

RESOLUTION NO. -MLGC

RESOLUTION AUTHORIZING THE ISSUANCE OF MUELLER LOCAL GOVERNMENT CORPORATION TAX INCREMENT CONTRACT REVENUE BONDS, SERIES 2014, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$18,265,000; APPROVING CONTRACT DOCUMENTS RELATING TO THE SERIES 2014 BONDS; AND CONTAINING OTHER PROVISIONS RELATED THERETO

RECITALS

WHEREAS, the City of Austin ("City") has determined that it would be in the best interest of the City and the general public to redevelop property within the City formerly known as the Robert Mueller Municipal Airport ("Mueller"); and

WHEREAS, to facilitate the redevelopment of Mueller, the City entered into a Master Development Agreement with Catellus Austin, LLC, effective as of December 2, 2004 (the "Master Development Agreement"); and

WHEREAS, under the Master Development Agreement, the City agreed to issue debt to finance certain "Public Finance Reimbursement Project Costs" as defined in the Master Development Agreement, either directly or through the auspices of a local government corporation to be created by the City; and

WHEREAS, on December 16, 2004, the Council authorized the creation of Tax Increment Financing Reinvestment Zone Number Sixteen, City of Austin, Texas ("TIRZ Sixteen") pursuant to Chapter 311, Texas Tax Code, and approved a preliminary project plan for TIRZ Sixteen and a preliminary reinvestment zone financing plan for TIRZ Sixteen; and

WHEREAS, by Resolution No. 041202-60, adopted on December 2, 2004, the City authorized the creation of the Mueller Local Government Corporation ("Corporation") to act on behalf of the City in the performance of the City's governmental and proprietary functions to promote the common good and the general welfare of the City, including, without limitation, the development of the geographic area of the City included or to be included in TIRZ Sixteen and

neighboring areas in furtherance of the promotion of economic development; and

WHEREAS, by Resolution No. 20060427-003, adopted on April 27, 2006, the City Council adopted a program pursuant to Chapter 380 of the Texas Local Government Code ("Chapter 380 Program") whereby the City may make economic development loans or grants from City general funds to the Corporation in furtherance of the economic development objectives for TIRZ Sixteen, specifically with respect to the redevelopment of Mueller consistent with the provisions of the Master Development Agreement; and

WHEREAS, pursuant to the terms of a Tri-Party Agreement among the City, TIRZ Sixteen and the Corporation, dated as of September 1, 2009 ("Tri-Party Agreement") the City and TIRZ Sixteen have agreed to transfer tax increment revenues generated within TIRZ Sixteen to the Corporation to provide funds that may be used by the Corporation for the payment of debt service on Tax Increment Contract Revenue Bonds issued by the Corporation to finance "Public Finance Reimbursable Project Costs" in accordance with the Master Development Agreement, in furtherance of the economic development objectives of the Chapter 380 Program; and

WHEREAS, the Corporation approved and executed an Indenture of Trust, dated as of September 1, 2009, with U.S. Bank N.A. (the successor to Deutsche Bank Trust Company Americas), as trustee ("Indenture"); and

WHEREAS, pursuant to the terms of the Indenture, a bond resolution adopted by the Corporation on August 27, 2009 and an approval resolution adopted by Council on August 27, 2009, the Corporation authorized the issuance of its Tax Increment Contract Revenue Bonds, Series 2009, in the aggregate principal amount not to exceed \$15,000,000; and

WHEREAS, on October 27, 2009, the Corporation delivered its Tax Increment Contract Revenue Bonds, Series 2009, in the aggregate principal amount of \$15,000,000 ("Series 2009 Bonds"); and

WHEREAS, pursuant to the terms of the Indenture, a bond resolution adopted by the Corporation on August 23, 2012 and an approval resolution adopted by Council on August 23, 2012, the Corporation authorized the issuance of its Tax Increment Contract Revenue Bonds, Series 2012, in the aggregate principal amount not to exceed \$17,500,000; and

WHEREAS, on October 4, 2012, the Corporation delivered its Tax Increment Contract Revenue Bonds, Series 2012, in the aggregate principal amount of \$16,735,000 ("Series 2012 Bonds"); and

WHEREAS, in accordance with the terms of the Indenture, the Corporation may issue "Additional Parity Bonds" (as defined in the Indenture) on a parity with the Series 2009 Bonds and the Series 2012 Bonds, provided that the issuance of all "Tax Increment Contract Revenue Bonds" (as defined in the Indenture) issued as Additional Parity Bonds (i) be approved by the City and (ii) not exceed \$50,000,000 in aggregate principal amount; and

WHEREAS, pursuant to the action taken by Council to establish the Chapter 380 Program, the City has agreed, in accordance with the terms of a Grant Agreement between the City and the Corporation, effective as of September 8, 2009 ("Grant Agreement"), to consider, subject to annual appropriation, making an economic development grant to the Corporation to assist the Corporation in the payment of debt service on the Series 2009 Bonds, the Series 2012 Bonds and the bonds authorized to be issued by this Resolution; and

WHEREAS, the Corporation and the City have agreed to amend the Grant Agreement to provide for an increase in the aggregate principal amount of bonds that may be issued and governed by the terms of the Grant Agreement from \$35,000,000 to \$50,000,000; and

WHEREAS, as permitted by Chapter 431, Texas Transportation Code, as amended, the Corporation desires to issue bonds upon the terms and conditions and for the purposes provided in this Resolution.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MUELLER
LOCAL GOVERNMENT CORPORATION:**

ARTICLE I

RECITALS INCORPORATED BY REFERENCE

The recitals to this Resolution are incorporated into the body of this Resolution by reference for all purposes.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.1: Definitions. In this Resolution, the following terms shall have the following meanings, unless the context clearly indicates otherwise. Terms not defined in this Resolution shall have the meanings assigned to the terms in the Indenture:

"Audit" shall mean the audited annual financial statements of the Corporation prepared by an independent auditor, which may be included as part of the Consolidated Annual Financial Report of the City.

