

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

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

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

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

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

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

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

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

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

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

26 “MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

1 “Purchase Agreement” means the purchase agreement (one or more) between the City and the
2 Underwriters providing for the sale of the Obligations by the City and the purchase of the Obligations
3 by the Underwriters.

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

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

7 “Rule” means SEC Rule 15c2-12.

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

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

10 **PART 3. OBLIGATIONS AUTHORIZED.**

11 The Obligations shall be issued in accordance with the Constitution, laws of the State of Texas,
12 and the Charter of the City for the purposes of (i) paying all or a portion of the City’s contractual
13 obligations to be incurred with the acquisition, purchase or financing of the Property, in accordance
14 with the provisions of the Act, and (ii) paying the costs of issuance associated with the sale of the
15 Obligations. The aggregate principal amount and the designation of Obligations issued pursuant to this
16 Ordinance is set forth in Schedule II.

17 **PART 4. MATURITY SCHEDULE.**

18 The Obligations shall be dated as of September 1, 2014, shall be in Authorized Denominations,
19 shall be numbered consecutively from R-1 upward, and shall mature on the maturity date(s), in each of
20 the years, and in the amounts, respectively, as set forth in Schedule II.

21 **PART 5. REDEMPTION PROVISIONS.**

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

23 **PART 6. INTEREST.**

24 The Obligations shall bear interest at the rates per annum set forth in Schedule II. The interest
25 shall be payable to the Registered Owner of any Obligation in the manner provided and on the dates
26 stated in the Form of Obligation. Interest shall be calculated on the basis of a 360-day year consisting
27 of twelve 30-day months.

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

29 (a) The City shall keep, or cause to be kept at the Designated Payment/Transfer Office, the
30 Registration Books, and the City appoints the Paying Agent/Registrar as its registrar and transfer agent
31 to keep books or records and make the transfers and registrations under the reasonable regulations as
32 the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make
33 transfers and registrations as provided in this Ordinance. It shall be the duty of the Paying
34 Agent/Registrar to obtain from the Registered Owner and record in the Registration Books the address
35 of the Registered Owner to which payments with respect to the Obligations shall be mailed, as provided
36 in this Ordinance. The City, or its designee, shall have the right to inspect the Registration Books

1 during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar
2 shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit
3 their inspection by any other entity. Ownership of each Obligation may be transferred in the
4 Registration Books only upon presentation and surrender of the Obligation to the Paying
5 Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of
6 assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar,
7 evidencing the assignment of the Obligation, or any portion of the Obligation, in any Authorized
8 Denomination, to the assignee or assignees, and the right of the assignee or assignees to have the
9 Obligation or any portion of the Obligation registered in the name of the assignee or assignees. Upon
10 the assignment and transfer of any Obligation, a new substitute obligation or obligations shall be issued
11 in exchange for the Obligation in the manner provided in this Ordinance.

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

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

24 (d) Each Obligation may be exchanged for fully registered obligations as set forth in this
25 Ordinance. Each Obligation issued and delivered pursuant to this Ordinance may, upon surrender at
26 the Designated Payment/Transfer Office, together with a written request duly executed by the
27 Registered Owner or its assignee or assignees, or its or their duly authorized attorneys or
28 representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of
29 the Registered Owner or its assignee or assignees, as appropriate, be exchanged for fully registered
30 obligations, without interest coupons, in the form prescribed in the Form of Obligation, in any
31 Authorized Denomination (subject to the requirement stated below that each substitute Obligation shall
32 have a single stated maturity date), as requested in writing by the Registered Owner or its assignee or
33 assignees, in an aggregate principal amount equal to the unredeemed principal amount of any
34 Obligation or Obligations so surrendered, and payable to the appropriate Registered Owner, assignee,
35 or assignees. If a portion of any Obligation is assigned and transferred, each Obligation issued in
36 exchange shall have the same maturity date and bear interest at the same rate as the Obligation for
37 which it is being exchanged. Each substitute Obligation shall bear a letter and/or number to distinguish
38 it from each other Obligation. The Paying Agent/Registrar shall exchange or replace Obligations as
39 provided in this Ordinance, and each fully registered Obligation delivered in exchange for or
40 replacement of any Obligation or portion of an Obligation as permitted or required by any provision of
41 this Ordinance shall constitute one of the Obligations for all purposes of this Ordinance, and may again
42 be exchanged or replaced. Any Obligation delivered in exchange for or replacement of another
43 Obligation before the first scheduled interest payment date on the Obligations (as stated on the face of
44 the Obligation) shall be dated the same date, but each substitute Obligation delivered on or after the
45 first scheduled interest payment date shall be dated the interest payment date preceding the date on
46 which the substitute Obligation is delivered, unless the substitute Obligation is delivered on an interest

