council finds that it is necessary and in the best interest of the City that it approve by this Ordinance the issuance and delivery of bonds in accordance with the Constitution and laws of the State of Texas, including specifically Chapters 1207, 1331 and 1371 of the Texas Government Code, and the Home Rule Charter of the City, for the purposes herein provided; and

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

The terms used in this Ordinance have the following meanings:

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

COA Law Department

33 “Bidding Instructions” means the bidding instructions prepared in connection with  
34 the sale of the Bonds.  
35

36 “Bonds” means the bonds of the City to be issued under authority of this  
37 Ordinance, including the Initial Bond.

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

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

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

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

45 “Chapter 1207” means Chapter 1207 of the Texas Government Code.

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

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

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

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

50 “Comptroller” means the Comptroller of Public Accounts of the State of Texas.

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

52 “Defeasance Securities” means (i) direct, noncallable obligations of the United  
53 States of America, including obligations that are unconditionally guaranteed by the  
54 United States of America and (ii) noncallable obligations of an agency or instrumentality  
55 of the United States of America, including obligations that are unconditionally  
56 guaranteed or insured by the agency or instrumentality and that, on the date of approval  
57 of the proceedings authorizing the issuance of the refunding bonds, are rated as to  
58 investment quality by a nationally recognized investment rating firm not less than “AAA”  
59 or its equivalent.

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

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

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

67 “Escrow Agent” means U.S. Bank National Association, the financial institution  
68 designated in the Escrow Agreement to act as escrow agent for the payment of the  
69 Refunded Obligations.

70 “Escrow Agreement” means an escrow agreement or other similar instrument with  
71 respect to the Refunded Obligations.

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

73 “Expiration Date” means February 25, 2022.

74 “Future Escrow Agreement” means an escrow agreement or other similar  
75 instrument with respect to Defeased Bonds.

76 “Initial Bond” has the meaning described in PART 11 of this Ordinance.

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

79 “MSRB” means the Municipal Securities Rulemaking Board.

80 “Official Bid Form” means the bid form to be submitted by bidders seeking to  
81 purchase the Bonds.

82 “Paying Agent/Registrar” means U.S. Bank National Association, and its  
83 successors and assigns as provided in the Paying Agent/Registrar Agreement.

84 “Paying Agent/Registrar Agreement” means the agreement between the City and  
85 the Paying Agent/Registrar with respect to the Bonds in the form approved by an  
86 Authorized Representative, and any successor agreement.

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

89 “Refunded Obligations” means the obligations selected by an Authorized  
90 Representative from those obligations identified in Schedule II to this Ordinance as the  
91 obligations to be refunded with proceeds of the Bonds, and designated in the final  
92 Official Statement described in PART 12 of this Ordinance as the Refunded Obligations.

93 “Registered Owner” means the owner of any Bond as recorded in the Registration  
94 Books.

95 “Registration Books” means the books or records of registration and transfer of the  
96 Bonds maintained by the Paying Agent/Registrar.

97 “Rule” means SEC Rule 15c2-12.

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

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

### 100 **PART 3. BONDS AUTHORIZED**

101 The Bonds shall be issued in accordance with the Constitution, laws of the State of  
102 Texas, and the Charter of the City, in one or more series, in the aggregate principal  
103 amount not to exceed \$85,005,000 for the purposes of (a) financing the Projects  
104 described in Schedule I, (b) refunding the Refunded Obligations, and (c) paying the costs  
105 of issuance associated with the sale of the Bonds. The aggregate principal amount and  
106 the designation of Bonds issued pursuant to this Ordinance shall be set forth in the  
107 Bidding Instructions and the Official Bid Form. The Bonds shall be numbered  
108 consecutively from R-1 upward, except the Initial Bond shall be numbered T-1.

### 109 **PART 4. SALE PARAMETERS**

110 (A) The Bonds shall be issued in any Authorized Denomination as fully  
111 registered bonds, without interest coupons, payable to the respective initial registered  
112 owners of the Bonds, or to the registered assignee or assignees of the Bonds, maturing  
113 not later than 40 years from their issue date, payable serially or otherwise on the dates, in  
114 the years and in the principal amounts, and dated and numbered, all as set forth in the  
115 Official Bid Form.