"Authorized Denominations" shall mean \$5,000 or any integral multiple of \$5,000.

"Authorized Representative" shall mean the President or any Vice President of the Corporation, the Treasurer of the Corporation, or any other person designated by the Board of Directors of the Corporation to act in such capacity.

"Code" shall mean the Internal Revenue Code of 1986.

"Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

"Dated Date" shall mean, with respect to the Series 2014 Bonds, _____, 2014.

"Designated Payment/Transfer Office" shall mean the designated corporate trust office of the Registrar, which, as of the date of adoption of this Resolution, is located in Jersey City, New Jersey.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Grant Agreement" shall mean the Grant Agreement between the Corporation and the City, effective as of September 9, 2009, as amended in the manner described in Section 10.2 of this Resolution.

"Indenture" has the meaning in the preamble to this Resolution.

"Issuance Date" shall mean the date on which the Series 2014 Bonds are authenticated by the Registrar and delivered to and paid for by the Underwriters.

"Master Development Agreement" has the meaning in the preamble to this Resolution.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Paying Agent", "Paying Agent/Registrar" and "Registrar" shall mean U.S. Bank N.A., and its successors in that capacity.

"Pricing Officer" shall mean the Chief Financial Officer of the City.

"Project" shall mean the following public infrastructure improvements within the meaning of the term "Project Costs" as defined in the Indenture, to-wit: construction costs relating to erosion control, demolition, land grading, water quality and retention ponds, electric, landscaping and street amenities, street lighting, and related design, consulting, permit and development fees.

"Purchase Agreement" shall mean the bond purchase agreement between the Corporation and the Underwriters, relating to the issuance and sale of the Series 2014 Bonds.

"Record Date" shall mean, for any Interest Payment Date, the fifteenth day of the month next preceding each Interest Payment Date.

"Resolution" or "Bond Resolution" shall mean this resolution, and all amendments and supplements to this Resolution.

"Rule" shall mean SEC Rule 15c2-12.

"SEC" shall mean the United States Securities and Exchange Commission.

"Series 2009 Bonds" shall mean the Corporation's Tax Increment Contract Revenue Bonds, Series 2009, issued in the aggregate principal amount of \$15,000,000.

"Series 2012 Bonds" shall mean the Corporation's Tax Increment Contract Revenue Bonds, Series 2012, issued in the aggregate principal amount of \$16,735,000.

"Series 2014 Bonds" or "Bonds" shall mean the Corporation's Tax Increment Contract Revenue Bonds, Series 2014, authorized by this Resolution.

"Tri-Party Agreement" has the meaning in the preamble to this Resolution.

"Underwriters" means the investment banking firms identified in the Purchase Agreement.

Section 2.2: Interpretations. All defined terms and all pronouns used in this Resolution shall apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part of this Resolution, and shall not in any way modify or restrict any of the terms or provisions of this Resolution. References to any constitutional, statutory or

regulatory provision means the provision as it exists on the date this Resolution is adopted by the Corporation and any future amendments successor provisions. This Resolution shall be liberally construed to effectuate the purposes set forth in this Resolution and to sustain the validity of the Parity Bonds and the validity of the lien on and pledge of the Pledged Revenues to secure the payment of the Parity Bonds. Upon the delivery of the Series 2014 Bonds, the Series 2009 Bonds, the Series 2012 Bonds and the Series 2014 Bonds will be the only Parity Bonds Outstanding in accordance with the terms of the Indenture.

ARTICLE III

TERMS OF THE BONDS

Section 3.1: Bonds to be Sold; Principal Amount, Purpose. The Series 2014 Bonds shall be issued in fully registered form, without coupons, in the aggregate principal amount of \$18,265,000 for the purpose of (1) paying costs of constructing the Project and (2) paying Costs of Issuance, all under and pursuant to the authority of the Act and all other applicable law.

Section 3.2: Principal and Interest of the Series 2014 Bonds; Redemption. (a) The Series 2014 Bonds shall be dated as of the Dated Date, shall be in Authorized Denominations, shall be numbered consecutively from R-1 upward, and shall mature on the maturity date, in each of the years, in the amounts, and bear interest at the interest rates per annum, respectively, as set forth in Schedule I.

(b)(i) The Bonds shall be subject to redemption by the Corporation prior to maturity in the manner and at the redemption price provided in the FORM OF BOND. The Series 2014 Bonds or portions of Series 2014 Bonds redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Series 2014 Bonds, if fewer than all of the Series 2014 Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Series 2014 Bonds shall be selected in accordance with the arrangements between the Corporation and the securities depository.

(ii) At least 30 days prior to the date fixed for any such redemption the Corporation shall cause a written notice of redemption to be deposited in the United States mail, first class postage prepaid, addressed to each such registered owner at the address shown on the Register. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Series 2014 Bonds which are to be redeemed, plus accrued interest on the redeemed Series 2014 Bonds to the date fixed for redemption. If notice of redemption is given, and if due provision for such payment is made, all as provided above, the Series 2014 Bonds which are to be so redeemed thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar shall record in the Register all redemptions of principal of the Series 2014 Bonds. If a portion of any Series 2014 Bond shall be redeemed a substitute Series 2014 Bond or Series 2014 Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, at the written request of the registered owner, and in an aggregate

principal amount equal to the unredeemed portion of the redeemed Series 2014 Bond, will be issued to the registered owner upon its surrender for cancellation, at the expense of the Corporation, all as provided in this Resolution. The failure to cause notice to be given, however, or any defect in the notice, shall not affect the validity or effectiveness of the redemption.

Section 3.3: Execution of Series 2014 Bonds. The Series 2014 Bonds shall be signed on behalf of the Corporation by an Authorized Representative and countersigned by the Secretary by their manual, lithographed, or facsimile signatures. Any facsimile signature on the Series 2014 Bonds shall have the same effect as if each Series 2014 Bond had been signed manually and in person by each officer. If any officer of the Corporation whose manual or facsimile signature shall appear on the Series 2014 Bonds shall cease to be an officer before the authentication of the Series 2014 Bonds or before the delivery of the Series 2014 Bonds, the manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if the officer had remained in the office.

