

ORDINANCE NO. 20140828-110

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS PUBLIC IMPROVEMENT BONDS, SERIES 2014; APPROVING RELATED DOCUMENTS; ENACTING OTHER PROVISIONS RELATED TO THE BONDS; AND DECLARING AN IMMEDIATE EFFECTIVE DATE

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

PART 1. FINDINGS.

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

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

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

PART 2. DEFINITIONS.

The terms used in this Ordinance have the following meanings:

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

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

“Bonds” means the bonds of the City to be issued under authority of this Ordinance.

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

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

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

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

“City” means the City of Austin, Texas.

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

“Council” means the City Council of the City.

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

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

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

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

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

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

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

“MSRB” means the Municipal Securities Rulemaking Board.

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

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

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

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

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

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

“Rule” means SEC Rule 15c2-12.

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

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

PART 3. BONDS AUTHORIZED.

The Bonds shall be issued in accordance with the Constitution, laws of the State of Texas, and the Charter of the City, for the purposes of (i) financing the projects described in Schedule I and (ii) paying the costs of issuance associated with the sale of the Bonds. The aggregate principal amount and the designation of Bonds issued pursuant to this Ordinance is set forth in Schedule II.

PART 4. MATURITY SCHEDULE.

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

PART 5. REDEMPTION PROVISIONS.

(a) The Bonds are subject to redemption, at the option of the City, prior to their stated maturity to the extent and in the manner provided on Schedule II and the Form of Bond. 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 any portion redeemed within a maturity shall be selected by lot, or other customary random selection 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 DTC, 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 City and DTC.

(b) The Bonds are subject to mandatory sinking fund redemption prior to their stated maturity, to the extent and in the manner provided in Schedule II and the Form of Bond.

(c) At least thirty (30) days before the date fixed for redemption, the City shall cause a written notice of the redemption to be deposited in the United States mail, first-class postage prepaid, addressed to each Registered Owner at the address shown on the Registration Books. 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 Bonds which are to be redeemed, plus accrued interest to the date fixed for redemption. If the notice of redemption is given, and if provision for payment is made, all as provided above, the Bonds, or the portions of the Bonds, which are to be redeemed, 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 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 Registration Books all redemptions of principal of the Bonds or any portion of the principal. If a portion of any Bond shall be redeemed, one or more substitute 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 Bonds, will be issued to the Registered Owner upon the surrender for cancellation, at the expense of the City,

all as provided in this Ordinance. In addition, the City shall cause the Paying Agent/Registrar to give notice of any redemption in the manner set forth in PART 7(h). 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. If a notice of redemption is given and sufficient funds are not received for the payment of the required redemption price for the Bonds which are to be redeemed, the notice shall be of no force and effect, the City shall not redeem the Bonds, and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

PART 6. INTEREST.

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

PART 7. ADDITIONAL CHARACTERISTICS OF THE BONDS.

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

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

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

(d) Each Bond may be exchanged for fully registered obligations as set forth in this Ordinance. Each Bond issued and delivered pursuant to this Ordinance, to the extent of the unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office, together with a written request duly executed by the Registered Owner or its assignee or assignees, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the Registered Owner or its assignee or assignees, as appropriate, be exchanged for fully registered obligations, without interest coupons, in the form prescribed in the Form of Bond, in any Authorized Denomination (subject to the requirement stated below that each substitute Bond shall have a single stated maturity date), as requested in writing by the Registered Owner or its assignee or assignees, in an aggregate principal amount equal to the unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the appropriate Registered Owner, assignee, or assignees. If a portion of any Bond is assigned and transferred, each Bond issued in exchange shall have the same maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided in this Ordinance, and each fully registered Bond delivered in exchange for or replacement of any Bond or portion of a Bond as permitted or required by any provision of this Ordinance shall constitute one of the Bonds for all purposes of this Ordinance, and may again be exchanged or replaced. Any Bond delivered in exchange for or replacement of another Bond before the first scheduled interest payment date on the Bonds (as stated on the face of the Bond) shall be dated the same date, but each substitute Bond delivered on or after the first scheduled interest payment date shall be dated the interest payment date preceding the date on which the substitute Bond is delivered, unless the substitute Bond is delivered on an interest payment date, in which case it shall be dated as of the date of delivery; however, if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then the substitute Bond shall be dated the date to which interest has been paid in full. On each substitute Bond issued in exchange for or replacement of any Bond issued under this Ordinance there shall be printed on the Bond the Authentication Certificate. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any substitute Bond, date the substitute Bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no substitute Bond shall be considered to be issued or outstanding unless the Authentication Certificate is executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions need be passed or adopted by Council or any other body or person to accomplish the exchange or replacement of any Bond, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed in this Ordinance. Pursuant to Chapter 1206, the duty of exchange or replacement of any Bond is imposed on the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or replaced obligation shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which originally were delivered pursuant to this Ordinance, approved by the Texas Attorney General, and registered by the Texas Comptroller of Public Accounts. Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond selected for redemption, in whole or in part, within 45 calendar days of the date fixed for redemption; provided, however, the limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled principal of a Bond.

(e) All Bonds issued in exchange or replacement of any other Bond or portion of a Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on the Bonds to be payable only to the Registered Owners, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have

the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the Form of Bond.

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

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

(h) Each redemption notice, whether required in the Form of Bond or otherwise by this Ordinance, shall contain a description of the Bonds to be redeemed, including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts of the Bonds called for redemption, the date of redemption, the redemption price, the name of the Paying Agent/Registrar and the address at which the Bond may be redeemed, including a contact person and telephone number. All redemption payments made by the Paying Agent/Registrar to the Registered Owners of the Bonds shall include CUSIP numbers relating to each amount paid to such Registered Owner.

PART 8. FORM OF BONDS.

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

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

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

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

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

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

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

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

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

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

PART 11. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.

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

PART 12. SALE OF BONDS; OFFICIAL STATEMENT.

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

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

(c) Proceeds from the sale of the Bonds in the amount set forth in Schedule II shall be used for the purposes described in PART 3 of this Ordinance; and any accrued interest (together with the portion of the premium, if any, set forth in Schedule II) received in connection with the sale of the Bonds shall be deposited to the Interest and Sinking Fund.

PART 13. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

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

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

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

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

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

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

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

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

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

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

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

“Yield of”

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

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

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

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

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

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

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings relating to section 141 of the Code, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service

from such property is committed to such person or entity under a take or pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

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

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

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

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

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

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

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

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

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

PART 14. CONTINUING DISCLOSURE OBLIGATION.

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

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

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

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

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the City;
13. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

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

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

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

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

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

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

CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

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

PART 15. DTC REGISTRATION.

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

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

PART 16. DEFEASANCE.

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

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

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

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

PART 17. DEFAULT AND REMEDIES.

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

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

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

(b) *Remedies for Default.*

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

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

(c) *Remedies Not Exclusive.*

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

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

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

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

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

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

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

PART 19. RULES OF CONSTRUCTION.

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

PART 20. CONFLICTING ORDINANCES REPEALED.

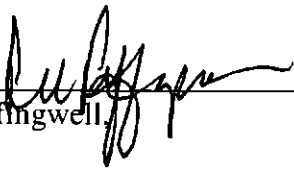
All ordinances and resolutions or parts in conflict with this Ordinance are repealed.

PART 21. IMMEDIATE EFFECT.

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

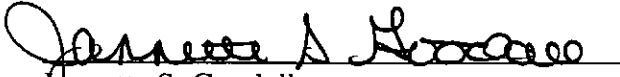
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PASSED AND APPROVED AND EFFECTIVE AUGUST 28, 2014.



Lee Leffingwell,
Mayor,
City of Austin, Texas

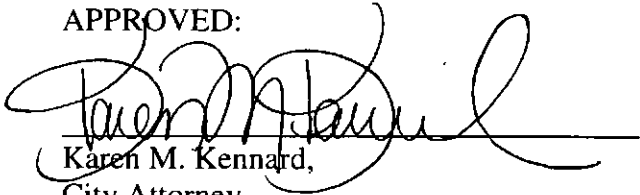
ATTEST:



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



APPROVED:



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

EXHIBIT A

Form of Bond

NO. R-__¹

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS

CITY OF AUSTIN, TEXAS
PUBLIC IMPROVEMENT BOND,
SERIES 2014

<u>Maturity Date</u> ²	<u>Interest Rate</u> ²	<u>Dated Date</u>	<u>CUSIP No.</u> ²
September 1, 20__	%	September 1, 2014	

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

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

_____ DOLLARS

and to pay interest thereon, from the Dated Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on _____, 20__, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than _____, 20__, such interest is payable semiannually on each September 1 and March 1 following such date.³

¹ The initial Bond shall be numbered T-1.

² To be omitted from the initial Bond.

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

"ON THE MATURITY DATES SPECIFIED BELOW, THE CITY OF AUSTIN, TEXAS (the "City"), in the Counties of Travis, Williamson and Hays, hereby promises to pay to _____ or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amounts shown below: [Insert information regarding maturity dates, principal amounts and interest rates from Schedule II of the Ordinance] and to pay interest thereon, from the Dated Date specified above, to the Maturity Dates specified above, or the date of its redemption prior to scheduled maturity, at the rates of interest per annum specified above, with said interest being payable on _____, 20__, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than _____, 20__, such interest is payable semiannually on each September 1 and March 1 following such date."

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

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

IF THE DATE for the payment of the principal of, premium, if any, 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. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

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

ON SEPTEMBER 1, 20____, or on any date thereafter, the Bonds of this series maturing on September 1, 20____, and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at a price equal to the principal amount thereof, plus 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 customary random selection 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 City and the securities depository.

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

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

*

* Final Maturity

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

AT LEAST thirty (30) days prior to the date fixed for any redemption, a written notice of 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 Registration Books of the Paying Agent/Registrar. By the date fixed for any redemption due provision shall be made by the City 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 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 payment. The Paying Agent/Registrar shall record in the Registration Books all 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 an 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 City, all as provided in the Ordinance. If a notice of redemption is given and sufficient funds are not received for the payment of the required redemption price for the Bonds which are to be redeemed, the notice shall be of no force and effect, the City shall not redeem the Bonds, and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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

such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled principal of a Bond.

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

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

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

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

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

City Clerk,
City of Austin, Texas

Mayor,
City of Austin, Texas

(SEAL)

* * * * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated:

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

By: _____
Authorized Representative

* * * * *

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

OFFICE OF COMPTROLLER :
: REGISTER NO. _____
STATE OF TEXAS :

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

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

Comptroller of Public Accounts of the
State of Texas

(SEAL)

* * * * *

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 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to register the transfer of
the within Bond 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
Bond in every particular, without alteration
or enlargement or any change whatsoever.

EXHIBIT B

Description of Annual Financial Information

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

Annual Financial Statements and Operating Data

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

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

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

Accounting Principles

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

SCHEDULE I
(* Amounts in thousands)

<u>Purpose</u>	<u>Total Amount Authorized*</u>	<u>Amount Previously Issued*</u>	<u>Amount Being Issued*</u>	<u>Unissued Amount*</u>
<u>10/22/83 Election</u>				
Brackenridge 2000	\$ 50,000	\$ 40,785	\$0	\$9,215
<u>09/08/84 Election</u>				
Park Improvements	9,975	9,648	0	327
<u>1/19/85 Election</u>				
Cultural Arts	20,285	14,890	0	5,395
<u>11/7/06 Election</u>				
Street and Road Improvements	103,100	103,100	0	0
Water Quality Improvements	145,000	145,000	0	0
Park Improvements	84,700	83,700	1,000	0
Cultural Facilities	31,500	27,500	0	4,000
Affordable Housing	55,000	55,000	0	0
Central Library	90,000	26,800	20,000	43,200
Public Safety Improvements	58,100	53,100	0	5,000
<u>11/2/10 Election</u>				
Mobility Transportation	90,000	75,305	14,695	0
<u>11/6/12 Election</u>				
Transportation and Mobility	143,299	11,895	40,210	91,194
Watershed Protection	30,000	20,000	10,000	0
Park Improvements	77,680	550	7,310	69,820
Public Safety Improvements	31,079	1,500	6,720	22,859
Health and Human Services	11,148	235	1,705	9,208
Library, Museum and Cultural Arts	13,442	820	2,980	9,642
<u>11/5/13 Election</u>				
Affordable Housing	65,000	0	10,000 ¹	55,000
TOTAL	\$1,109,308	\$669,828	\$114,620	\$324,860

¹ Funded from the City's Public Improvement Bonds, Taxable Series 2014, issued pursuant to a separate ordinance presented for approval concurrently with this Ordinance authorizing issuance of the Bonds.

SCHEDULE II

DESIGNATION, AGGREGATE PRINCIPAL AMOUNT, STATED MATURITIES AND INTEREST RATES:

The Bonds shall be designated as "City of Austin, Texas Public Improvement Bonds, Series 2014" and issued in the aggregate principal amount of \$89,915,000, maturing on the dates and in the amounts as follows:

<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>September 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$260,000	3.000%	2026	\$5,010,000	3.000%
***	***	***	2027	2,620,000	5.000%
2017	450,000	4.000%	2028	5,385,000	5.000%
***	***	***	2029	5,715,000	5.000%
2020	1,590,000	4.000%	2030	6,050,000	5.000%
2021	805,000	5.000%	2031	6,420,000	5.000%
2022	685,000	5.000%	2032	12,880,000	5.000%
2023	3,055,000	5.000%	2033	14,435,000	5.000%
2024	2,495,000	5.000%	2034	17,355,000	5.000%
2025	4,705,000	3.000%			

Interest on the Bonds accrues from September 1, 2014.

PURCHASE PRICE:

The purchase price for the Bonds shall be \$105,032,064.53 (representing the par amount of the Bonds, plus a premium of \$15,517,302.00 and less an underwriting discount of \$400,237.47), plus accrued interest to the date of delivery of the Bonds.

OPTIONAL REDEMPTION:

The Bonds maturing on or after September 1, 2025, are subject to redemption, in whole or in part in any Authorized Denomination, at the option of the City, on September 1, 2024, or on any date thereafter, at a price equal to the principal amount thereof, without premium, plus accrued interest to the date fixed for redemption.

DISPOSITION OF PROCEEDS:

Proceeds from the sale of the Bonds in the amount of \$104,620,000.00 (representing \$89,915,000.00 of principal and \$14,705,000.00 of premium) shall be used for the purposes described in clause (i) of PART 3, and \$412,064.53 (consisting entirely of premium) shall be used for the purposes described in clause (ii) of PART 3. All accrued interest shall be deposited to the Interest and Sinking Fund.