116 (B) In accordance with Chapter 1371, each Authorized Representative, acting  
117 for and on behalf of the City, is authorized to seek competitive bids for the sale of the  
118 Bonds authorized to be sold by this Ordinance, and is hereby authorized to prepare and  
119 distribute the Bidding Instructions and the Official Bid Form with respect to seeking  
120 competitive bids for the sale of the Bonds. The Bidding Instructions shall contain the  
121 terms and conditions relating to the sale of the Bonds, including the date bids for the  
122 purchase of the Bonds are to be received, the date of the Bonds, any additional  
123 designation or title by which the Bonds shall be known, the aggregate principal amount  
124 of the Bonds to be sold, the principal amount of the Bonds sold to finance projects  
125 described in Schedule I, the principal amount of the Bonds sold to refund the Refunded  
126 Obligations, the price at which the Bonds will be sold, the years in which the Bonds will

127 mature, the rate or rates of interest to be borne by each such maturity, the interest  
128 payment periods, and all other matters relating to the issuance, sale and delivery of  
129 the Bonds so sold including, without limitation, the use of municipal bond  
130 insurance for the Bonds. The Bonds shall bear interest at the rates per annum set  
131 forth in the Official Bid Form accepted as the best bid. The interest on the Bonds  
132 shall be payable to the Registered Owner of any Bond on the dates and in the  
133 manner provided in Exhibit A. Interest on the Bonds shall be payable on the dates  
134 set forth in the Official Bid Form, until maturity or prior redemption. Each  
135 Authorized Representative, acting for and on behalf of the City, is hereby  
136 authorized to receive and accept bids for the sale of Bonds in accordance with the  
137 Bidding Instructions on such date as determined by an Authorized Representative.  
138 The Bonds shall be sold at such price as an Authorized Representative of the City  
139 shall determine to be the most advantageous to the City, which determination shall  
140 be evidenced by the execution of the Official Bid Form submitted by the best and  
141 winning bidder. One Bond in the principal amount maturing on each maturity date  
142 as set forth in the Official Bid Form shall be delivered to the Purchasers, and the  
143 Purchasers shall have the right to exchange such Bonds as provided in PART 7 of  
144 this Ordinance without cost. Exhibit A shall be revised to reflect the terms of the  
145 sale of the Bonds as reflected in the Official Bid Form accepted as the best bid for  
146 the Bonds. The Bonds shall initially be registered in the name as set forth in the  
147 Official Bid Form. In case any officer whose signature shall appear on the Bonds  
148 shall cease to be such officer before the delivery of the Bonds, the signature shall  
149 be valid and sufficient for all purposes the same as if the officer had remained in  
150 office until delivery. An Authorized Representative shall not execute the Official  
151 Bid Form unless the best bidder has confirmed to an Authorized Representative  
152 that either it has made disclosure filings to the Texas Ethics Commission in  
153 accordance with Section 2252.908, Texas Government Code or is exempt from  
154 making such filings under Section 2252.908(c)(4), Texas Government Code.  
155 Within thirty (30) days of receipt of any disclosure filings from the best bidder for  
156 the Bonds, the City will acknowledge such disclosure filings in accordance with  
157 the rules of the Texas Ethics Commission. Any finding or determination made by  
158 an Authorized Representative relating to the issuance and sale of the Bonds shall  
159 have the same force and effect as a finding or determination made by Council;  
160 *provided*, that (i) the price to be paid for the Bonds shall not be less than 95% of  
161 the aggregate principal amount of the Bonds sold, plus accrued interest, if any, (ii)  
162 the Bonds shall not bear interest at a rate greater than the maximum rate allowed  
163 by Chapter 1204, (iii) the Bonds shall not have a final maturity beyond September  
164 1, 2041, and (iv) prior to the execution of the Official Bid Form by an Authorized  
165 Representative, the Bonds shall be rated by a nationally recognized rating agency  
166 for municipal securities in one of the four highest rating categories for long-term  
167 debt instruments.

168 (C) An Authorized Representative may approve modifications to this Ordinance  
169 to conform to the terms of the Bonds, as approved by the Authorized Representative, and  
170 execute any instruments, agreements and other documents as the Authorized  
171 Representative shall deem necessary or appropriate in connection with the issuance, sale  
172 and delivery of Bonds pursuant to this Ordinance.