Section 3.4: Approval By Attorney General; Registration by Comptroller. The Series 2014 Bonds to be initially issued shall be delivered to the Attorney General of Texas for examination and approval and shall be registered by the Comptroller. The manually executed registration certificate of the Comptroller substantially in the form provided in Exhibit A to this Resolution shall be affixed or attached to the Series 2014 Bonds to be initially issued and delivered to the Underwriters.

Section 3.5: Authentication. Except for the Series 2014 Bonds to be initially issued, which need not be authenticated by an authorized representative of the Registrar, only the Series 2014 Bonds bearing a certificate of authentication substantially in the form provided in Exhibit A to this Resolution, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Resolution or shall be valid or obligatory for any purpose. A duly executed certificate of authentication shall be conclusive evidence that the Series 2014 Bond so authenticated was delivered by the Registrar.

The Registrar, when it authenticates a Series 2014 Bond, shall cause the Dated Date to be stamped, typed or imprinted on such Series 2014 Bond. Series 2014 Bonds issued on transfer of or in exchange for other Series 2014 Bonds shall bear the same Dated Date as the Series 2014 Bond or Series 2014 Bonds presented for transfer or exchange.

Section 3.6. Payment of Principal and Interest. The Registrar is hereby appointed as the registrar and paying agent for the Series 2014 Bonds. The principal of the Series 2014 Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the Designated Payment/Transfer Office. The interest on each Series 2014 Bond shall be payable by check payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of the Owner as shown on the Register, or by any other method acceptable to the Registrar, requested by and at the risk and expense of the Owner.

If the date for the payment of principal or interest on any Series 2014 Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and

payment on that date shall have the same force and effect as if made on the original date payment was due.

Section 3.7. Successor Registrars. The Corporation covenants that at all times while any Series 2014 Bond is Outstanding it will provide a commercial bank or trust company organized under the laws of the State of Texas or other entity duly qualified and legally authorized to act as Registrar for the Series 2014 Bonds. The Corporation reserves the right to change the Registrar for the Series 2014 Bonds on not less than sixty (60) days written notice to the Registrar, so long as any notice is effective not less than sixty (60) days prior to the next succeeding Principal Installment Payment Date or Interest Payment Date on the Series 2014 Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or a copy of the Register to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 3.8. Special Record Date. If interest on any Series 2014 Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of this interest, to be known as a "Special Record Date". The Registrar shall establish a Special Record Date when funds to make this interest payment are received from or on behalf of the Corporation. The Special Record Date shall be fifteen (15) days prior to the date fixed for payment of past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner or record of an affected Series 2014 Bond as of the close of business on the day prior to the mailing of the notice.

Section 3.9. Ownership; Unclaimed Principal and Interest. Subject to the further provisions of this Section, the Corporation, the Registrar and any other person may treat the person in whose name any Series 2014 Bond is registered as the absolute Owner of the Series 2014 Bond for the purpose of making and receiving payment of the principal of or interest on the Series 2014 Bond, and for all other purposes, whether the Series 2014 Bond is overdue, and neither the Corporation nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Series 2014 Bond in accordance with this Section 3.9 shall be valid and effectual and shall discharge the liability of the Corporation and the Registrar upon the Series 2014 Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Series 2014 Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date the amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code.

Section 3.10. Registration, Transfer, and Exchange. So long as any Series 2014 Bond remains Outstanding, the Registrar shall keep the Register at the Designated Payment/Transfer Office and, subject to reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Series 2014 Bonds in accordance with the terms of this Resolution.

Each Series 2014 Bond shall be transferable only upon its presentation and surrender at the Designated Payment/Transfer Office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or its authorized representative in form satisfactory to the Registrar. Upon due presentation of any Series 2014 Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange, within three (3) Business Days after presentation, a new Series 2014 Bond or Series 2014 Bonds, registered in the name of the transferee or transferees, in Authorized Denominations and of the same maturity, aggregate principal amount, and Dated Date, and bearing interest at the same rate as the Series 2014 Bond or Series 2014 Bonds so presented.

All Series 2014 Bonds shall be exchangeable upon their presentation and surrender at the Designated Payment/Transfer Office of the Registrar for a Series 2014 Bond or Series 2014 Bonds of the same maturity, Dated Date, and interest rate and in any Authorized Denomination, in an aggregate amount equal to the unpaid principal amount of the Series 2014 Bond or Series 2014 Bonds presented for exchange. The Registrar is hereby authorized to authenticate and deliver exchange Series 2014 Bonds in accordance with the provisions of this Section 3.10. Each Series 2014 Bond delivered in accordance with this Section 3.10 shall be entitled to the benefits and security of this Resolution to the same extent as the Series 2014 Bond or Series 2014 Bonds in lieu of which the Series 2014 Bond is delivered.

The Corporation or the Registrar may require the Owner of any Series 2014 Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of the Series 2014 Bond. Any fee or charge of the Registrar for a transfer or exchange shall be paid by the Corporation.

The Registrar shall not be required to transfer or exchange any Series 2014 Bond during the period beginning on a Record Date or a Special Record Date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Series 2014 Bond called for redemption during the period beginning thirty (30) days prior to the date fixed for redemption and ending on the date fixed for redemption; *provided, however*, that this limitation shall not apply to the exchange by the Owner of the unredeemed portion of a Series 2014 Bond called for redemption in part.

Section 3.11. Cancellation of Series 2014 Bonds. All Series 2014 Bonds paid or redeemed in accordance with this Resolution, and all Series 2014 Bonds in lieu of which exchange Series 2014 Bonds or replacement Series 2014 Bonds are authenticated and delivered in accordance herewith, shall be canceled and thereafter treated in accordance with the Registrar's document retention policies.

