

ORDINANCE NO.

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN
PUBLIC IMPROVEMENT BONDS, SERIES 2013; AND APPROVING RELATED
DOCUMENTS**

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

PART 1. FINDINGS.

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 the bonds authorized by the City in accordance with the Constitution and laws of the State of Texas, including specifically Chapter 1331, Texas Government Code, and the Home Rule Charter of the City, for the purposes set forth above; 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, Texas Government Code.

PART 2. DEFINITIONS.

The terms used in this Ordinance have the following meanings:

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

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

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

“City” means the City of Austin, Texas.

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

“Council” means the City Council of the City.

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

1 investment quality by a nationally recognized investment rating firm not less than “AAA” or its
2 equivalent.

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

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

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

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

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

13 “Interest and Sinking Fund” means the City of Austin, Texas, Series 2013 Public Improvement
14 Bonds Interest and Sinking Fund established in PART 9 of this Ordinance.

15 “MSRB” means the Municipal Securities Rulemaking Board.

16 “Obligations” means the bonds of the City to be called “City of Austin, Texas Public
17 Improvement Bonds, Series 2013.”

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

21 “Paying Agent/Registrar Agreement” means the agreement between the City and the Paying
22 Agent/Registrar with respect to the Obligations in the form approved by the City Manager of the City,
23 and any successor agreement.

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

26 “Purchase Price” means the purchase price for the Obligations designated in Schedule II to this
27 Ordinance.

28 “Purchasers” means the entity or entities designated in Schedule II to this Ordinance.

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

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

32 “Rule” means SEC Rule 15c2-12.

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

1 **PART 3. BONDS TO BE SOLD.**

2 The Obligations shall be issued in accordance with the Constitution, laws of the State of Texas,
3 and the Charter of the City, in the aggregate principal amount set forth in Schedule II for the purposes of
4 (i) financing the projects described in Schedule I and (ii) paying the costs of issuance associated with the
5 sale of the Obligations.

6 **PART 4. MATURITY SCHEDULE.**

7 The Obligations shall be dated as of September 1, 2013, shall be in Authorized Denominations,
8 shall be numbered consecutively from R-1 upward, and shall mature on the maturity date(s), in each of
9 the years, and in the amounts, respectively, as set forth in Schedule II.

10 **PART 5. REDEMPTION PROVISIONS.**

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

20 (b) The Obligations are subject to mandatory sinking fund redemption prior to their stated
21 maturities, to the extent and in the manner provided in Schedule II and the Form of Obligation.

22 (c) At least 30 days before the date fixed for redemption, the City shall cause a written notice
23 of the redemption to be deposited in the United States mail, first-class postage prepaid, addressed to
24 each Registered Owner at the address shown on the Registration Books. By the date fixed for
25 redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the
26 required redemption price for the Obligations which are to be redeemed, plus accrued interest to the date
27 fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all as
28 provided above, the Obligations, or the portions of the Obligations, which are to be redeemed,
29 automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the
30 date fixed for their redemption, and shall not be regarded as outstanding except for the right of the
31 Registered Owner to receive the redemption price plus accrued interest to the date fixed for redemption
32 from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar
33 shall record in the Registration Books all redemptions of principal of the Obligations or any portion of
34 the principal. If a portion of any Obligation shall be redeemed, one or more substitute Obligations
35 having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the
36 written request of the Registered Owner, and in an aggregate principal amount equal to the unredeemed
37 portion of the Obligations, will be issued to the Registered Owner upon the surrender for cancellation, at
38 the expense of the City, all as provided in this Ordinance.

39 **PART 6. INTEREST.**

40 The Obligations shall bear interest at the rates per annum set forth in Schedule II. The interest
41 shall be payable to the Registered Owner of any Obligation in the manner provided and on the dates

1 stated in the Form of Obligation. Interest shall be calculated on the basis of a 360-day year consisting of
2 twelve 30-day months.