173 (D) It is in the best interests of the City for the Bonds to be sold through a  
174 competitive sale, and Council authorizes each Authorized Representative, individually  
175 but not collectively, to execute the Official Bid Form to evidence the acceptance by the  
176 City of the terms and conditions relating to the sale of the Bonds, at the price the  
177 Authorized Representative executing the Official Bid Form determines to be the most  
178 advantageous to the City. The conditions set forth in PART 12 of this Ordinance must be  
179 met prior to any Authorized Representative executing the Official Bid Form.

180 (E) The authority of an Authorized Representative to execute the Official Bid  
181 Form shall expire at 11:59 p.m. on the Expiration Date. Bonds sold pursuant to an  
182 Official Bid Form executed on or before the Expiration Date may be delivered after the  
183 Expiration Date.

184 (F) In establishing the aggregate principal amount of the Bonds, the Authorized  
185 Representative shall establish an amount which shall be sufficient (together with any  
186 premium received from the sale of the Bonds) to provide for the purposes for which the  
187 Bonds are authorized. The Bonds shall be sold at the price, with and subject to the terms,  
188 as set forth in the Bidding Instructions and the Official Bid Form.

189 (G) Any finding or determination made by an Authorized Representative relating  
190 to the issuance and sale of the Bonds and the execution of the Official Bid Form shall  
191 have the same force and effect as a finding or determination made by Council.

## 192 **PART 5. REDEMPTION PROVISIONS**

193 (A) The Bonds may be subject to redemption, at the option of the City, prior to  
194 their stated maturities to the extent and in the manner provided in the Bidding  
195 Instructions and the Official Bid Form. The years of maturity of the Bonds called for  
196 redemption at the option of the City prior to their stated maturity shall be selected by the  
197 City. The Bonds or any portion redeemed within a maturity shall be selected by lot, or  
198 other customary random selection method, by the Paying Agent/Registrar; provided, that  
199 during any period in which ownership of the Bonds is determined only by a book entry at  
200 DTC, if fewer than all of the Bonds of the same maturity and bearing the same interest  
201 rate are to be redeemed, the particular Bonds of such maturity and bearing such interest  
202 rate shall be selected in accordance with the arrangements between the City and DTC.

203 (B) The Bonds may be subject to mandatory sinking fund redemption prior to  
204 their stated maturities, to the extent and in the manner provided in the Official Bid Form.

205 (C) At least 30 days before the date fixed for redemption, the City shall cause a  
206 written notice of the redemption to be deposited in the United States mail, first-class  
207 postage prepaid, addressed to each Registered Owner at the address shown on the  
208 Registration Books. By the date fixed for redemption, due provision shall be made with  
209 the Paying Agent/Registrar for the payment of the required redemption price for the  
210 Bonds which are to be redeemed, plus accrued interest to the date fixed for redemption.  
211 If the notice of redemption is given, and if provision for payment is made, all as provided  
212 above, the Bonds, or the portions of the Bonds, which are to be redeemed, automatically  
213 shall be redeemed prior to their scheduled maturities, and shall not bear interest after the  
214 date fixed for their redemption, and shall not be regarded as outstanding except for the  
215 right of the Registered Owner to receive the redemption price plus accrued interest to the  
216 date fixed for redemption from the Paying Agent/Registrar out of the funds provided for  
217 payment. The Paying Agent/Registrar shall record in the Registration Books all  
218 redemptions of principal of the Bonds or any portion of the principal. If a portion of any  
219 Bond shall be redeemed, one or more substitute Bonds having the same maturity date,  
220 bearing interest at the same rate, in any Authorized Denomination, at the written request  
221 of the Registered Owner, and in an aggregate principal amount equal to the unredeemed  
222 portion of the Bonds, will be issued to the Registered Owner upon the surrender for  
223 cancellation, at the expense of the City, all as provided in this Ordinance. In addition, the  
224 City shall cause the Paying Agent/Registrar to give notice of any redemption in the  
225 manner set forth in PART 5. The failure to cause notice to be given, however, or any  
226 defect in the notice, shall not affect the validity or effectiveness of the redemption.  
227 Unless the Paying Agent/Registrar has received funds sufficient to pay the redemption  
228 price of the Bonds to be redeemed before giving of a notice of redemption, the notice of  
229 redemption may state the City may condition redemption on the receipt by the Paying  
230 Agent/Registrar of sufficient funds on or before the date fixed for the redemption, or on  
231 the satisfaction of any other prerequisites set forth in the notice of redemption. If a notice  
232 of conditional redemption is given and such prerequisites to the redemption and sufficient  
233 funds are not received, the notice shall be of no force and effect, the City shall not  
234 redeem the Bonds and the Paying Agent/Registrar shall give notice, in the manner in  
235 which the notice of redemption was given, that the Bonds have not been redeemed.