Section 3.12. Mutilated, Lost, or Stolen Series 2014 Bonds. Upon the presentation and surrender to the Registrar of a mutilated Series 2014 Bond, the Registrar shall authenticate and deliver in exchange a replacement Series 2014 Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding. The Corporation or the Registrar may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the delivery of a replacement Series 2014 Bond and any other expenses, including the fees and expenses of the Registrar.

If any Series 2014 Bond is lost, apparently destroyed, or wrongfully taken, the Corporation, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that the Series 2014 Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Series 2014 Bond of like maturity, Dated Date, interest rate and principal amount, bearing a number not contemporaneously Outstanding, provided that the Owner shall have:

- (1) furnished to the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of the Series 2014 Bond;
- (2) furnished such security or indemnity as may be required by the Registrar to save it and the Corporation harmless;
- (3) paid all expenses and charges in connection with the delivery of a replacement Series 2014 Bond, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) met any other reasonable requirements of the Corporation and the Registrar.

If, after the delivery of such replacement Series 2014 Bond, a bona fide purchaser of the original Series 2014 Bond in lieu of which the replacement Series 2014 Bond was issued presents for payment such original Series 2014 Bond, the Corporation and the Registrar shall be entitled to recover such replacement Series 2014 Bond from the person to whom it was delivered or any person taking from the person, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Corporation or the Registrar.

If any mutilated, lost, apparently destroyed or wrongfully taken Series 2014 Bond has become or is about to become due and payable, the Corporation in its discretion may, instead of issuing a replacement Series 2014 Bond, authorize the Registrar to pay the Series 2014 Bond.

Each replacement Series 2014 Bond delivered in accordance with this Section 3.12 shall be entitled to the benefits and security of this Resolution to the same extent as the Series 2014 Bond or Series 2014 Bonds in lieu of which such replacement Series 2014 Bond is delivered.

Section 3.13: Limited Obligations. THE SERIES 2014 BONDS ARE A LIMITED OBLIGATION OF THE CORPORATION, PAYABLE SOLELY OUT OF THE TRUST ESTATE, WHICH IS THE SOLE ASSET OF THE CORPORATION PLEDGED THEREFOR. THE SERIES 2014 BONDS ARE OBLIGATIONS SOLELY OF THE CORPORATION AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE CITY OF AUSTIN, TEXAS, THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. THE CITY OF AUSTIN, TEXAS IS NOT OBLIGATED TO MAKE PAYMENTS ON THE SERIES 2014 BONDS, OTHER THAN AS OTHERWISE PROVIDED FOR IN THE INDENTURE.

Section 3.14: DTC Registration. The Series 2014 Bonds initially shall be issued and delivered in a manner that no physical distribution of the Series 2014 Bonds will be made to the public, and DTC initially will act as depository for the Series 2014 Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the Corporation accepts, but in no way verifies, the representations made by DTC. The Series 2014 Bonds initially authorized by this Resolution shall be delivered to and registered in the name of CEDE & CO., the nominee of DTC. So long as each Series 2014 Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner. It is expected that DTC will maintain a book-entry system which will identify ownership of the Series 2014 Bonds in integral amounts of \$5,000, with transfers of ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by them, and that the Series 2014 Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as provided in this Resolution. The Corporation is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Series 2014 Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement approved by this Resolution, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Series 2014 Bonds, and the method of paying the fees and charges of DTC. The Corporation does not represent nor covenant that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the book-entry system with DTC, if for any reason any of the originally delivered Series 2014 Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Resolution, substitute Series 2014 Bonds will be duly delivered as provided in this Resolution, and there will be no assurance or representation that any book-entry system will be maintained for the Series 2014 Bonds. To effect the establishment of the book-entry system, the Corporation has executed and filed with DTC the "Blanket DTC Letter of Representations" in the form provided by DTC to evidence the Corporation's intent to establish the book-entry system.

ARTICLE IV

FORM OF SERIES 2014 BONDS AND CERTIFICATES

Section 4.1: Forms. The form of the Series 2014 Bonds, including the form of the Registrar's authentication certificate, the form of assignment, and the form of the Comptroller's Registration Certificate for the Series 2014 Bonds to be initially issued, shall be in substantially the form as set forth in Exhibit A to this Resolution.

Section 4.2: Legal Opinion; Cusip Numbers; Bond Insurance. The approving opinion of Bond Counsel and CUSIP Numbers may be printed on the Series 2014 Bonds, but errors or omissions in the printing of the opinion or CUSIP numbers shall have no effect on the validity of the Series 2014 Bonds. If bond insurance is obtained by the Underwriters, the Series 2014

Bonds may bear an appropriate legend as provided by the insurer.

ARTICLE V

ADDITIONAL BONDS

Section 5.1: Additional Parity Bonds. The Corporation reserves the right to issue, for any lawful purpose (including the refunding of any previously issued Parity Bonds), one or more series of Additional Parity Bonds payable from and secured by a first lien on the Pledged Revenues, on a parity with the Parity Bonds; provided, however, that Additional Parity Bonds may be issued only in accordance with the provisions of Article III of the Indenture.

Section 5.2: Subordinate Lien Obligations. The Corporation reserves the right to issue, for any lawful purpose, Subordinate Lien Obligations secured in whole or in part by liens on the Pledged Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Parity Bonds. Subordinate Lien Obligations may be further secured by any other source of payment lawfully available for this purpose.

ARTICLE VI

GENERAL COVENANTS

Section 6.1: Punctual Payment of Parity Bonds. The Corporation will punctually pay or cause to be paid the interest on and principal of all Parity Bonds according to the terms thereof and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Resolution and in any resolution authorizing the issuance of Additional Parity Bonds.

Section 6.2: Accounts, Records, and Audits. So long as any Parity Bonds remain Outstanding, the Corporation covenants and agrees that it will maintain a proper and complete system of records and accounts pertaining to the Corporation in which full, true and proper entries will be made of all dealings, transactions, business and affairs which in any way affect or pertain to the Corporation or the Pledged Revenues. The Corporation shall after the close of each fiscal year cause an Audit to be prepared by an independent certified public accountant or independent firm of certified public accountants. All expenses incurred in preparing Audits shall be maintenance and operation expenses.