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

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

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

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

35 (d) Each Obligation may be exchanged for fully registered obligations as set forth in this
36 Ordinance. Each Obligation issued and delivered pursuant to this Ordinance, to the extent of the
37 unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office, together
38 with a written request duly executed by the Registered Owner or its assignee or assignees, or its or their
39 duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying
40 Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as appropriate, be
41 exchanged for fully registered obligations, without interest coupons, in the form prescribed in the Form
42 of Obligation, in any Authorized Denomination (subject to the requirement stated below that each
43 substitute Obligation shall have a single stated maturity date), as requested in writing by the Registered
44 Owner or its assignee or assignees, in an aggregate principal amount equal to the unredeemed principal
45 amount of any Obligation or Obligations so surrendered, and payable to the appropriate Registered

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

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

42 (f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and
43 charges for making transfers of Obligations, but the Registered Owner of any Obligation requesting the
44 transfer shall pay any taxes or other governmental charges required for the transfer. The Registered
45 Owner of any Obligation requesting any exchange shall pay the Paying Agent/Registrar's reasonable
46 and standard or customary fees and charges for exchanging any Obligation or a portion of an Obligation,
47 together with any required taxes or governmental charges, all as a condition precedent to the exercise of

1 the privilege of exchange, except in the case of the exchange of an assigned and transferred Obligation
2 or Obligations or any portion or portions in any Authorized Denomination, the fees and charges will be
3 paid by the City. In addition, the City covenants with the Registered Owners of the Obligations that it
4 will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for
5 its services with respect to the payment of the principal of and interest on the Obligations, when due, and
6 (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer or
7 registration of Obligations, and with respect to the exchange of Obligations solely to the extent stated
8 above.

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

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

37 All redemption payments made by the Paying Agent/Registrar to the Registered Owners of the
38 Obligations shall include CUSIP numbers relating to each amount paid to such Registered Owner.

39 **PART 8. FORM OF OBLIGATIONS.**

40 The Obligations shall be signed with the manual or facsimile signatures of the Mayor and the
41 City Clerk, and the seal of the City shall be affixed or impressed on the Obligations. The form of all
42 Obligations, including the form of the Comptroller's Registration Certificate to accompany the
43 Obligations on the initial delivery, the form of the Authentication Certificate, and the Form of
44 Assignment to be printed on each Obligation, shall be, respectively, substantially in the form set forth in

1 Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by this
2 Ordinance.

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

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

30 (b) Chapter 1208, Texas Government Code, applies to the issuance of the Obligations and
31 the pledge of ad valorem taxes made under PART 9(a) of this Ordinance, and the pledge is valid,
32 effective, and perfected. If Texas law is amended at any time while any Obligation is outstanding and
33 unpaid so that the pledge of ad valorem taxes made by the City under PART 9(a) of this Ordinance is to
34 be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then to preserve
35 to the Registered Owners of the Obligations the perfection of the security interest in the pledge, the City
36 agrees to take measures as it determines are reasonable and necessary under Texas law to comply with
37 the applicable provisions of Chapter 9, Texas Business & Commerce Code, and enable a filing to perfect
38 the security interest in the pledge.

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

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

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

(c) Notwithstanding provisions 10(a) and (b), in the event any Obligation shall have matured, and there is no continuing default in the payment of the principal of, premium, if any, or interest on the Obligation, the City may authorize its payment (without surrender except in the case of a damaged or mutilated Obligation) instead of issuing a replacement Obligation, provided security or indemnity is furnished as above provided in this PART.

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

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

PART 11. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.

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

PART 12. SALE OF OBLIGATIONS.

The sale of the Obligations to the Purchasers, at the Purchase Price, is approved. The Obligations were sold pursuant to the terms of a "Notice of Sale and Bidding Instructions," "Official Bid Form" and "Official Statement" and the use of these documents, a true and correct copy of each document being presented with this Ordinance, is approved. Council finds, determines and declares that the Obligations

were sold to the highest bidder at terms that were the most advantageous reasonably obtained. One Obligation in the principal amount maturing on each maturity date as set out in Schedule II to this Ordinance shall be delivered to the Purchasers, and the Purchasers shall have the right to exchange such certificates as provided in PART 7 of this Ordinance without cost. Council ratifies use of the "Preliminary Official Statement" prepared in connection with the sale of the Obligations. Proceeds from the sale of the Obligations in the amount set forth in Schedule II shall be used for the purposes described in PART 3 of this Ordinance; and any accrued interest (together with a portion of the premium, if any, set forth in Schedule II) received in connection with the sale of the Obligations shall be deposited to the Interest and Sinking Fund.

PART 13. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

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

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

"Computation Date" has the meaning stated in section 1.148 1(b) of the Regulations.