236 (D) If a notice of redemption is given and sufficient funds are not received for  
237 the payment of the required redemption price for the Bonds which are to be redeemed,  
238 the notice shall be of no force and effect, the City shall not redeem the Bonds, and the  
239 Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption  
240 was given, that the Bonds have not been redeemed.

(E) Each redemption notice required by this Ordinance shall contain a description of the Bonds to be redeemed, including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of the Bonds called for redemption, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed, including a contact person and telephone number. This notice may also state that the redemption is conditioned upon receipt of sufficient funds for the payment of the required redemption price for the Bonds which are to be redeemed by the date fixed for redemption. All redemption payments made by the Paying Agent/Registrar to the Registered Owners of the Bonds shall include CUSIP numbers relating to each amount paid to such Registered Owner.

## **PART 6. INTEREST**

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

## **PART 7. ADDITIONAL CHARACTERISTICS OF THE BONDS**

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



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

287 (C) The Paying Agent/Registrar shall act as the paying agent for paying the  
288 principal of, premium, if any, and interest on, the Bonds, and to act as the agent of the  
289 City to exchange or replace Bonds, all as provided in this Ordinance. The Paying  
290 Agent/Registrar shall keep proper records of all payments made by the City and the  
291 Paying Agent/Registrar with respect to the Bonds, and of all exchanges and replacements,  
292 as provided in this Ordinance.

293 (D) Each Bond may be exchanged for fully registered obligations as set forth in  
294 this Ordinance. Each Bond issued and delivered pursuant to this Ordinance, to the extent  
295 of the unredeemed principal amount, may, upon surrender at the Designated  
296 Payment/Transfer Office, together with a written request duly executed by the Registered  
297 Owner or its assignee or assignees, or its or their duly authorized attorneys or  
298 representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar,  
299 at the option of the Registered Owner or its assignee or assignees, as appropriate, be  
300 exchanged for fully registered obligations, without interest coupons, in the form  
301 prescribed in the Form of Bond, in any Authorized Denomination (subject to the  
302 requirement stated below that each substitute Bond shall have a single stated maturity  
303 date), as requested in writing by the Registered Owner or its assignee or assignees, in an  
304 aggregate principal amount equal to the unredeemed principal amount of any Bond or  
305 Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or  
306 assignees. If a portion of any Bond is assigned and transferred, each Bond issued in  
307 exchange shall have the same maturity date and bear interest at the same rate as the Bond  
308 for which it is being exchanged. Each substitute Bond shall bear a letter and/or number  
309 to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or  
310 replace Bonds as provided in this Ordinance, and each fully registered Bond delivered in  
311 exchange for or replacement of any Bond or portion of a Bond as permitted or required  
312 by any provision of this Ordinance shall constitute one of the Bonds for all purposes of  
313 this Ordinance, and may again be exchanged or replaced. Any Bond delivered in  
314 exchange for or replacement of another Bond before the first scheduled interest payment  
315 date on the Bonds (as stated on the face of the Bond) shall be dated the same date, but  
316 each substitute Bond delivered on or after the first scheduled interest payment date shall  
317 be dated the interest payment date preceding the date on which the substitute Bond is  
318 delivered, unless the substitute Bond is delivered on an interest payment date, in which  
319 case it shall be dated as of the date of delivery; however, if at the time of delivery of any

substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then the substitute Bond shall be dated the date to which interest has been paid in full. On each substitute Bond issued in exchange for or replacement of any Bond issued under this Ordinance there shall be printed on the Bond the Authentication Certificate. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any substitute Bond, date the substitute Bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no substitute Bond shall be considered to be issued or outstanding unless the Authentication Certificate is executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by Council or any other body or person to accomplish the exchange or replacement of any Bond, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed in this Ordinance. Pursuant to Chapter 1206, the duty of exchange or replacement of any Bond is imposed on the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond selected for redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; provided, however; the limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled principal of a Bond.