Section 6.3: Pledge and Encumbrance of Pledged Revenues. The Corporation represents that it has the lawful power to create a lien on and to pledge the Pledged Revenues to secure the payment of the Parity Bonds and has lawfully exercised this power under the Constitution and laws of the State of Texas. The Corporation further covenants and represents that, other than to the payment of the Parity Bonds, the Pledged Revenues are not and will not be made subject to any other lien pledge or encumbrance to secure the payment of any debt or obligation of the Corporation, unless the lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing payment of the Parity Bonds.

Section 6.4: Owners' Remedies. This Resolution shall constitute a contract between the Corporation and the Owners of the Parity Bonds from time to time Outstanding and this

Resolution shall be and remain irrevocable until the Parity Bonds and the interest thereon shall be fully paid or discharged or provision for their payment or discharge shall have been made as provided in this Resolution. In the event of a default in the payment of the principal of or interest on any Parity Bond or a default in the performance of any duty or covenant provided by law or in this Resolution, the Owner or Owners of any Parity Bond may pursue all legal remedies afforded by the Constitution and laws of the State of Texas to compel the Corporation to remedy the default and to prevent further default or defaults. Without in any way limiting the generality of the foregoing, it is expressly provided that any Owner of any Parity Bond may at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance of all duties required to be performed by the Corporation under this Resolution, the deposit of the Pledged Revenues into the special funds provided in the Indenture and this Resolution, and the application of Pledged Revenues in the manner required in this Resolution. The foregoing notwithstanding, acceleration of the Parity Bonds is not an available remedy. The sole source of the Corporation available for the payment of debt service on the Parity Bonds is and shall be the Pledged Revenues.

Section 6.5: Discharge by Deposit. The Corporation may discharge its obligation to the Owners of any or all of the Parity Bonds to pay principal, interest and redemption premium (if any) on the Parity Bonds in any manner then permitted by law, including, but not limited to, by depositing with any paying agent for the Parity Bonds either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of the Parity Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or direct noncallable, nonprepayable obligations of the United States of America, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of the Parity Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any Parity Bond is to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the resolution authorizing the particular series of Parity Bonds. Upon such deposit, the Parity Bonds shall no longer be regarded to be Outstanding or unpaid.

Section 6.6: Registrar and Trustee May Own Parity Bonds. The Registrar and Trustee for the Parity Bonds, in their individual or any other capacity, may become holders or pledges of the Parity Bonds with the same rights they would have if they were not the Registrar or Trustee.

Section 6.7: No Recourse Against Corporation Officials. No recourse shall be had for the payment of principal of or interest on any Parity Bond or for any claim based thereon or on this Resolution against any official of the Corporation or any person executing any Parity Bond. No member of the Board of Directors of the Corporation or any officer, agent, employee or representative of the Corporation in his or her individual capacity, nor the officers, agents, employees or representatives of the Corporation nor any person executing the Series 2014 Bonds shall be personally liable on the Series 2014 Bonds or be subject to any personal liability or accountability by reason of their issuance, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all liability being expressly released and waived as a condition of and in consideration for the adoption of this Resolution and the issuance of the Series 2014 Bonds.

ARTICLE VII

PROVISIONS CONCERNING SALE AND APPLICATION OF PROCEEDS OF SERIES 2014 BONDS

Section 7.1: Sale of Bonds. The Pricing Officer is authorized to execute the Purchase Agreement effecting the issuance and sale of the Series 2014 Bonds for and on behalf of the Corporation. RBC Capital Markets is hereby designated as the senior managing underwriter for the Underwriters. By approving this Resolution, the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Series 2014 Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code, is authorized.

The Pricing Officer is authorized come to an agreement with the Underwriters on the following, among other matters:

- (1) The details of the purchase and sale of the Series 2014 Bonds;
- (2) The details of the public offering of the Series 2014 Bonds by the Underwriters;
- (3) The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Series 2014 Bonds and compliance with the Rule;
- (4) A security deposit for the Series 2014 Bonds;
- (5) The representations and warranties of the Issuer and the City to the Underwriters;
- (6) The details of the delivery of, and payment for, the Series 2014 Bonds;
- (7) The Underwriters' obligations under the Purchase Agreement;
- (8) The certain conditions to the obligations of the Issuer and the City under the Purchase Agreement;
- (9) Termination of the Purchase Agreement;
- (10) Particular covenants of the Issuer and the City;
- (11) The survival of representations made in the Purchase Agreement;
- (12) The payment of any expenses relating to the Purchase Agreement;
- (13) Notices; and
- (14) Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Series 2014 Bonds.

The Series 2014 Bonds may not be sold (1) in an aggregate principal amount in excess of \$18,265,000, (2) bearing interest in any maturity in excess of 7.00% per annum, (3) having a final maturity after September 1, 2035, and (4) unless the Series 2014 Bonds have a credit rating that would cause the Series 2014 Bonds to be "obligations", as defined in V.T.C.A, Government Code, Chapter 1371. The authority of the Pricing Officer to execute a Purchase Agreement expires at 5:00 p.m., Monday, February 16, 2015.

Section 7.2: Execution of Documents to Effect Sale of Series 2014 Bonds. An Authorized Representative, the Pricing Officer, and other appropriate officers, agents and representatives of the Corporation are authorized to do any and all things necessary or desirable to provide for the issuance and delivery of the Series 2014 Bonds.

Section 7.3: Application of Proceeds. Proceeds from the sale of the Series 2014 Bonds shall, promptly upon receipt by the Trustee, be applied in the manner provided for in a certificate executed by an Authorized Representative. The foregoing notwithstanding, any accrued interest received in connection with the sale of the Series 2014 Bonds shall be deposited to the Debt Service Fund, and any premium received in connection with the sale of the Series 2014 Bonds shall be used in a manner consistent with the provisions of V.T.C.A., Government Code, Section 1201.042(d).