"Gross Proceeds" has the meaning stated in section 1.148 1(b) of the Regulations.

"Investment" has the meaning stated in section 1.148 1(b) of the Regulations.

"Issue Date" for the Obligations or other obligations of the City is the respective date on which such Obligations or other obligations of the City is delivered against payment therefor.

"Net Sale Proceeds" has the meaning stated in section 1.148 1(b) of the Regulations.

"Nonpurpose Investment" has the meaning stated in section 1.148 1(b) of the Regulations.

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

"Rebate Amount" has the meaning stated in section 1.148-3 of the Regulations.

"Regulations" means the temporary or final Income Tax Regulations applicable to the Obligations issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Obligations.

"Yield of"

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

(2) the Obligations shall be computed in accordance with section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if

made or omitted, respectively, would cause the interest on any Obligations to become includable in the gross income, as defined in section 61 of the Code, of the owner for federal income tax purposes. Unless and until the City has received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Obligation, the City shall comply with the specific covenants in this Section.

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

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

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

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

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

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code, the City shall not take or omit to take any action which would cause the Obligations to be federally guaranteed within the meaning of section 149(b) of the Code and the regulations and rulings relating to section 149(b) of the Code.

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

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

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

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

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

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

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

(j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the Obligations in Nonpurpose Investments having a guaranteed yield for four years or more. On the Closing Date, the City will reasonably expect that at least 85 percent of the Net Sale Proceeds of the Obligations will be used to carry out the governmental purpose of such series within three years after the Closing Date.

PART 14. CONTINUING DISCLOSURE OBLIGATION.

(a) *Annual Reports.* (i) The City shall provide annually to the MSRB, within six months after the end of each fiscal year ending in or after 2013, financial information and operating data with respect to the City of the general type included in the Official Statement authorized by PART 12 of this Ordinance, being the information described in Exhibit B. Any financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B, or other accounting

principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such 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 this period, then the City shall provide unaudited financial statements by the required time, and shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on the statements becomes available.

(ii) 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.

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, in the format 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 Obligations:

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 Obligations, or other material events affecting the tax status of the Obligations;
7. Modifications to rights of holders of the Obligations, if material;
8. Obligation calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Obligations, 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; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

As used in clause 12 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.

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 (b) of this Section by the time required by subsection (a).

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

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

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

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

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

The provisions of this PART may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this PART, as amended, would have permitted an underwriter to purchase or sell Obligations in the primary offering of the Obligations in compliance with the Rule, taking into account any amendments or interpretations of the Rule since the offering as well as the changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes an amendment) of the outstanding Obligations 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 Obligations. If the City amends the provisions of this PART, it shall include with the next financial

1 information and operating data provided in accordance with subsection (a) of this PART an explanation,
2 in narrative form, of the reason for the amendment and of the impact of any change in the type of
3 financial information or operating data so provided. The City may also amend or repeal the provisions of
4 this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule
5 or a court of final jurisdiction enters judgment that the provisions of the Rule are invalid, but only if and
6 to the extent that the provisions of this sentence would not prevent an underwriter from lawfully
7 purchasing or selling Obligations in the primary offering of the Obligations.

8 **PART 15. DTC REGISTRATION.**

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

39 **PART 16. DEFEASANCE.**

40 (a) *Defeased Obligations.* Any Obligation will be treated as a Defeased Obligation, except to
41 the extent provided in subsection (d) of this PART, when payment of the principal of the Obligation,
42 plus interest to the due date (whether the due date be by reason of maturity, redemption or otherwise)
43 either (i) shall have been made or caused to be made in accordance with the terms of this Ordinance, or
44 (ii) shall have been provided for on or before the due date by irrevocably depositing with or making
45 available to the Paying Agent/Registrar or any commercial bank or trust company authorized to serve as
46 escrow agent for the Obligations in accordance with a Future Escrow Agreement for the payment of the

Obligation (1) lawful money of the United States of America sufficient to make the payment or (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in the amounts and at the time as will insure the availability, without reinvestment, of sufficient money to provide for the payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Obligations shall have become due and payable. There shall be delivered to the Paying Agent/Registrar a certificate or 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 Obligations from the gross income of the holders for federal income taxation purposes. At the time as an Obligation shall be considered to be a Defeased Obligation, the Obligation and the interest on that Obligation 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 Obligations 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 Obligations 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 Defeased Obligations, 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.