(E) All Bonds issued in exchange or replacement of any other Bond or portion of a Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on the Bonds to be payable only to the Registered Owners, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated in this Ordinance and the Official Bid Form.

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

of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Bonds, and with respect to the exchange of Bonds solely to the extent stated above.

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

## **PART 8. FORM OF BONDS**

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

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

399           (A)   The Interest and Sinking Fund (which may include the designation or title by  
400       which a series of Bonds shall be known, as determined pursuant to PART 4(b) of this  
401       Ordinance) is created and it shall be established and maintained at an official depository  
402       of the City. The Interest and Sinking Fund shall be kept separate and apart from all other  
403       funds and accounts of the City, and shall be used only for paying the interest on and  
404       principal of the Bonds. All ad valorem taxes levied and collected for and on account of  
405       the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund.  
406       During each year while any Bond is outstanding and unpaid, Council shall compute and  
407       ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of  
408       the City, with full allowances being made for tax delinquencies and costs of tax  
409       collections, which will be sufficient to raise and produce the money required to pay the  
410       interest on the Bonds as the interest comes due, and to provide a sinking fund to pay the  
411       principal (including mandatory sinking fund redemption payments, if any) of the Bonds  
412       as the principal matures, but never less than 2% of the outstanding principal amount of  
413       the Bonds as a sinking fund each year. The rate and amount of ad valorem tax needed to  
414       fund this obligation is ordered to be and is hereby levied against all taxable property in  
415       the City for each year while any Bond is outstanding and unpaid, and the ad valorem tax  
416       shall be assessed and collected each year and deposited to the credit of the Interest and  
417       Sinking Fund. The ad valorem taxes necessary to pay the interest on and principal of the  
418       Bonds, as the interest comes due, and the principal matures or comes due through  
419       operation of the mandatory sinking fund redemption, if any, as provided in the Official  
420       Bid Form, are pledged for this purpose, within the limit set by law. The City appropriates  
421       from current funds on hand, and directs the transfer for deposit into the Interest and  
422       Sinking Fund, moneys as may be necessary to pay debt service on the Bonds scheduled to  
423       occur prior to receipt of taxes levied to pay such debt service. Money in the Interest and  
424       Sinking Fund, at the option of the City, may be invested in the securities or obligations as  
425       permitted under applicable law and the City's investment policy. Any securities or  
426       obligations in which money is invested shall be kept and held in trust for the benefit of  
427       the owners of the Bonds and shall be sold and the proceeds of sale shall be timely applied  
428       to the making of all payments required to be made from the Interest and Sinking Fund.  
429       Interest and income derived from the investment of money in the Interest and Sinking  
430       Fund shall be credited to the Interest and Sinking Fund.

431           (B)   Should more than one series of Bonds be sold under authority of this  
432       Ordinance, a separate interest and sinking fund will be created and maintained at an  
433       official depository of the City to secure each series of Bonds.

434           (C)   Chapter 1208 applies to the issuance of the Bonds and the pledge of ad  
435       valorem taxes made under PART 9(a) of this Ordinance, and the pledge is valid,  
436       effective, and perfected. If Texas law is amended at any time while any Bond is

outstanding and unpaid so that the pledge of ad valorem taxes made by the City under PART 9(a) of this Ordinance is to be subject to the filing requirements of Chapter 9, then to preserve to the Registered Owners of the Bonds the perfection of the security interest in the pledge, the City agrees to take measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a filing to perfect the security interest in the pledge.

#### **PART 10. DAMAGED, LOST, STOLEN OR DESTROYED BONDS**

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

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

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

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

(E) In accordance with Chapter 1206, this PART constitutes authority for the issuance of any such replacement Bond without necessity of further action by Council or

any other body or person, and the duty of the replacement of the Bonds is authorized and imposed on the Paying Agent/Registrar, subject to the conditions imposed by this PART, and the Paying Agent/Registrar shall authenticate and deliver the Bonds in the form and manner and with the effect, as provided in PART 7(d) of this Ordinance for Bonds issued in exchange for other Bonds.