1 payment date, in which case it shall be dated as of the date of delivery; however, if at the time of
2 delivery of any substitute Obligation the interest on the Obligation for which it is being exchanged has
3 not been paid, then the substitute Obligation shall be dated the date to which interest has been paid in
4 full. On each substitute Obligation issued in exchange for or replacement of any Obligation issued
5 under this Ordinance there shall be printed on the Obligation the Authentication Certificate. An
6 authorized representative of the Paying Agent/Registrar shall, before the delivery of any substitute
7 Obligation, date the substitute Obligation in the manner set forth above, and manually sign and date the
8 Authentication Certificate, and no substitute Obligation shall be considered to be issued or outstanding
9 unless the Authentication Certificate is executed. The Paying Agent/Registrar promptly shall cancel all
10 Obligations surrendered for exchange or replacement. No additional ordinances, orders, or resolutions
11 need be passed or adopted by Council or any other body or person to accomplish the exchange or
12 replacement of any Obligation, and the Paying Agent/Registrar shall provide for the printing,
13 execution, and delivery of the substitute Obligations in the manner prescribed in this Ordinance.
14 Pursuant to Chapter 1206, the duty of exchange or replacement of any Obligation is imposed on the
15 Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or
16 replaced obligation shall be valid, incontestable, and enforceable in the same manner and with the same
17 effect as the Obligations which originally were delivered pursuant to this Ordinance, approved by the
18 Texas Attorney General, and registered by the Texas Comptroller of Public Accounts.

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

26 (f) The City shall pay the Paying Agent/Registrar's reasonable and customary fees and
27 charges for making transfers of Obligations, but the Registered Owner of any Obligation requesting the
28 transfer shall pay any taxes or other governmental charges required for the transfer. The Registered
29 Owner of any Obligation requesting any exchange shall pay the Paying Agent/Registrar's reasonable
30 and standard or customary fees and charges for exchanging any Obligation or a portion of an
31 Obligation, together with any required taxes or governmental charges, all as a condition precedent to
32 the exercise of the privilege of exchange, except in the case of the exchange of an assigned and
33 transferred Obligation or Obligations or any portion or portions in any Authorized Denomination, the
34 fees and charges will be paid by the City. In addition, the City covenants with the Registered Owners of
35 the Obligations that it will (i) pay the reasonable and standard or customary fees and charges of the
36 Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on
37 the Obligations, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services
38 with respect to the transfer or registration of Obligations, and with respect to the exchange of
39 Obligations solely to the extent stated above.

40 (g) The City Manager is authorized to execute and deliver the Paying Agent/Registrar
41 Agreement. The City covenants with the Registered Owners of the Obligations that at all times while
42 the Obligations are outstanding the City will provide a competent and legally qualified bank, trust
43 company, or other entity duly qualified and legally authorized to act as and perform the services of
44 Paying Agent/Registrar for the Obligations under this Ordinance, and that the Paying Agent/Registrar
45 will be one entity. The City reserves the right to, and may, at its option, change the Paying
46 Agent/Registrar upon not less than 60 days written notice to the Paying Agent/Registrar. In the event

1 that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or
2 other method) should resign or otherwise stop acting as such, the City covenants that it will promptly
3 appoint a competent and legally qualified national or state banking institution organized and doing
4 business under the laws of the United States of America or of any state, authorized under the laws to
5 exercise trust powers, subject to supervision or examination by federal or state authority, and whose
6 qualifications substantially are similar to the previous Paying Agent/Registrar to act as Paying
7 Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous
8 Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy of these
9 Books), along with all other pertinent books and records relating to the Obligations, to the new Paying
10 Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar,
11 the City promptly will cause a written notice to be sent by the new Paying Agent/Registrar to each
12 Registered Owner of the Obligations, by United States mail, first-class postage prepaid, which notice
13 also shall give the address of the new Paying Agent/Registrar. By accepting the position and
14 performing as such, each Paying Agent/Registrar shall be considered to have agreed to the provisions
15 of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying
16 Agent/Registrar.

17 **PART 8. FORM OF OBLIGATIONS.**

18 The Obligations shall be signed with the manual or facsimile signatures of the Mayor and the
19 City Clerk, and the seal of the City shall be affixed or impressed on the Obligations. The form of all
20 Obligations, including the form of the Comptroller's Registration Certificate to accompany the
21 Obligations on the initial delivery, the form of the Authentication Certificate, and the Form of
22 Assignment to be printed on each Obligation, shall be, respectively, substantially in the form set forth
23 in Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by
24 this Ordinance.

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

26 (a) The Interest and Sinking Fund is created and it shall be established and maintained at an
27 official depository of the City. The Interest and Sinking Fund shall be kept separate and apart from all
28 other funds and accounts of the City, and shall be used only for paying the interest on and principal of
29 the Obligations. All ad valorem taxes levied and collected for and on account of the Obligations shall
30 be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any
31 Obligation is outstanding and unpaid, Council shall compute and ascertain the rate and amount of ad
32 valorem tax, based on the latest approved tax rolls of the City, with full allowances being made for tax
33 delinquencies and costs of tax collections, which will be sufficient to raise and produce the money
34 required to pay the interest on the Obligations as the interest comes due, and to provide a sinking fund
35 to pay the principal of the Obligations as the principal matures, but never less than 2% of the
36 outstanding principal amount of the Obligations as a sinking fund each year. The rate and amount of ad
37 valorem tax needed to fund this obligation is ordered to be levied against all taxable property in the
38 City for each year while any Obligation is outstanding and unpaid, and the ad valorem tax shall be
39 assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad
40 valorem taxes necessary to pay the interest on and principal of the Obligations, as the interest comes
41 due, and the principal matures as provided in the Form of Obligation, are pledged for this purpose,
42 within the limit set by law. The City appropriates from current funds on hand, and directs the transfer
43 for deposit into the Interest and Sinking Fund moneys as may be necessary to pay debt service on the
44 Obligations scheduled to occur prior to receipt of taxes levied to pay such debt service. Money in the
45 Interest and Sinking Fund, at the option of the City, may be invested in the securities or obligations as
46 permitted under applicable law and the City's investment policy. Any securities or obligations in which

1 money is invested shall be kept and held in trust for the benefit of the owners of the Obligations and
2 shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to
3 be made from the Interest and Sinking Fund. Interest and income derived from the investment of
4 money in the Interest and Sinking Fund shall be credited to the Interest and Sinking Fund.

5 (b) Chapter 1208 applies to the issuance of the Obligations and the pledge of ad valorem
6 taxes made under PART 9(a) of this Ordinance, and the pledge is valid, effective, and perfected. If
7 Texas law is amended at any time while any Obligation is outstanding and unpaid so that the pledge of
8 ad valorem taxes made by the City under PART 9(a) of this Ordinance is to be subject to the filing
9 requirements of Chapter 9, then to preserve to the Registered Owners of the Obligations the perfection
10 of the security interest in the pledge, the City agrees to take measures as it determines are reasonable
11 and necessary under Texas law to comply with the applicable provisions of Chapter 9 and enable a
12 filing to perfect the security interest in the pledge.

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

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

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

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

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

39 (e) In accordance with Chapter 1206, this PART constitutes authority for the issuance of
40 any such replacement Obligation without necessity of further action by Council or any other body or
41 person, and the duty of the replacement of the Obligations is authorized and imposed on the Paying
42 Agent/Registrar, subject to the conditions imposed by this PART, and the Paying Agent/Registrar shall

1 authenticate and deliver the Obligations in the form and manner and with the effect, as provided in
2 PART 7(d) of this Ordinance for Obligations issued in exchange for other Obligations.

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

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

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

14 (a) The sale of the Obligations to the Underwriters at the price set forth in Schedule II, is
15 hereby approved; and delivery of the Obligations to the Underwriters shall be made upon payment
16 therefor in accordance with the terms of the Purchase Agreement presented to and hereby approved by
17 the Council, with such changes as are acceptable to the Mayor or the City Manager, which price and
18 terms are hereby found and determined to be the most advantageous reasonably obtainable by the City.
19 The Mayor or the City Manager is hereby authorized and directed to execute such Purchase Agreement
20 on behalf of the City, and the Mayor, the Mayor Pro Tem, the City Manager, the City Clerk, the Chief
21 Financial Officer and all other officials, agents and representatives of the City are hereby authorized to
22 do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for
23 the issuance and delivery of the Obligations.

24 (b) Council hereby ratifies, authorizes and approves, in connection with the sale of the
25 Obligations, the preparation and distribution of the Preliminary Official Statement and a final Official
26 Statement, substantially in the form of the Preliminary Official Statement, containing such additional
27 information and amendments as may be necessary to conform to the terms of the Obligations, this
28 Ordinance and the Purchase Agreement, and the Preliminary Official Statement is hereby deemed final
29 as of its date within the meaning and for the purposes of paragraph (b)(1) of the Rule. The Mayor and
30 the City Manger are hereby authorized to approve such amendments and supplements to the Official
31 Statement as either of them shall be deemed necessary or appropriate, and the Mayor and City Clerk are
32 hereby authorized to execute such Official Statement by manual, facsimile or electronic signature
33 and/or to deliver a certificate pertaining to such Official Statement as prescribed therein or in the
34 Purchase Agreement, dated as of the date of payment for and delivery of the Obligations.

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

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

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

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

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

2 “Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

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

5 “Net Sale Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

6 “Nonpurpose Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

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

8 “Rebate Amount” has the meaning stated in section 1.148-3 of the Regulations.

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

14 “Yield of”

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

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

19 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or
20 omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or
21 improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which,
22 if made or omitted, respectively, would cause the interest on any Obligations to become includable in
23 the gross income, as defined in section 61 of the Code, of the owner for federal income tax purposes.
24 Unless and until the City has received a written opinion of counsel nationally recognized in the field of
25 municipal bond law to the effect that failure to comply with such covenant will not adversely affect the
26 exemption from federal income tax of the interest on any Obligation, the City shall comply with the
27 specific covenants in this Section.

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

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

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

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

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

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

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

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

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

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

41 (3) as additional consideration for the purchase of the Obligations by the initial
42 purchaser and the loan of the money represented by this purchase, and in order to induce such

1 purchase by measures designed to ensure the excludability of the interest from the gross income
2 of the owners for federal income tax purposes, pay to the United States the amount described in
3 paragraph (2) above at the times, in the installments, to the place, in the manner and
4 accompanied by such forms or other information as is or may be required by section 148(f) of
5 the Code and the regulations and rulings relating to section 148(f) of the Code, and

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

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

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

22 **PART 14. CONTINUING DISCLOSURE OBLIGATION.**

23 (a) *Annual Reports.* (i) The City shall provide annually to the MSRB, within six months
24 after the end of each fiscal year, financial information and operating data with respect to the City of the
25 general type included in the Official Statement authorized by PART 12 of this Ordinance, being the
26 information described in Exhibit B. Any financial statements to be provided shall be (1) prepared in
27 accordance with the accounting principles described in Exhibit B, or other accounting principles as the
28 City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if
29 the City commissions an audit of such statements and the audit is completed within the period during
30 which they must be provided. If the audit of the financial statements is not complete within this period,
31 then the City shall provide unaudited financial statements by the required time, and shall provide
32 audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on
33 the statements becomes available.

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

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

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

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

28 As used in clause 12 above, the phrase “bankruptcy, insolvency, receivership or similar event”
29 means the appointment of a receiver, fiscal agent or similar officer for the City in a proceeding under
30 the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or
31 governmental authority has assumed jurisdiction over substantially all of the assets or business of the
32 City, or if jurisdiction has been assumed by leaving Council and officials or officers of the City in
33 possession but subject to the supervision and orders of a court or governmental authority, or the entry
34 of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental
35 authority having supervision or jurisdiction over substantially all of the assets or business of the City.

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

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

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

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

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

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

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

39 **PART 15. DTC REGISTRATION.**

40 The Obligations initially shall be issued and delivered in the manner that no physical
41 distribution of the Obligations will be made to the public, and DTC initially will act as depository for
42 the Obligations. DTC has represented that it is a limited purpose trust company incorporated under the
43 laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation"
44 within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered
45 under Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no

1 way verifies, the representations. The Obligations initially authorized by this Ordinance intended to be
2 held by DTC shall be delivered to and registered in the name of Cede & Co., the nominee of DTC. It is
3 expected that DTC will hold the Obligations on behalf of the Purchasers and their participants. So long
4 as each Obligation is registered in the name of Cede & Co., the Paying Agent/Registrar shall treat and
5 deal with DTC the same in all respects as if it were the actual and beneficial owner. It is expected that
6 DTC will maintain a book-entry system which will identify ownership of the Obligations in Authorized
7 Denominations, with transfers of ownership being effected on the records of DTC and its participants
8 pursuant to rules and regulations established by them, and that the Obligations initially deposited with
9 DTC shall be immobilized and not be further exchanged for substitute Obligations except as set forth in
10 this Ordinance. The City and the Paying Agent/Registrar are not responsible or liable for any functions
11 of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be
12 responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants,
13 or protecting any interests or rights of the beneficial owners of the Obligations. It shall be the duty of
14 the DTC Participants, as defined in the Official Statement, to make all arrangements with DTC to
15 establish this book-entry system, the beneficial ownership of the Obligations, and the method of paying
16 the fees and charges of DTC. The City does not represent, nor does it in any way covenant that the
17 initial book-entry system established with DTC will be maintained in the future. Notwithstanding the
18 initial establishment of the foregoing book-entry system with DTC, if for any reason any of the
19 originally delivered Obligations is duly filed with the Paying Agent/Registrar with proper request for
20 transfer and substitution, as provided for in this Ordinance, substitute Obligations will be duly delivered
21 as provided in this Ordinance, and there will be no assurance or representation that any book-entry
22 system will be maintained for the Obligations. In connection with the initial establishment of the
23 foregoing book-entry system with DTC, the City has executed a "Blanket Letter of Representations"
24 prepared by DTC in order to implement the book-entry system described above.

25 **PART 16. DEFEASANCE.**

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

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

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

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

23 **PART 17. DEFAULT AND REMEDIES.**

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

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

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

32 (b) *Remedies for Default.*

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

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

3 (c) *Remedies Not Exclusive.*

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

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

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

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

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

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

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

36 **PART 19. RULES OF CONSTRUCTION.**

37 For all purposes of this Ordinance, unless the context requires otherwise, all references to
38 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this Ordinance.
39 Except where the context otherwise requires, terms defined in this Ordinance to impart the singular
40 number shall be considered to include the plural number and vice versa. References to any named

1 person shall mean that party and his or her successors and assigns. References to any constitutional,
2 statutory or regulatory provision means the provision as it exists on the date this Ordinance is adopted
3 by the City. Any reference to “Form of Obligation” refers to the form of the Obligations in Exhibit A to
4 this Ordinance. The titles and headings of the PARTS and subsections of this Ordinance have been
5 inserted for convenience of reference only and are not a part of this Ordinance and shall not in any way
6 modify or restrict any of its terms or provisions.

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

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

9 **PART 21. IMMEDIATE EFFECT.**

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

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

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PASSED AND APPROVED AND EFFECTIVE AUGUST 28, 2014.

Lee Leffingwell,
Mayor,
City of Austin, Texas

ATTEST:

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

(SEAL)

APPROVED:

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

DRAFT

1 **EXHIBIT A**

2 **Form of Obligation**

3 NO. R-__¹ \$_____

4 UNITED STATES OF AMERICA
5 STATE OF TEXAS

6 CITY OF AUSTIN, TEXAS
7 PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION,
8 SERIES 2014

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

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

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

14 _____ DOLLARS

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

1 ¹ The initial Obligation shall be numbered T-1.

2 ² To be omitted from the initial Obligation.

3 ³ The first paragraph of the initial Obligation 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 at the rates of interest per annum specified above, with said interest being payable on _____, 20__, and semiannually on each November 1 and May 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Obligation is dated later than _____, 20__, such interest is payable semiannually on each November 1 and May 1 following such date."

1 THE PRINCIPAL OF AND INTEREST ON this Obligation are payable in lawful money
2 of the United States of America, without exchange or collection charges. The principal of this
3 Obligation shall be paid to the registered owner hereof upon presentation and surrender of this
4 Obligation at maturity at the designated corporate trust office in Dallas, Texas (the “Designated
5 Payment/Transfer Office”) of Wilmington Trust, N.A., which is the “Paying Agent/Registrar”
6 for this Obligation. The payment of interest on this Obligation shall be made by the Paying
7 Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the
8 Paying Agent/Registrar at the close of business on the record date, which is the 15th day of the
9 month next preceding such interest payment date by check, dated as of such interest payment
10 date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City
11 required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter
12 provided; and such check shall be sent by the Paying Agent/Registrar by United States mail,
13 first-class postage prepaid, on each such interest payment date, to the registered owner hereof at
14 its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as
15 hereinafter described. Any accrued interest due at maturity of this Obligation prior to maturity as
16 provided herein shall be paid to the registered owner upon presentation and surrender of this
17 Obligation for payment at the Designated Payment/Transfer Office of the Paying
18 Agent/Registrar. The City covenants with the registered owner of this Obligation that no later
19 than each principal payment and/or interest payment date for this Obligation it will make
20 available to the Paying Agent/Registrar from the Interest and Sinking Fund as defined by the
21 ordinance authorizing the Obligations (the “Ordinance”) the amounts required to provide for the
22 payment, in immediately available funds, of all principal of, premium, if any, and interest on the
23 Obligations, 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 Obligation shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in
36 the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located
37 are authorized by law or executive order to close, then the date for such payment shall be the
38 next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which
39 banking institutions are authorized to close; and payment on such date shall have the same force
40 and effect as if made on the original date payment was due. Notwithstanding the foregoing,
41 during any period in which ownership of the Obligations is determined only by a book entry at a
42 securities depository for the Obligations, any payment to the securities depository, or its nominee
43 or registered assigns, shall be made in accordance with existing arrangements between the City
44 and the securities depository.

1 THIS OBLIGATION is one of a series of Obligations of like tenor and effect except as to
2 number, principal amount, interest rate and maturity authorized in accordance with the
3 Constitution and laws of the State of Texas in the principal amount of \$_____, for the
4 purpose of paying all or a portion of the City’s contractual obligations to be incurred in
5 connection with the acquisition, purchase or financing of personal property, in accordance with
6 the provisions of the Public Property Finance Act, Section 271.001, et seq., Local Government
7 Code.

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

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

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

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

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

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

City Clerk,
City of Austin, Texas

Mayor,
City of Austin, Texas

(SEAL)

18 * * * * *

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

2 PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
3 (To be executed if this Obligation is not accompanied by an
4 executed Registration Certificate of the Comptroller
5 of Public Accounts of the State of Texas)

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

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

By: _____
Authorized Representative

12 * * * * *

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

15 OFFICE OF COMPTROLLER :
16 : REGISTER NO. _____
17 STATE OF TEXAS :

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

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

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

28 (SEAL)

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FORM OF ASSIGNMENT:
ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

/_____/

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

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

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

Dated: _____

Signature Guaranteed:

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

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

1 **EXHIBIT B**

2 **Description of Annual Financial Information**

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

4 **Annual Financial Statements and Operating Data**

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

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

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

13 **Accounting Principles**

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

42	Thermo Push Cart (2x)	22,000	10 years	8/1/2015
43	Paint Push Cart (1x)	9,000	10 years	8/1/2015
44	Rotary Line Grinder (2x)	15,000	10 years	8/1/2015
45	Public Works Department – (\$2,300,000)			
46	Crack Sealer Machine (2x)	130,000	7 years	05/01/15
47	Air Compressor (2x)	55,000	7 years	05/01/15
48	Sand Spreader Box (3x)	225,000	7 years	05/01/15
49	Wheel Loader Front End (1x)	285,000	7 years	05/01/15
50	Roller, Double Drum Steel Wheel (2x)	240,000	7 years	05/01/15
51	Milling Machine (1x)	700,000	7 years	05/01/15
52	Loader (1x)	85,000	7 years	05/01/15
53	Distributor Truck Mounted Tank (1x)	245,000	7 years	05/01/15
54	Curb Cut Machine (1x)	150,000	7 years	05/01/15
55	Curb Laydown Machine (1x)	185,000	7 years	05/01/15

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1 **SCHEDULE II**

2 **DESIGNATION, AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND**
3 **INTEREST RATES:**

4 The Obligations shall be designated as “City of Austin, Texas Public Property Finance
5 Contractual Obligations, Series 2014” and issued in the aggregate principal amount of
6 \$_____, maturing on the dates and in the amounts as follows:

<u>May 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>November 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2015			2015		
2016			2016		
2017			2017		
2018			2018		
2019			2019		
2020			2020		
2021			2021		

7 Interest accrues on the Obligations from September 1, 2014.

8 **PURCHASE PRICE:**

9 The purchase price for the Obligations shall be \$_____ (representing the par amount
10 of the Bonds, plus a net premium of \$_____ and less an underwriting discount of
11 \$_____), plus accrued interest to the date of delivery of the Obligations.

12 **REDEMPTION:**

13 The Obligations shall not be subject to redemption prior to their stated maturity.

14 **DISPOSITION OF PROCEEDS:**

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