ARTICLE VIII

FEDERAL INCOME TAX MATTERS

Section 8.1: General Tax Covenants. The Corporation covenants to refrain from any action which would adversely affect, or to take any action to assure, the treatment of the Series 2014 Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. The Corporation covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Series 2014 Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use", as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so used, that amounts, whether received by the Corporation, with respect to such private business use, do not, under the terms of this Resolution or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Series 2014 Bonds, in contravention of section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) exceeds 5 percent of the proceeds of the Series 2014 Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate", within the meaning of section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Series 2014 Bonds (less amounts deposited into a reserve fund, if any), is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Series 2014 Bonds being treated as "private activity bonds" within the meaning of section 141(a) of the Code;

(e) to refrain from taking any action that would result in the Series 2014 Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Series 2014 Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Series 2014 Bonds, other than investment property acquired with --

(1) proceeds of the Series 2014 Bonds invested for a reasonable temporary period of three years or less until such proceeds are needed for the purpose for which the Series 2014 Bonds are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Series 2014 Bonds;

(g) to otherwise restrict the use of the proceeds of the Series 2014 Bonds or amounts treated as proceeds of the Series 2014 Bonds, as may be necessary, so that the Series 2014 Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Series 2014 Bonds) an amount that is at least equal to 90 percent of the "Excess Earnings", within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Series 2014 Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

The Corporation understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Series 2014 Bonds. It is the understanding of the Corporation that the covenants contained in this Resolution are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant to the Code. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Series 2014 Bonds, the Corporation will not be required to comply with any covenant contained in this Resolution to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Series 2014 Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Series 2014 Bonds, the Corporation agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Series 2014 Bonds under section 103 of the Code. In furtherance of the foregoing, any Authorized Representative may execute any certificates or other reports required by the Code and to make such elections, on

behalf of the Corporation, which may be permitted by the Code as are consistent with the purpose for the issuance of the Series 2014 Bonds. In order to facilitate compliance with the above clause (h), there has been established in the Indenture a "Rebate Fund" for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the Registered Owners of the Series 2014 Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

Section 8.2: Allocation of, and Limitation on, Expenditures for the Project. The Corporation covenants to account for on its books and records the expenditure of proceeds from the sale of the Series 2014 Bonds and any investment earnings thereon to be used for the payment of costs of the Project by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the Corporation shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the date of delivery of the Series 2014 Bonds or (b) the date the Series 2014 Bonds are retired, unless the Corporation obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Series 2014 Bonds. For purposes of this Section, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 8.3: Disposition of Project. The Corporation covenants that the property constituting a Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Corporation of cash or other compensation, unless the Corporation obtains an opinion of nationally-recognized bond counsel substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt status of the Series 2014 Bonds. For purposes of this Section, the portion of the property comprising personal property and disposed of in the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this Section, the Corporation shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Series 2014 Bonds.

Section 8.4: Written Procedures. Until superseded by another action of the City, the Corporation shall apply to the Series 2014 Bonds any written procedures of the City in respect to ensuring the compliance with the covenants contained in this Resolution regarding private business use, remedial actions, arbitrage and rebate.

ARTICLE IX

CONTINUING DISCLOSURE UNDERTAKING

Section 9.1: Annual Reports. (a) The Corporation shall provide annually, within six months after the end of each Fiscal Year ending in or after 2014, financial information and operating data of the general type described in Exhibit B hereto. Any financial statements of the

City to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B attached to this Resolution, or any 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 the statements and the audit is completed within the period during which they must be provided. If the audit of financial statements is not complete within this period, then the Corporation shall provide unaudited financial statements of the City by the required time and shall provide audited financial statements of the City for the applicable fiscal year to the MSRB, when and if the audit report on the financial statements becomes available. The updated information also will include audited financial statements of the Corporation, if the Corporation commissions an audit and it is completed by the required time. If audited financial statements of the Corporation are not available by the required time, the Corporation will provide such audited financial statements to the MSRB when and if they become available. Any audited financial statements of the Corporation will be prepared in accordance with generally accepted accounting principles, or any other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation.

(b) If the Corporation or the City changes its fiscal year, the Corporation will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Corporation otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section 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, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. Filings shall be made electronically, in such format as is prescribed by the MSRB.

Section 9.2: Disclosure Event Notices. The Corporation shall notify the MSRB of any of the following events with respect to the Series 2014 Bonds, in a timely manner not in excess of ten Business Days after the occurrence of the event:

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 Series 2014 Bonds, or other material events affecting the tax status of the Series 2014 Bonds;
7. Modifications to rights of holders of the Series 2014 Bonds, if material;
8. Series 2014 Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2014 Bonds, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Corporation or the City;
13. The consummation of a merger, consolidation, or acquisition involving the Corporation or the City or the sale of all or substantially all of the assets of the Corporation or 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 Trustee, Paying Agent or Registrar or change in the name of the Trustee, Paying Agent or Registrar, if material.

The Corporation shall notify the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with Section 9.1 by the time required by such Section. 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 Corporation or 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 Corporation or the City, or if jurisdiction has been assumed by leaving the governing body and officials or officers of the Corporation or 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 Corporation or the City.

Section 9.3: Limitations, Disclaimers, and Amendments. (a) The Corporation shall be obligated to observe and perform the covenants specified in this Article for so long as, but only for so long as, the Corporation or the City remains an "obligated person" with respect to the Series 2014 Bonds within the meaning of the Rule, except that the Corporation in any event will give notice of any deposit made in accordance with this Resolution or applicable law that causes Series 2014 Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the holders and beneficial owners of the Series 2014 Bonds, and nothing in this Article, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation's or the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided in this Resolution. The Corporation does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Series 2014 Bonds at any future date. The Corporation does not make any representation or warranty concerning whether the Underwriters have fulfilled their obligations under the Rule in respect to the issuance, sale or delivery of the Series 2014 Bonds.

(c) UNDER NO CIRCUMSTANCES SHALL THE CORPORATION BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY SERIES 2014 BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN

PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

(e) Should the Rule be amended to obligate the Corporation to make filings with or provide notices to entities other than the MSRB, the Corporation agrees to undertake such obligation in accordance with the Rule as amended.

(f) The provisions of this Article may be amended by the Corporation 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 Corporation or the City, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Series 2014 Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such 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 Resolution that authorizes such an amendment) of the outstanding Series 2014 Bonds consent to such amendment or (B) a person that is unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Series 2014 Bonds. If the Corporation so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with Section 9.1 an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Corporation may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2014 Bonds in the primary offering of the Series 2014 Bonds.

ARTICLE X

AUTHORIZATION OF AGREEMENTS

Section 10.1: Outstanding Agreements. The Board hereby approves the issuance of the Series 2014 Bonds. In connection with the issuance of the Series 2009 Bonds and the Series 2012 Bonds, the Corporation approved and affirms that the following agreements remain in full force and effect, and shall apply to the Series 2014 Bonds: the Indenture and the Tri-Party Agreement. In connection with the issuance of the Series 2014 Bonds, the Corporation approves the execution and delivery of the following agreements: the Paying Agent/Registrar Agreement by and between the Corporation and the Paying Agent/Registrar, in substantially the form

attached hereto as Exhibit C; the Purchase Agreement, in substantially the form attached hereto as Exhibit D; the Grant Agreement, as amended in the manner described in Section 10.2; and all other documents and agreements reasonable and necessary to issue the Series 2014 Bonds, including, without limitation, any documents and agreements necessary to obtain municipal bond insurance in support of the debt service on the Series 2014 Bonds (collectively, the "Agreements"). Should a municipal bond insurance policy be obtained, for so long as the policy is in effect, the requirements of the bond insurer relating to the issuance of the policy are incorporated by reference into this Resolution for all purposes, notwithstanding any other provision of this Resolution to the contrary. The Board, by a majority vote of its members, at a regular meeting, approved the form, terms, and provisions of the Agreements and authorizes the execution and delivery of the Agreements.

Section 10.2: Amendment to Grant Agreement. The Corporation approves an amendment to Section 3.1 of the Grant Agreement, changing the reference to "\$35,000,000" to "\$50,000,000". This amendment does not in any manner impair the rights of the Owners of the Tax Increment Contract Revenue Bonds. In all other respects, the Grant Agreement remains in full force and effect.

ARTICLE XI

MISCELLANEOUS

Section 11.1: Further Proceedings. The President, any Vice President, the Secretary, the Treasurer, other appropriate officials of the Corporation, and the Pricing Officer, are authorized and directed to do any and all things necessary and/or convenient to carry out the intent, purposes and terms of this Resolution, including the execution and delivery of the Agreements (specifically, any instrument evidencing the amendment to the Grant Agreement as described in Section 10.2) and any certificates, documents or papers necessary and advisable.

Section 11.2: Severability. If any Section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of the Section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 11.3: Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and that public notice of the time, place and purpose of the meeting was given, all as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code.

Section 11.4: Parties Interested. Nothing in this Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Corporation, the Registrar, and the Owners of the Series 2014 Bonds, any right, remedy or claim under or by reason of this Resolution or any covenant, condition or stipulation contained in this Resolution, and all covenants, stipulations, promises and agreements in this Resolution shall be for the sole and exclusive benefit of the Corporation, the Registrar, and the Owners of the Series 2014 Bonds.

Section 11.5: Repealer. All or any part of any order, resolution and ordinance inconsistent with this Resolution are hereby repealed.

Section 11.6: Effective Date. This Resolution shall become effective immediately upon passage by this Corporation and signature of the President of the Corporation.

PASSED AND APPROVED this 28th day of August, 2014.

By: _____
Name: Marc A. Ott
Title: President

ATTEST:

By: _____
Name: Kevin Johns
Title: Secretary

SCHEDULE I
MATURITY SCHEDULE:

MATURITY DATE: SEPTEMBER 1

<u>YEARS</u>	<u>AMOUNTS (\$)</u>	<u>YEARS</u>	<u>AMOUNTS (\$)</u>
2015	____,000	2025	____,000
2016	____,000	2026	____,000
2017	____,000	2027	____,000
2018	____,000	2028	____,000
2019	____,000	2029	____,000
2020	____,000	2030	____,000
2021	____,000	2031	____,000
2022	____,000	2032	____,000
2023	____,000	2033	____,000
2024	____,000	2034	____,000

INTEREST RATES:

maturities 2015, _____%	maturities 2025, _____%
maturities 2016, _____%	maturities 2026, _____%
maturities 2017, _____%	maturities 2027, _____%
maturities 2018, _____%	maturities 2028, _____%
maturities 2019, _____%	maturities 2029, _____%
maturities 2020, _____%	maturities 2030, _____%
maturities 2021, _____%	maturities 2031, _____%
maturities 2022, _____%	maturities 2032, _____%
maturities 2023, _____%	maturities 2033, _____%
maturities 2024, _____%	maturities 2034, _____%

EXHIBIT A:
FORM OF BOND
United States of America
State of Texas

Registered

Registered

MUELLER LOCAL GOVERNMENT CORPORATION
TAX INCREMENT CONTRACT REVENUE BOND
SERIES 2014

INTEREST RATE:
CUSIP:

MATURITY DATE:

DATED DATE:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The MUELLER LOCAL GOVERNMENT CORPORATION (the "Issuer"), a not-for-profit local government corporation created under authority of Chapter 431, Subchapter D, Texas Transportation Code (the "Act") by the City of Austin, Texas (the "City"), for value received, promises to pay, but solely from certain Pledged Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the designated corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office") of U.S. Bank N.A., as paying agent and registrar (the "Registrar"), the principal amount identified above, in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Pledged Revenues, interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Dated Date of the Bonds specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on March 1 and September 1, beginning on March 1, 2015, mailed to the Registered Owner as shown on the books of registration kept by the Registrar as of the fifteenth day of the month next preceding each interest payment date (the "Record Date"), or by such other method, acceptable to the Registrar, requested by and at the risk and expense of the Registered Owner. If interest on this Bond is not paid on any interest payment date specified above, and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new Record Date for the payment of such interest (a "Special Record Date"). Such Special Record Date shall be established in accordance with the terms of the hereinafter defined Resolution.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS dated as of the Dated Date of the Bonds specified above, aggregating \$18,265,000, issued for the purpose of (1) paying costs of public infrastructure improvements, as described in the Resolution and (2) paying Costs of Issuance, all under and pursuant to the authority of the Act and all other applicable laws, an Indenture of Trust dated as of September 1, 2009 (the "Indenture"), between the Issuer and U.S. Bank N.A. (the successor to Deutsche Bank Trust Company Americas), as trustee (the "Trustee"), and a resolution adopted by the Issuer on August 28, 2014 (the "Resolution"). All defined terms not herein defined shall have the meaning attributed thereto in accordance with the terms of the Resolution.