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

The Mayor, or his designee, and each Authorized Representative, is authorized to have control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination and approval by the Texas Attorney General and their registration by the Comptroller. The City shall submit a single bond to the Texas Attorney General, in the aggregate principal amount of the Bonds sold and containing the interest rates and schedule of principal payment dates, all as set forth in the Official Bid Form (the "Initial Bond"). Upon registration of the Initial Bond, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate accompanying the Initial Bond, and the seal of the Comptroller shall be impressed, or placed in facsimile, on the Initial Bond. The Initial Bond shall be numbered T-1. After registration by the Comptroller, delivery of the Bonds shall be made to the Purchasers, under and subject to the general supervision and direction of the Mayor or an Authorized Representative, against receipt by the City of all amounts due to the City under the terms of sale, and the Initial Bond shall be cancelled. After registration by the Comptroller, delivery of the Bonds shall be made to the Purchasers, under and subject to the general supervision and direction of the Mayor or an Authorized Representative, against receipt by the City of all amounts due to the City under the terms of sale. Council authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

## **PART 12. SALE OF BONDS; OFFICIAL STATEMENT**

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

512 (B) Council ratifies, authorizes and approves, in connection with the sale of the  
513 Bonds, the preparation and distribution of the Preliminary Official Statement and a final  
514 Official Statement, substantially in the form of the Preliminary Official Statement,  
515 containing additional information and amendments as may be necessary to conform to the  
516 terms of the Bonds, this Ordinance, and the Official Bid Form, and the Preliminary  
517 Official Statement is deemed final as of its date within the meaning and for the purposes  
518 of paragraph (b)(1) of the Rule. An Authorized Representative is authorized to approve  
519 amendments and supplements to the Official Statement as either of them shall deem  
520 necessary or appropriate. The Mayor and City Clerk are authorized to execute the final  
521 Official Statement by manual, facsimile or electronic signature and/or to deliver a  
522 certificate pertaining to the final Official Statement as prescribed in the Official  
523 Statement, dated as of the date of payment for and delivery of the Bonds.

524 (C) The Mayor, Mayor Pro Tem, City Manager, City Clerk, Chief Financial  
525 Officer and all other officials, agents and representatives of the City are authorized to  
526 take actions as any officer, official, agent or representative shall approve in seeking  
527 ratings on the Bonds from one or more nationally recognized statistical ratings  
528 organizations, or any confirmation of ratings issued by a rating agency, and these actions  
529 are ratified and confirmed.

530 (D) Proceeds from the sale of the Bonds shall be disbursed in the amounts and  
531 for the purposes set forth in the closing letter of instructions. An Authorized  
532 Representative may provide for the establishment of any fund, account or subaccount as  
533 deemed necessary or appropriate for the safekeeping and administration of proceeds from  
534 the sale of the Bonds pending their disbursement for authorized purposes.

535 (E) An Authorized Representative shall not execute the Official Bid Form unless  
536 the each of the Purchasers has confirmed to an Authorized Representative that either it  
537 has made disclosure filings to the Texas Ethics Commission in accordance with Section  
538 2252.908, Texas Government Code or is exempt from making filings under Section  
539 2252.908(c)(4), Texas Government Code. Within 30 days of receipt of the execution of  
540 the Official Bid Form, disclosure filings received from any of the Purchasers will be  
541 acknowledged by the City in accordance with the rules of the Texas Ethics Commission.

542 (F) An Authorized Representative shall not execute the Official Bid Form for  
543 the purpose of refunding the Refunded Obligations unless the refunding results in a net  
544 present value savings of 4.25% and a positive gross savings. The Authorized  
545 Representative shall execute a certificate setting forth the savings generated from the  
546 refunding of the Refunded Obligations and stating that the minimum savings threshold  
547 established by this Ordinance has been met.