(c) *Paying Agent/Registrar Services.* Until all Defeased Obligations shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for the Defeased Obligations 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.

(d) *Selection of Obligations for Defeasance.* In the event that the City elects to defease less than all of the principal amount of Obligations of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, the amount of Obligations 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:

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

(ii) 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 Obligations, 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.*

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

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

(c) *Remedies Not Exclusive.*

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

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

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

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

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

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

1 (b) The Mayor and Mayor Pro Tem are each authorized to make or approve such revisions,
2 additions, deletions, and variations to this Ordinance that, in their judgment and in the opinion of Bond
3 Counsel to the City, may be necessary or convenient to carry out or assist in carrying out the purposes of
4 this Ordinance, the Paying Agent/Registrar Agreement, the Preliminary Official Statement and the final
5 Official Statement or as may be required for approval of the Obligations by the Attorney General of
6 Texas.

7 **PART 19. RULES OF CONSTRUCTION.**

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

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

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

22 **PART 21. IMMEDIATE EFFECT.**

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

25 [The rest of this page is intentionally left blank.]

1 PASSED AND APPROVED AND EFFECTIVE _____, 2013.

2
3
4 _____
5 Lee Leffingwell,
6 Mayor,
7 City of Austin, Texas

8 ATTEST:

9
10 _____
11 Jannette S. Goodall,
12 City Clerk,
13 City of Austin, Texas

(SEAL)

14
15
16
17 APPROVED:

18
19 _____
20
21 Karen M. Kennard,
22 City Attorney,
23 City of Austin, Texas

DRAFT

EXHIBIT A

Form of Obligation

NO. R-___¹ \$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF AUSTIN, TEXAS
PUBLIC IMPROVEMENT BOND,
SERIES 2013

<u>Maturity Date</u> ²	<u>Interest Rate</u> ²	<u>Dated Date</u>	<u>CUSIP No.</u> ²
September 1, 20__	%	September 1, 2013	

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

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

_____ DOLLARS

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

¹ The initial Bond shall be numbered T-1.

² To be omitted from the initial Bond.

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

"ON THE MATURITY DATES SPECIFIED BELOW, THE CITY OF AUSTIN, TEXAS (the "City"), in the Counties of Travis, Williamson and Hays, hereby promises to pay to _____ or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amounts shown below: [Insert information regarding maturity dates, principal amounts and interest rates from Schedule II of the Ordinance] and to pay interest thereon, from the Dated Date specified above, to the Maturity Dates specified above, or the date of its redemption prior to scheduled maturity, at the rates of interest per annum specified above, with said interest being payable on March 1, 2014, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than March 1, 2014, such interest is payable semiannually on each September 1 and March 1 following such date."

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

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

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

1 THIS BOND is one of a series of Bonds of like tenor and effect except as to number,
2 principal amount, interest rate, maturity and option of redemption, authorized in accordance with
3 the Constitution and laws of the State of Texas in the principal amount of \$_____, for the
4 purpose of providing funds with which to (i) make and acquire various public improvements for
5 the City and (ii) pay the costs of issuance associated with the sale of the Bonds.

6 ON SEPTEMBER 1, 20____, or on any date thereafter, the Bonds of this series maturing
7 on September 1, 20____, and thereafter may be redeemed prior to their scheduled maturities, at
8 the option of the City, in whole, or in part, at a price equal to the principal amount thereof, plus
9 accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for
10 redemption at the option of the City prior to stated maturity shall be selected by the City. The
11 Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary
12 random selection method by the Paying Agent/Registrar; provided, that during any period in
13 which ownership of the Bonds is determined only by a book entry at a securities depository for
14 the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate
15 are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be
16 selected in accordance with the arrangements between the City and the securities depository.

17 THE BONDS maturing on September 1, 20__ (the "Term Bonds") are also subject to
18 mandatory redemption in part by lot or other customary random selection method pursuant to the
19 terms of the Ordinance, on September 1 in the following years and in the following amounts, at a
20 price equal to the principal amount thereof, plus accrued and unpaid interest to the date of
21 redemption, without premium:

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

*

22 _____
23 * Final Maturity
24

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

33 AT LEAST 30 days prior to the date fixed for any redemption a written notice of
34 redemption shall be given to the registered owner of each Bond or a portion thereof being called
35 for redemption by depositing such notice in the United States mail, first-class postage prepaid,
36 addressed to each such registered owner at his address shown on the Registration Books of the
37 Paying Agent/Registrar. By the date fixed for any redemption due provision shall be made by
38 the City with the Paying Agent/Registrar for the payment of the required redemption price for
39 this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the
40 date fixed for redemption. If notice of redemption is given, and if due provision for such

1 payment is made, all as provided above, this Bond, or the portion hereof which is to be so
2 redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not
3 bear interest after the date fixed for its redemption, and shall not be regarded as being
4 outstanding except for the right of the registered owner to receive the redemption price plus
5 accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the
6 funds provided for payment. The Paying Agent/Registrar shall record in the Registration Books
7 all redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be
8 redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same
9 rate, in any denomination or denominations in any integral multiple of \$5,000, at the written
10 request of the registered owner, and in aggregate principal amount equal to the unredeemed
11 portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation,
12 at the expense of the City, all as provided in the Ordinance.

13 ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without
14 interest coupons, in the denomination of any integral multiple of \$5,000 (an "Authorized
15 Denomination"). As provided in the Ordinance, this Bond may, at the request of the registered
16 owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like
17 aggregate principal amount of fully registered bonds, without interest coupons, payable to the
18 appropriate registered owner, assignee, or assignees, as the case may be, having the same
19 maturity date, and bearing interest at the same rate, in any Authorized Denomination as
20 requested in writing by the appropriate registered owner, assignee, or assignees, as the case may
21 be, upon surrender of this Bond to the Paying Agent/Registrar at its Designated
22 Payment/Transfer Office for cancellation, all in accordance with the form and procedures set
23 forth in the Ordinance. Among other requirements for such assignment and transfer, this Bond
24 must be presented and surrendered to the Paying Agent/Registrar, together with proper
25 instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying
26 Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any
27 integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any
28 such portion or portions hereof is or are to be transferred and registered. The form of Assignment
29 printed or endorsed on this Bond may be executed by the registered owner to evidence the
30 assignment hereof, but such method is not exclusive, and other instruments of assignment
31 satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond
32 or any portion or portions hereof from time to time by the registered owner. The one requesting
33 such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and
34 charges for exchanging any Bond or portion thereof. The foregoing notwithstanding, in the case
35 of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof,
36 such fees and charges of the Paying Agent/Registrar will be paid by the City. In any
37 circumstance, any taxes or governmental charges required to be paid with respect thereto shall be
38 paid by the one requesting such assignment, transfer, or exchange as a condition precedent to the
39 exercise of such privilege. In any circumstance, neither the City nor the Paying Agent/Registrar
40 shall be required to transfer or exchange any Bond so selected for redemption, in whole or in
41 part, within 45 calendar days of the date fixed for redemption; provided, however, such
42 limitation of transfer shall not be applicable to an exchange by the registered owner of the
43 uncalled principal of a Bond.

44 WHENEVER the beneficial ownership of this Bond is determined by a book entry at a
45 securities depository for the Bonds, the foregoing requirements of holding, delivering or

1 transferring this Bond shall be modified to require the appropriate person or entity to meet the
2 requirements of the securities depository as to registering or transferring the book entry to
3 produce the same effect.

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

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

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

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

City Clerk,
City of Austin, Texas

Mayor,
City of Austin, Texas

(SEAL)

* * * * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the City 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 a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

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

By: _____
Authorized Representative

* * * * *

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

OFFICE OF COMPTROLLER :
STATE OF TEXAS :

REGISTER NO. _____

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

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

(SEAL)

Comptroller of Public Accounts of the
State of Texas

* * * * *

1 FORM OF ASSIGNMENT:

2 ASSIGNMENT

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

4 _____
5 Please insert Social Security or Taxpayer Identification Number of Transferee

6 _____
7 / _____ /
8
9

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

12 _____
13 _____
14 the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
15 _____ attorney to register the transfer of
16 the within Bond on the books kept for registration thereof, with full power of substitution in the
17 premises.
18

19 Dated: _____
20

21 Signature Guaranteed:
22

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

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

EXHIBIT B

Description of Annual Financial Information

The following information is referred to in PART 14 of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with PART 14 are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

The quantitative financial information and operating data with respect to the City of the general type included in the main text of the Official Statement under the subcaptions: "Tax Valuation" with respect to the appraised value as of January 1 during the fiscal year as to which such annual report relates; "Current Investments;" "Valuation and Funded Debt History;" "Tax Rates, Levy and Collection History;" "Ten Largest Taxpayers;" "Property Tax Rate Distribution;" "General Fund Revenues and Expenditures and Changes in Fund Balance;" "Municipal Sales Tax;" and "Transfers from Utility Fund."

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

Accounting Principles

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

SCHEDULE I
(*Amounts in thousands)

Purpose	Total Amount Authorized*	Amounts Previously Issued*	Amounts Being Issued*	Unissued Amounts*
<u>10/22/83 Election</u>				
Brackenridge 2000	\$ 50,000	\$ 40,785	0	\$9,215
<u>09/08/84 Election</u>				
Park Improvements	9,975	9,648	0	327
<u>1/19/85 Election</u>				
Cultural Arts	20,285	14,890	0	5,395
<u>11/7/06 Election</u>				
Street and Road Improvements	103,100	94,660	8,440	0
Water Quality Improvements	145,000	130,000	15,000	0
Park Improvements	84,700	78,890	4,810	1,000
Cultural Facilities	31,500	27,500	0	4,000
Affordable Housing	55,000	55,000	0	0
Central Library	90,000	6,800	20,000	63,200
Public Safety Improvements	58,100	53,100	0	5,000
<u>11/2/10 Election</u>				
Mobility Transportation	90,000	45,305	30,000	14,695
<u>11/6/12 Election</u>				
Transportation and Mobility	143,299	0	11,895	131,404
Watershed Protection	30,000	0	20,000	10,000
Park Improvements	77,680	0	550	77,130
Public Safety Improvements	31,079	0	1,500	29,579
Health and Human Services	11,148	0	235	10,913
Library, Museum and Cultural Arts	13,442	0	820	12,622
TOTAL	<u>\$1,044,308</u>	<u>\$556,578</u>	<u>\$113,250</u>	<u>\$374,480</u>

SCHEDULE II

1 AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

2 The Obligations shall be issued in the aggregate principal amount of \$_____, maturing on
3 the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
--------------------	-----------------------------	--------------------------

4 5 PURCHASERS:

6 _____, and syndicate members.

7 PURCHASE PRICE:

8 The Purchase Price for the Obligations shall be par plus a cash premium of \$_____, plus
9 accrued interest to the date of delivery.

10 OPTIONAL REDEMPTION:

11 The Obligations maturing on or after September 1, 20____, are subject to redemption, in whole or
12 in part in any Authorized Denomination, at the option of the City, on September 1, 20____, or on
13 any date thereafter, at a price equal to the principal amount thereof, without premium, plus
14 accrued interest to the date fixed for redemption.

15 MANDATORY SINKING FUND REDEMPTION:

16 The Obligations maturing on September 1, 20____ (the "Term Obligations") are subject to
17 mandatory sinking fund redemption on September 1 in the following years and in the following
18 amounts, at a price equal to the principal amount thereof and accrued and unpaid interest to the
19 date of redemption, without premium:

20

1

Year

Principal Amount

2

3 * Final Maturity

4

5 The principal amount of the Term Obligations required to be redeemed pursuant to the operation
6 of such mandatory redemption provisions may be reduced, at the option of the City, by the
7 principal amount of the Term Obligations of the same maturity which (i) have been acquired by
8 the City, with funds on deposit in the Interest and Sinking Fund for the Obligations at a price not
9 exceeding the principal amount of such Term Obligations plus accrued interest to the date of
10 purchase and delivered to the Paying Agent/Registrar for cancellation or (ii) have been redeemed
11 pursuant to the optional redemption provisions and not theretofore credited against a mandatory
12 redemption requirement.

13 DISPOSITION OF PROCEEDS:

14 Proceeds from the sale of the Obligations in the amount of \$____ (representing \$____ of principal
15 and \$____ of premium) shall be used for the purposes described in clause (i) of PART 3,
16 \$____ of premium shall be used for the purposes described in clause (ii) of PART 3, and
17 \$____ (representing \$____ of premium and \$____ of accrued interest) shall be
18 deposited to the Interest and Sinking Fund.