THIS BOND AND THE SERIES OF WHICH IT IS A PART are limited obligations of the Issuer that are payable from, and are equally and ratably secured by a first lien on the "Pledged Revenues", as defined and provided in the Indenture, which Pledged Revenues are required to be set aside and pledged to the payment of the Bonds and all additional bonds and parity contractual obligations issued or entered into on a parity therewith, in the Debt Service Fund maintained for the payment of all such Bonds, all as more fully described and provided for in the Resolution. This Bond and the series of which it is a part, together with the interest thereon, are payable solely from such Pledged Revenues.

ON SEPTEMBER 1, 2024, or on any date thereafter, the Bonds of this Series maturing on September 1, 2025 and thereafter may be redeemed prior to their scheduled maturities, at the option of the Issuer, in whole, or in part, at par and accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other method by the Paying Agent/Registrar; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository.

AT LEAST 30 days prior to the date fixed for any such redemption a written notice of such redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first class postage prepaid, addressed to each such registered owner at his address shown on the Register, and to major securities depositories, national bond rating agencies and bond information services. By

the date fixed for any such redemption due provision shall be made by the Issuer with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If such notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Register all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Resolution.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the Designated Payment/Transfer Office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Resolution.

THIS BOND IS EXCHANGEABLE at the Designated Payment/Transfer Office of the Registrar for Bonds in principal amounts only in Authorized Denominations, subject to the terms and conditions of the Resolution.

NEITHER THE ISSUER NOR THE REGISTRAR shall be required (i) to make any transfer or exchange of any Bond during the period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Bonds so selected for redemption when such redemption is scheduled to occur within 30 calendar days; *provided, however*, such limitation shall not be applicable to an exchange by the registered owner of the uncalled principal balance of a Bond.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the Issuer and the securities depository; provided, however, that no Bonds shall be redeemed in a manner where the beneficial owner thereof shall own Bonds in any Authorized Denomination.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE ISSUER HAS RESERVED THE RIGHT to issue additional parity Tax Increment Contract Revenue Bonds, subject to the restrictions contained in the Indenture and the Resolution, which may be equally and ratably payable from, and secured by a first lien on and pledge of, the Pledged Revenues in the same manner and to the same extent as this Bond and the series of which it is a part.

THE BONDS ARE A LIMITED OBLIGATION OF THE CORPORATION, PAYABLE SOLELY OUT OF THE TRUST ESTATE HELD BY THE TRUSTEE UNDER THE TERMS OF THE INDENTURE, WHICH IS THE SOLE ASSET OF THE CORPORATION PLEDGED THEREFOR. THE BONDS ARE OBLIGATIONS SOLELY OF THE CORPORATION AND DO NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISION, AN INDEBTEDNESS, AN OBLIGATION OR A LOAN OF CREDIT OF THE CITY, THE STATE OF TEXAS, OR ANY OTHER MUNICIPALITY, COUNTY, OR OTHER MUNICIPAL OR POLITICAL CORPORATION OR SUBDIVISION OF THE STATE OF TEXAS. THE CITY IS NOT OBLIGATED TO MAKE PAYMENTS ON THE BONDS, OTHER THAN AS OTHERWISE PROVIDED FOR IN THE INDENTURE.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Bond and all of the Bonds by the creation of the aforesaid lien on and pledge of the Pledged Revenues.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed by the manual or facsimile signatures of the President and the Secretary.

MUELLER LOCAL GOVERNMENT CORPORATION

President, Board of Directors

Secretary, Board of Directors

(SEAL)

FORM OF REGISTRATION CERTIFICATE

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been delivered pursuant to the Bond Resolution described in the text of this Bond; and that this Bond is one of a series of Bonds approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

U.S. BANK N.A.,
as Registrar

By: _____
Authorized Signature

Date of Authentication: _____

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____ (Please print or type name, address, and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

Registered Owner

NOTICE: Signature must be guaranteed by an institution which is a participant in the Securities Transfer Agent Medallion Program ("STAMP") or similar program.

NOTICE: The signature above must correspond to the name of the Registered Owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

EXHIBIT B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 9.1 of this Resolution.

Annual Financial Information and Operating Data

The quantitative financial information and operating data with respect to the City of the general type included in the Official Statement under the heading "General Fund Revenues and Expenditures and Changes in Fund Balance"; under the subheadings "Municipal Sales Tax" and "Transfers from Utility Fund" under the heading "Certain General Fund Receipts other than Ad Valorem Taxes"; the subheadings "Tax Valuation" (with respect to the appraised value as of January 1 during the fiscal year as to which such annual report relates), "Valuation and Funded Debt History", "Tax Rate, Levy and Collection History", "Ten Largest Taxpayers", and "Property Tax Rate Distribution" under the heading "Tax Information"; and under the subheading "Current Investments" under the heading "Investments".

The quantitative financial information and operating data with respect to TIRZ Sixteen of the general type included in the Official Statement under the subheadings "Historical Assessed Valuation Applicable to the Zone" and "Top Ten Taxpayers in the Zone (Certified Tax Roll)" under the heading "Security and Source of Payment".

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 such Section are the accounting principles described in the notes to the financial statements referred to in the above paragraph.