(G) An Authorized Representative is authorized and directed to execute the Escrow Agreement on behalf of the City. U.S. Bank National Association is not a depository bank of the City, and is named Escrow Agent in accordance with Section 1207.061(a)(3), Texas Government Code. An Authorized Representative shall not execute the Escrow Agreement unless the Escrow Agent has confirmed to an Authorized Representative that either it has made disclosure filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government Code or is exempt from making filings under Section 2252.908(c)(4), Texas Government Code. Within 30 days of receipt of the execution of the Escrow Agreement, disclosure filings received from the Escrow Agent will be acknowledged by the City in accordance with the rules of the Texas Ethics Commission.

### **PART 13. BONDS NOT ISSUED AS TAX-EXEMPT OBLIGATIONS**

The City does not intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103(a) of the Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code of 1954, to the extent applicable to the Code.

### **PART 14. CONTINUING DISCLOSURE OBLIGATION**

#### **(A) *Annual Reports.***

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



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

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

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;

(15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties.

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

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

As used in clauses (xv) and (xvi) above, the term "Financial Obligation" means: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); however, the term Financial Obligation shall not include Municipal Securities as to which a final official statement has been provided to the MSRB consistent with the Rule; the term "Municipal Securities" means securities which are direct obligations of, or obligations guaranteed as to principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or more states and any other Municipal Securities described by Section 3(a)(29) of the Securities

656 Exchange Act of 1934, as the same may be amended from time to time; and the term  
657 "Obligated Person" means the City.  
658

659 (C) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to  
660 observe and perform the covenants named in this PART for only so long as the City  
661 remains an "obligated person" with respect to the Bonds within the meaning of the Rule,  
662 except that the City will give written notice of any deposit made in accordance with this  
663 Ordinance, or applicable law, that causes any Bond no longer to be outstanding.

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

674 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE  
675 HOLDER OR BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER  
676 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR  
677 IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR  
678 WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS  
679 PART, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN CONTRACT OR  
680 TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN  
681 ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

686 The provisions of this PART may be amended by the City from time to time to  
687 adapt to changed circumstances that arise from a change in legal requirements, a change  
688 in law, or a change in the identity, nature, status, or type of operations of the City, but  
689 only if (1) the provisions of this PART, as amended, would have permitted an  
690 underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance  
691 with the Rule, taking into account any amendments or interpretations of the Rule since  
692 the offering as well as the changed circumstances and (2) either (a) the holders of a  
693 majority in aggregate principal amount (or any greater amount required by any other

provision of this Ordinance that authorizes an amendment) of the outstanding Bonds consent to the amendment or (b) a person that is unaffiliated with the City (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the City amends the provisions of this PART, it shall include with the next financial information and operating data provided in accordance with subsection (a) of this PART an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City agrees to undertake such obligation in accordance with the Rule as amended.

## **PART 15. DTC REGISTRATION**

The Bonds initially shall be issued and delivered in the manner that no physical distribution of the Bonds will be made to the public, and DTC initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no way verifies, the representations of DTC. The Bonds initially authorized by this Ordinance intended to be held by DTC shall be delivered to and registered in the name of Cede & Co., the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the Purchasers and their participants. So long as each Bond is registered in the name of Cede & Co., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner. It is expected that DTC will maintain a book-entry system, which will identify ownership of the Bonds in Authorized Denominations, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as set forth in this Ordinance. The City and the Paying Agent/Registrar are not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of

the Bonds, and the method of paying the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Ordinance, substitute Bonds will be duly delivered as provided in this Ordinance, and there will be no assurance or representation that any book-entry system will be maintained for the Bonds. In connection with the initial establishment of the foregoing book-entry system with DTC, the City has executed a "Blanket Letter of Representations" prepared by DTC in order to implement the book-entry system described above.

## **PART 16. DEFEASANCE**

(A) *Defeased Bonds.* Any Bond will be treated as a Defeased Bond, except to the extent provided in subsection (d) of this PART, when payment of the principal of the Bond, plus interest to the due date (whether the due date be by reason of maturity, redemption or otherwise) either (i) shall have been made or caused to be made in accordance with the terms of this Ordinance, or (ii) shall have been provided for on or before the due date by irrevocably depositing with or making available to the Paying Agent/Registrar or any commercial bank or trust company authorized to serve as escrow agent for the Bonds in accordance with a Future Escrow Agreement for the payment of the Bond (1) lawful money of the United States of America sufficient to make the payment or (2) Defeasance Securities to mature as to principal and interest in the amounts and at the time as will ensure the availability, without reinvestment, of sufficient money to provide for the payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. There shall be delivered to the Paying Agent/Registrar a certificate of a qualified financial professional or a report from a firm of certified public accountants evidencing the sufficiency of the deposit made pursuant to clause (ii) above. The Paying Agent/Registrar shall also receive an opinion of bond counsel acceptable to the City that reflects this payment does not adversely affect the exclusion under the Code of interest on the Defeased Bonds from the gross income of the holders for federal income taxation purposes. At the time as a Bond shall be considered to be a Defeased Bond, the Bond and the interest on that Bond shall no longer be secured by, payable from, or entitled to the benefits of the ad valorem taxes levied and pledged as provided in this Ordinance, and the principal and interest shall be payable solely from the money or Defeasance Securities.

(B) *Investment in Defeasance Securities.* Any funds deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as set forth in this Ordinance, and all

income from these Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest, with respect to which money has been deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of the moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements described in subsections (a) (i) or (ii) of this PART. All income from the Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the

(C) *Defeased Bonds*, with respect to which money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City. The Paying Agent/Registrar shall not be liable for any loss pertaining to an investment executed in accordance with written instructions from the City.

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

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

## **PART 17. DEFAULT AND REMEDIES**

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

(1) the failure to pay the principal of or interest on any Bond when it becomes due and payable; or

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

(B) *Remedies for Default*.

(1) When any Event of Default occurs, any Registered Owner or the Registered Owner's authorized representative, including a trustee or trustees, may

810 proceed against the City, or any official, officer or employee of the City in their  
811 official capacity, for the purpose of protecting and enforcing the rights of the  
812 Registered Owners under this Ordinance, by mandamus or other suit, action or  
813 special proceeding in equity or at law, in any court of competent jurisdiction, for  
814 any relief permitted by law, including the specific performance of any covenant or  
815 agreement contained in this Ordinance, or to enjoin any act or thing that may be  
816 unlawful or in violation of any right of the Registered Owners or any combination  
817 of remedies only as authorized by law.

818 (2) All default proceedings shall be instituted and maintained for the  
819 equal benefit of all Registered Owners of outstanding Bonds.

820 (C) *Remedies Not Exclusive.*

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

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

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

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

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

838 (A) The Mayor, the Mayor Pro Tem, the City Clerk, the City Manager, any  
839 Assistant City Manager, the Chief Financial Officer, or any Deputy Chief Financial  
840 Officer, and all other officers, employees, and agents of the City, and each of them, shall  
841 be authorized, empowered, and directed to do and perform all acts and things and to  
842 execute, acknowledge, and deliver in the name and under the seal and on behalf of the  
843 City all instruments as may be necessary or desirable in order to carry out the terms and  
844 provisions of this Ordinance, the Bonds, the Official Bid Form, the offering documents  
845 prepared in connection with the sale of the Bonds, the offering documents prepared in

connection with the sale of the Bonds, the Escrow Agreement or the Paying Agent/Registrar Agreement. In case any officer whose signature appears on any Bond shall stop being the officer before the delivery of the Bond, the signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until the delivery.

(B) The Mayor, the Mayor Pro Tem and any Authorized Representative are each authorized to make or approve such revisions, additions, deletions, and variations to this Ordinance that, in their judgment and in the opinion of Bond Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of this Ordinance, the Official Bid Form, the Paying Agent/Registrar Agreement, the Escrow Agreement, the Preliminary Official Statement and the final Official Statement or as may be required for approval of the Bonds by the Attorney General of Texas.

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

## **PART 19. RULES OF CONSTRUCTION**

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

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879 **PART 20. CONFLICTING ORDINANCES REPEALED**

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

881 **PART 21. IMMEDIATE EFFECT**

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

884 **PART 22.** This ordinance takes effect on \_\_\_\_\_, 2021.

885  
886 **PASSED AND APPROVED**

887  
888  
889 \_\_\_\_\_, 2021

§  
§  
§

\_\_\_\_\_  
Steve Adler  
Mayor

890  
891  
892  
893  
894 **APPROVED:** \_\_\_\_\_

Anne L. Morgan  
City Attorney

**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk