

ORDINANCE NO. 20160818-036

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS, TOWN LAKE PARK COMMUNITY EVENTS CENTER VENUE PROJECT REFUNDING BONDS, SERIES 2016

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

PART 1. DEFINITIONS AND FINDINGS. Unless otherwise expressly provided or unless the context otherwise requires, in addition to those terms defined in the preamble to this Ordinance the terms defined in this Part for all purposes of this Ordinance shall have the respective meanings specified:

"Act" – Texas Local Government Code, Chapter 334.

"Additional Bonds" - the additional parity revenue bonds permitted to be issued by the City pursuant to Part 21 of this Ordinance.

"Bonds" - the "CITY OF AUSTIN, TEXAS TOWN LAKE PARK COMMUNITY EVENTS CENTER VENUE PROJECT REFUNDING BONDS, SERIES 2016" authorized by this Ordinance.

"City" - the City of Austin, Texas, and, where appropriate, the City Council of the City.

"Debt Service Account" - the Account designated in Part 14 of this Ordinance established by the City, and maintained in accordance with Part 16 of this Ordinance.

"Election" – the election held in the City on November 3, 1998, under authority of Texas Local Government Code, Chapter 334.

"Events Center Revenues" - all income and revenues derived directly or indirectly by the City from the operation and use of and otherwise pertaining to the Town Lake Community Events Center, or any part of the Center, whether resulting from extensions, enlargements, repairs, betterments or other improvements to the Town Lake Community Events Center, or otherwise, including all rentals, rates, fees and other charges for the use of the Town Lake Community Events Center, or for any service rendered by the City in the operation of the Town Lake Community Events Center, but expressly excluding: (i) any monies received as grants, appropriations, or gifts, the use of which is limited by the grantor or donor; (ii) insurance proceeds other than loss of use or business interruption

insurance proceeds; and (iii) sales and other taxes collected by the Town Lake Community Events Center on behalf of the State of Texas and any other taxing entities.

"Fiscal Year" - the City's fiscal year which is October 1 to September 30.

"Government Obligations" – unless otherwise provided in the Pricing Certificate, (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (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 on the date of their acquisition or purchase by the City, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"Legal Holiday" - a day on which a Paying Agent/Registrar for the Bonds is authorized by law to close.

"Operation and Maintenance Expenses" - all reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the Parking Garage and Town Lake Community Events Center, including, without limitation, those reasonably allocated City overhead expenses relating to their administration, operation and maintenance; insurance and fidelity bond premiums; payments to pension and other funds and to any self-insurance fund; any general and excise taxes or other governmental charges imposed by entities other than the City; costs of contractual and professional services, labor, materials and supplies for current operations, including the costs of such direct City services as are reasonably necessary for the operation of the Parking Garage or Town Lake Community Events Center; utility costs; and all other administrative, general and commercial expenses, but excluding: (i) any allowance for depreciation; (ii) costs of capital improvements; and (iii) liabilities based upon the City's negligence or other grounds not based on contract.

"Operating Account" - the Account so designated in Part 14 of this Ordinance which has been established by the City and which shall be maintained in accordance with Part 17 of this Ordinance.

"Operating Reserve" - shall have the meaning given this term in Part 17 of this Ordinance.

"Ordinance" - this Ordinance No. 2016018-036 and all amendments and supplements.

"Outstanding" - when used with reference to any Parity Revenue Bonds means, as of a particular date, all Bonds delivered except: (i) any such Parity Revenue Bond paid, discharged or canceled by or on behalf of the City at or before said date; (ii) any such Parity Revenue Bond defeased pursuant to the defeasance provisions of the ordinance authorizing its issuance, or otherwise defeased as permitted by applicable law; and (iii) any such Parity Revenue Bond in lieu of or in substitution for which another Parity Revenue Bond shall have been delivered pursuant to the ordinance authorizing the issuance of such Parity Revenue Bonds.

"Owner" or "Holder" - when used with respect to any Bond shall mean the person or entity in whose name such Bond is registered in the Security Register. Any reference to a particular percentage or proportion of the owners shall mean the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under this Ordinance.

"Parity Revenue Bonds" - the Bonds and Additional Bonds permitted to be issued by the City pursuant to this Ordinance.

"Parking Garage Account" - the Account designated in Part 14 of this Ordinance, established by the City, and maintained pursuant to Part 15 of this Ordinance.

"Parking Revenues" - all income and revenues derived directly or indirectly by the City from the operation and ownership of the Parking Garage, or any part of the Parking Garage, including all rentals, rates, fees and other charges for the use of the Parking Garage, or for any service rendered by the City in the operation of the Parking Garage, but expressly excluding: (i) any monies received as grants, appropriations, or gifts, the use of which is limited by the grantor or donor; (ii) insurance proceeds other than loss of use or business interruption insurance proceeds; and (iii) sales

and other taxes collected by the Parking Garage on behalf of the State and any other taxing entities.

"Parking Garage" - the multi-story parking garage facility constructed adjacent to, in the vicinity of, or as a part of the Town Lake Community Events Center for approximately 1200 automobiles.

"Pledged Revenues" - collectively, (i) the revenues received from the Special Motor Vehicle Rental Tax deposited to the credit of the Venue Project Fund, (ii) Parking Revenues deposited to the credit of the Venue Project Fund, (iii) Events Center Revenues deposited to the credit of the Venue Project Fund, (iv) interest and other income realized from the investment of amounts on deposit in the funds and accounts referenced in this Ordinance to the extent such interest and other income are required to be transferred or credited to the Venue Project Fund, and (v) any additional revenue, receipts or income pledged to the Bonds in accordance with Part 11 of this Ordinance.

"Refunded Bonds" - the principal amount of the Series 2005 Bonds identified by the Pricing Officer in the Pricing Certificate.

"Series 2005 Bonds" - the City of Austin, Texas, Town Lake Park Community Events Center Venue Project Refunding Bonds, Series 2005.

"Special Motor Vehicle Rental Tax" - the 5% motor vehicle rental tax approved at the election held November 3, 1998 to finance the Town Lake Park Community Events Center Venue Project and imposed by the City pursuant to Ordinance No. 981210-A, adopted by the City Council of the City on December 10, 1998, on the gross rental receipts from the rental in the City of a motor vehicle, as authorized by subchapter E of Chapter 334 of the Local Government Code and the election held November 3, 1998.

"State" - the State of Texas.

"Subordinate Lien Bonds" - each series of bonds, notes or other obligations permitted to be issued by the City pursuant to Part 23 of this Ordinance as Subordinate Lien Bonds secured in whole or in part by liens on the Parking Revenues and Town Lake Community Events Center Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Parity Revenue Bonds.

"Town Lake Community Events Center" - the multi-purpose events building located at the corner of Barton Springs Road and South First Street

and comprised of approximately 125,000 square feet, available and used for local public events including concerts, sales events, trade show, and public meetings, and the support areas for building operations, lobbies, concessions, restrooms and mechanical and electrical equipment, and any additions or improvements to such building.

"Town Lake Park Community Events Center Venue Project" - the capital improvement project described generally of consisting of constructing a town lake park community events center, including parkland development and constructing parking facilities, incidental concessions compatible with the use of the facility, and related infrastructure and being a venue project within the meaning of the Act approved at an election held in the City on November 3, 1998, and designated by Resolution No. 980902-017.

"Transfer Dates" - the dates specified in the Pricing Certificate.

"Venue Project Fund" - the Fund so designated created and established pursuant to Ordinance No. 981210-A, adopted by the City Council on December 10, 1998, providing for the levy, assessment and collection of the Special Motor Vehicle Rental Tax.

The City has issued, sold, and delivered, and there is currently outstanding, obligations of the City of the following issue or series (the "Refunded Bonds"); and

Pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, the City Council is authorized to issue refunding bonds and deposit the proceeds of sale directly with the place of payment for the Refunded Bonds, or other authorized depository, and such deposit, when made in accordance with said statute, and ordinance authorizing the issuance of the Refunded Bonds, shall constitute the making of firm banking and financial arrangements for their discharge and final payment; and

In accordance with the provisions of Texas Government Code, Chapter 1207, the City Council is delegating to the Pricing Officer (as defined below) the authority to establish the terms and details related to the issuance and sale of the Bonds including: (i) the principal amount of the Refunded Bonds to be refunded, (ii) the form and designation of the Bonds; (iii) the principal amount of the Bonds and the amount of the Bonds to mature in each year; (iv) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of the Bonds; and (v) any other details relating to the issuance, sale, delivery, and/or exchange of the Bonds, all within certain specified parameters set forth in this Ordinance.

Council finds and determines that it is a public purpose and in the best interests of the City to refund the Refunded Bonds in order to achieve present value debt service savings and to authorize the issuance of the Bonds with the terms of such Bonds to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with of Texas Government Code, Chapter 1207.

PART 2. AUTHORIZATION - DESIGNATION - PRINCIPAL AMOUNT - PURPOSE - DATE. The Bonds, payable solely from the sources and secured in the manner provided in this Ordinance, shall be and are authorized to be issued in the not to exceed aggregate principal amount set forth in Part 4 of this Ordinance, to be designated and bear the title "CITY OF AUSTIN, TEXAS, TOWN LAKE PARK COMMUNITY EVENTS CENTER VENUE PROJECT REFUNDING BONDS, SERIES 2016" for the purpose of refunding the Refunded Bonds and to pay costs of issuance, in accordance with authority conferred by and in conformity with the Constitution and laws of the State, including Texas Government Code, Chapter 1207, as amended.

PART 3. FULLY REGISTERED OBLIGATIONS - AUTHORIZED DENOMINATIONS - STATED MATURITIES - BOND DATE - INTEREST RATES. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated as provided in the Pricing Certificate (the "Bond Date"), shall be in denominations of \$5,000 or any integral multiple thereof within a maturity and shall become due and payable on a date certain in each of the years and in amounts (the "Stated Maturities") and bear interest at per annum rates, and commencing on the date, set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date and at the rate(s) per annum as specified in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable in each year, on the dates, and commencing on the date, set forth in the Pricing Certificate.

PART 4. DELEGATION OF AUTHORITY TO PRICING OFFICER.

(a) As authorized by Section 1207.007, Texas Government Code, the City Manager or Chief Financial Officer of the City (either one of them, the "Pricing Officer") is authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in this Ordinance, including selection of the specified maturities or series in whole or in part of the Refunded Bonds to be refunded, determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, manner of sale (negotiated, privately placed or competitively bid), the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the

interest payment dates, the records date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrar, designation of an escrow agent satisfying the requirements of Chapter 1207, if necessary, the terms of any bond insurance applicable to the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds, including any modification of the Rule 15c2-12 continuing disclosure undertaking contained in Part 45 of this Ordinance, all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$35,000,000;
- (ii) the true interest cost rate for the Bonds shall not exceed 4.00%;
- (iii) the refunding must produce a net present value debt service savings of at least 4.25%, net of any contribution by the City; and
- (iv) the maximum maturity for the Bonds shall not extend beyond November 15, 2029.

The execution of the Pricing Certificate shall evidence the sale date of the Bonds by the City to the Purchasers (defined in this Ordinance). The delegation made by this Ordinance shall expire if not exercised by the Pricing Officer within 180 days of the date of adoption of this Ordinance.

PART 5. TERMS OF PAYMENT - PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered Owners or Holders of the appearing on the registration and transfer books (the "Security Register") maintained by the Paying Agent/Registrar and the payment shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. The Security Register shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided in this Ordinance, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached to this Ordinance as Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is authorized to execute and deliver the Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds

are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar.

Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice to be sent to each Holder by United States mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or on a redemption date, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices provided in the Pricing Certificate (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid by the Paying Agent/Registrar to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month preceding each interest payment date) and such interest payments shall be made (i) by check sent by United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a Legal Holiday, or a day when 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 when 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.

In the event of a non-payment of interest on one or more Stated Maturities on a scheduled payment date, which non-payment shall continue for 30 days thereafter, a new record date for such interest payment for such Stated Maturity or Maturities (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 (which shall be 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 Holder of such maturity or maturities appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

PART 6. REGISTRATION - TRANSFER - EXCHANGE OF BONDS - PREDECESSOR BONDS. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder of the Bonds

issued under and pursuant to the provisions of this Ordinance. Any Bond may, in accordance with its terms and the terms of this Ordinance, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange executed by the Holder or by his authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bond(s) authorized in Part 9 of this Ordinance) at the Designated Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the City of authorized denominations and of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in Part 9 of this Ordinance) may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of, and furnished by, the City, to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange shall be delivered at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the Holder and, upon delivery, the same shall be valid obligations of the City, evidencing the same obligation to pay, and entitled to the same benefits under this Ordinance, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Part shall be made without expense or service charge to the Holder, except as otherwise provided in this Ordinance, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds cancelled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer for the predecessor Bonds. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for

which a replacement Bond has been issued, registered and delivered in lieu the predecessor Bonds pursuant to Part 28 of this Ordinance and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within 45 days of the date fixed for redemption of the Bond; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond called for redemption in part.

PART 7. BOOK-ENTRY ONLY TRANSFERS AND TRANSACTIONS.

Notwithstanding the provisions contained in Parts 5 and 6 of this Ordinance relating to the payment, redemption and transfer/exchange of the Bonds, the City approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the "Depository Agreement").

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants"). While the Bonds are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the City determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the City covenants and agrees with the Holders to cause Bonds to be printed in definitive form and provide for Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Parts 5 and 6 of this Ordinance.

PART 8. EXECUTION - REGISTRATION. The Bonds shall be executed on behalf of the City by the Mayor under its seal reproduced or impressed thereon and countersigned by the City Clerk. The signature of said officers on the Bonds may be

manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the date of adoption of this Ordinance shall be deemed to be executed on behalf of the City, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Texas Government Code, Chapter 1201.

No Bond shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Part 10(c) of this Ordinance, manually executed by the Comptroller of Public Accounts of the State or his authorized agent, or a certificate of registration substantially in the form provided in Part 10(d) of this Ordinance, manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Bond signed shall be conclusive evidence, and the only evidence, that such Bond has been certified, registered and delivered.

PART 9. INITIAL BOND(S). The Bonds shall be initially issued either (i) as a single fully registered bond in the total principal amount specified in the Pricing Certificate with principal installments to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each stated maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the "Initial Bond(s)"). In either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or their designee. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or their designee, shall cancel the Initial Bond(s) delivered and exchange for the Initial Bond(s) definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified for the Holders; all pursuant to and in accordance with such written instructions from the initial purchaser(s), or their designee, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

PART 10. FORMS. (a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Part with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance and the Pricing Certificate and may have such letters, numbers, or other

marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including legends reflecting the purchase of insurance for payment of the Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the City or determined by the Pricing Officer or officers executing the Bonds as evidenced by their execution. The Pricing Certificate shall set forth the final and controlling terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse of a Bond, with an appropriate reference on the face of the Bond.

The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, engraved, typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution.

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS
TOWN LAKE PARK COMMUNITY EVENTS CENTER
VENUE PROJECT REFUNDING BONDS,
SERIES 2016

Bond Date: _____, 2016 Interest Rate: _____ Stated Maturity: _____ CUSIP No. _____ Delivery Date: _____

Registered Owner:

Principal Amount:

The City of Austin (referred to as the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to pay to the order of the Registered Owner named above, or the registered assigns, solely from the revenues after identified, on the Stated Maturity date specified above the Principal Amount stated above (or so much thereof as shall not have been paid upon prior redemption) and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount from the _____ at the per annum rate of interest specified above; such interest being payable on _____ and _____ of each year, commencing _____, until maturity or prior redemption. Principal of this Bond is payable at its Stated

Maturity or redemption to the registered owner, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate on the Bond, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Ordinance hereinafter referenced) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register on the Record Date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a Legal Holiday, or a day when 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 when 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. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$ _____ ("Bonds") for the purpose of refunding certain outstanding obligations of the City (identified in the Ordinance referenced below and referred to as the "Refunded Bonds") and to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapter 1207, as amended, and pursuant to an Ordinance adopted by the City Council of the City (referred to as the "Ordinance"). Capitalized terms used herein have the same meanings assigned in the Ordinance.

[The Bonds maturing on the dates identified below (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Debt Service Account established and maintained for the payment of such Bonds in the Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest on such Bonds to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

Term Bonds due		Term Bonds due	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>

\$,000
\$,000

\$,000
\$,000
\$,000

*maturity

The particular Term Bonds of a stated maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like stated maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City 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 (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not previously credited against a mandatory redemption requirement.]

The Bonds maturing on and after _____ may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on _____, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption.

At least thirty days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions relating thereto contained in the Ordinance. If a Bond (or any portion of its principal sum) shall have been called for redemption and notice of such redemption given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor; provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event a portion of the principal amount of a Bond is to be redeemed and the registered owner is someone other than Cede & Co., payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of such Bond to the Designated Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any authorized denominations provided by the Ordinance for the then unredeemed balance of

the principal sum will be issued to the registered owner, without charge. If a Bond is selected for redemption, in whole or in part, the City and the Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the registered owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the registered owner of the unredeemed balance of a Bond redeemed in part.

With respect to any optional redemption of the Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisites set forth in such notice of redemption; and, if sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

The Bonds are special obligations of the City and are payable solely from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, including, but not limited to, the receipts from the collection of a Special Motor Vehicle Rental Tax. The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City, except with respect to the Pledged Revenues.

Reference is made to the Ordinance, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Pledged Revenues pledged to the payment of the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinance may be amended or supplemented; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and covenants made therein may be discharged at or prior to the Stated Maturity of this Bond, and this Bond deemed to be no longer Outstanding thereunder; and for the other terms and provisions contained therein.

This Bond, subject to certain limitations contained in the Ordinance, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment hereon endorsed by, or accompanied by a written instrument of transfer in form

satisfactory to the Paying Agent/Registrar executed by, the registered owner of this Bond, or his authorized agent. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner of this Bond whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest on this Bond, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal of this Bond at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of non-payment of interest on one or more maturities on a scheduled payment date, which non-payment shall have continued for thirty (30) days thereafter, a new record date for such interest payment for such maturity or maturities (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 (which shall be 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 Holder of such maturity or maturities appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is certified, recited, represented and covenanted that the City is an organized and legally existing municipal corporation under and pursuant to the Constitution and laws of the State of Texas; that the issuance of the Bonds is authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, and the Ordinance; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the Bonds by a pledge of the Pledged Revenues. In case any provision in this Bond or any application of any provision of this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforcement of the remaining provisions and applications shall not in any way be affected or impaired by such invalidity, illegality or unenforceability. The terms and provisions of this Bond and the Ordinance shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be executed under the official seal of the City.

CITY OF AUSTIN, TEXAS

Mayor

COUNTERSIGNED:

City Clerk

(SEAL)

(c) *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond(s) only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
OF PUBLIC ACCOUNTS) REGISTER NO. _____
)
THE STATE OF TEXAS)

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 registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do not print on Definitive Bonds

(d) Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been issued and registered in the name of the Registered Owner shown above under the provisions of the within-mentioned Ordinance; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/ Registrar.

The designated offices of the Paying Agent/Registrar in _____ is the "Designated Payment/Transfer Office" for this Bond.

_____,
as Paying Agent/Registrar

Registration Date: _____

By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee:)

_____ (Social Security or other identifying number: _____)

_____) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

Signature guaranteed:

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

(f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this Part, except that the form of a single fully registered Initial Bond shall be modified as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS
TOWN LAKE PARK COMMUNITY EVENTS CENTER
VENUE PROJECT REFUNDING BONDS, SERIES 2016

Bond Date:
_____, 2016

Delivery Date:
_____, 2016

Registered Owner:

Principal Amount:

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received, hereby promises to pay to the order of the Registered Owner named above, or the registered assigns of the Registered Owner, solely from the revenues identified below, the Principal Amount stated above on _____ in each of the years and in principal installments in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE(S)</u>
-------------	-----------------------------------	-----------------------------

(Information to be inserted from schedule in the Pricing Certificate).

(or so much of such principal installment amount as shall not have been prepaid prior to maturity), and to pay interest on the unpaid principal amounts of this Bond from the _____ at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____ and _____ of each year, commencing _____, until maturity or prior redemption. Principal installments of this Bond are payable in the year of maturity or on a prepayment date to the registered owner of this Bond, by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the _____ day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States mail, first class postage prepaid, to the address of registered owner recorded in the Security Register on the Record Date or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner or holder hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

PART 11. PLEDGE AND SOURCE OF PAYMENT. The Bonds shall constitute special obligations of the City payable solely from and shall be equally and

ratably secured by a first lien on the Pledged Revenues. Such Pledged Revenues or other lawfully available funds of the City shall, in the manner provided in this Ordinance, be set aside for and pledged to the payment of the Parity Revenue Bonds, and all expenses of providing for their full and timely payment in accordance with their terms, in the Debt Service Account as provided in this Ordinance. The City grants a first lien on the Pledged Revenues and, subject to the provisions of this Ordinance, further grants a first lien on the Venue Project Fund and the Debt Service Account to secure the payment of principal of and premium, if any, and interest on the Parity Revenue Bonds. All Parity Revenue Bonds shall be in all respects on a parity with and of equal dignity with one another, and the first lien on the Pledged Revenues shall be valid and binding and fully perfected from and after the date of adoption of this Ordinance without physical delivery or transfer or transfer of control of the Pledged Revenues, the filing of this Ordinance or any other act; all as provided in Texas Government Code, Chapter 1208. The owners of the Bonds shall never have the right to demand payment of the principal of, interest on or any redemption premium on the Parity Revenue Bonds out of any funds raised or to be raised by taxation, other than the Pledged Revenues.

Texas Government Code, Chapter 1208 applies to the issuance of the Bonds and the pledge of the Pledged Revenues granted by the City under this Part 11, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while the Bonds are Outstanding such that the pledge of the Pledged Revenues granted by the City under this Part 11 is to be subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, then to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Texas Business & Commerce Code, Chapter 9, and enable a filing to perfect the security interest in said pledge to occur.

PART 12. LEVY OF SPECIAL MOTOR VEHICLE RENTAL TAX. The City has imposed, and while any Parity Revenue Bonds remain Outstanding the City hereby imposes and covenants that it shall continue to impose, a Special Motor Vehicle Rental Tax of 5% on the gross rental receipts from the rental in the City of a motor vehicle to finance the costs of the Town Lake Park Community Events Center Venue Project, all as authorized by Texas Local Government Code, Chapter 334, particularly Subchapter E, and the Election. The City further covenants that it shall enforce the provisions of this Ordinance and Ordinance No. 981210-A, relating to imposition, collection, and expenditure of the Special Motor Vehicle Rental Tax.

PART 13. ANNUAL BUDGET/RATES AND FEES. While the Parity Revenue Bonds are Outstanding, the City agrees that prior to the commencement of each Fiscal Year an annual budget for the Parking Garage and Town Lake Community Events Center shall be adopted and approved which identifies and provides (i) the amount of

Special Motor Vehicle Rental Tax Revenues, Parking Revenues and Events Center Revenues allocated and budgeted to pay the Operation and Maintenance Expenses of the Parking Garage and Town Lake Community Events Center for said Fiscal Year and (ii) the anticipated Operation and Maintenance Expenses of the Parking Garage and Town Lake Community Events Center, and to the extent such annual budget contemplates and provides for Parking Garage Revenues and Events Center Revenues to pay or cover such Operation and Maintenance Expenses, the City shall assess and collect for the use of such Parking Garage and Town Lake Community Events Center a fee or charge sufficient to produce the revenues so allocated and budgeted for such purposes.

PART 14. SPECIAL FUNDS. The City confirms the establishment of the Venue Project Fund for the Town Lake Park Community Events Center Venue Project in accordance with Part 334.042 of the Act and pursuant to Ordinance No. 981210-A and such Fund shall be maintained at an official depository of the City. The following sub-accounts have been established and shall be maintained on the books of the City while any of the Parity Revenue Bonds remain Outstanding, to wit:

(i) Town Lake Park Community Events Center Venue Project Special Motor Vehicle Rental Tax Account ("Tax Account");

(ii) Town Lake Park Community Events Center Parking Garage Account ("Parking Garage Account");

(iii) Town Lake Park Community Events Center Venue Gross Revenue Account ("Events Center Revenue Account");

(iv) Town Lake Park Community Events Center Venue Project Bond Debt Service Account ("Debt Service Account"); and

(v) Town Lake Park Community Events Center Venue Project Operating Account ("Operating Account").

PART 15. FLOW OF FUNDS. The City covenants and agrees all receipts and revenues collected and received by the City from the Special Motor Vehicle Rental Tax, the Parking Revenues and the Events Center Revenues shall be deposited to the credit of the Venue Project Fund and more particularly to the credit of the Tax Account, the Parking Garage Account and Events Center Revenue Account, respectively.

(a) Tax Account. While the Parity Revenue Bonds remain Outstanding, moneys from time to time credited to the Tax Account shall be applied in the following order of priority:

First, to the payment of the amounts to be deposited to the credit of the Debt Service Account required by any ordinance authorizing the issuance of Parity Revenue Bonds.

Second, to pay amounts to be deposited to the credit of the Operating Account, including the establishment and maintenance of an operating reserve to operate and maintain the Town Lake Community Events Center and Parking Garage, as required by any ordinance authorizing the issuance of Parity Revenue Bonds.

Third, for any lawful purpose under the Act and as authorized by the Election.

(b) Parking Garage Account/Events Center Account. The City covenants and agrees all receipts and revenues collected and received by the City from the Parking Revenues and the Events Center Revenues shall be deposited to the credit of the Venue Project Fund and more particularly to the credit of the Parking Garage Account and Events Center Revenue Account, respectively. While the Parity Revenue Bonds remain Outstanding, moneys from time to time credited to the Parking Garage Account and Events Center Revenue Account shall be applied in the following order of priority:

First, to the payment of the amounts to be deposited to the credit of the Debt Service Account required by any ordinance authorizing the issuance of Parity Revenue Bonds.

Second, to the payment of the amounts to be deposited to the credit of any special fund or account maintained for the payment of Subordinate Lien Bonds in the manner and to the extent required by the ordinance(s) authorizing their issuance.

Third, to pay amounts to be deposited to the credit of the Operating Account, including the establishment and maintenance of an operating reserve to operate and maintain the Town Lake Community Events Center and Parking Garage, as required by any ordinance authorizing the issuance of Parity Revenue Bonds.

Fourth, for any lawful purpose under the Act and as authorized by the Election.

PART 16. DEBT SERVICE ACCOUNT. Moneys deposited to the credit of the Debt Service Account shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Parity Revenue Bonds issued as term bonds in the open market to be credited against any mandatory redemption requirements), interest and redemption premiums on the Parity Revenue Bonds, plus all Paying Agent/Registrar charges and other costs and expenses relating to such payment, including

those described above. On or before each principal and/or interest payment date for the Parity Revenue Bonds, the City shall transfer from the Debt Service Account to the appropriate Paying Agent/Registrar amounts equal to the principal, interest and redemption premiums payable on the Parity Revenue Bonds on such date.

The City covenants and agrees that prior to each interest payment date, stated maturity date and mandatory redemption date for the Bonds there shall be deposited into the Debt Service Account from the Pledged Revenues an amount equal to one hundred percentum (100%) of the amount required to fully pay the amount then due and payable on the Bonds, and such deposits to pay the Bonds at maturity or redemption, as the case may be, and accrued interest on the Bonds shall be made in substantially equal quarterly installments on or before each Transfer Date in each year, beginning on the first Transfer Date to occur after the delivery of the Bonds.

In addition, on each Transfer Date, the City covenants and agrees to cause to be deposited into the Debt Service Account from the Pledged Revenues an amount calculated to pay all expenses of providing for the full and timely payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, including without limitation, all fees charged or incurred by the Paying Agent/Registrar and for trustee services rendered in connection with the Bonds.

PART 17. OPERATING ACCOUNT. On each Transfer Date, there shall be transferred from the Tax Account, Parking Garage Account and Events Center Revenue Account (to the extent amounts are available in such Accounts and after making all required transfers to the accounts having a priority ahead of the Operating Account) an amount equal to one-fourth (1/4th) of the amounts allocated and budgeted to pay or cover such budgeted Operating and Maintenance Expenses of the Parking Garage and Town Lake Community Events Center for such Fiscal Year. In the preparation of the City's annual budget, the City's Chief Financial Officer (or other officer of the City having primary responsibility for the financial affairs of the City) shall at the time the recommended budget for the Parking Garage and Town Lake Community Events Center required by Part 13 of this Ordinance is first submitted to the City for consideration and approval identify the amount of Pledged Revenues allocated and budgeted to pay and cover Operation and Maintenance Expenses for the Parking Garage and Town Lake Community Events Center or the amount allocated and budgeted by the City in the then current Fiscal Year. Amounts from time to time credited to the Operating Account may be used at any time to pay for any Operation and Maintenance Expenses.

In addition to the amounts to be deposited into the Operating Account to provide for the payment of current Operating and Maintenance Expenses of the Parking Garage and Town Lake Community Events Center as provided above, there shall also be accumulated and maintained in the Operating Fund an operating reserve in an amount

equal six months of Operation and Maintenance Expenses for the Parking Garage and Town Lake Community Events Center (the "Operating Reserve"). The City covenants and agrees that on the Transfer Date occurring in November of each year, after making all required transfers at such time to the accounts having a priority ahead of any transfer to the Operating Account, an amount equal to one-twelfth (1/12th) of the Maintenance and Operation Expenses of the Parking Garage and Town Lake Community Events Center incurred for the most recent completed Fiscal Year and according to the books and records of the City maintained with respect to the operation and maintenance of such facilities until there has been accumulated in the Operating Account an Operating Reserve.

PART 18. DEFICIENCIES IN FUNDS OR ACCOUNTS. If on any Transfer Date there shall not be transferred into any fund or account maintained pursuant to this Ordinance the full amounts required by this Ordinance, amounts equivalent to such deficiency shall be set apart and transferred to such fund or account from the first available and unallocated moneys in the Tax Account, the Parking Garage Account or Events Center Revenue Account, as the City shall determine, and such transfer shall be in addition to the amounts otherwise required to be transferred to such fund or account on any succeeding Transfer Date.

PART 19. INVESTMENT OF FUNDS; TRANSFER OF INVESTMENT INCOME. (a) Money in all funds or accounts shall, at the option of the City, be invested in the manner provided by State law; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any fund will be available at the proper time or times. Moneys in such funds may be subjected to further investment restrictions imposed from time to time by ordinances authorizing the issuance of Additional Bonds or Subordinate Lien Bonds. All such investments shall be valued no less frequently than the last business day of the City's Fiscal Year at market value, except that any direct obligations of the United States of America - State and Local Government Series shall be continuously valued at their par value or principal face amount. For purposes of maximizing investment returns, money in such funds may be invested, together with money in other funds or with other money of the City, in common investments or in a common pool of such investments maintained by the City at an official depository of the City or in any fund or investment vehicle permitted by State law, which shall not be deemed to be a loss of the segregation of such money or funds provided that safekeeping receipts, certificates of participation or other documents clearly evidencing the investment or investment pool in which such money is invested and the share purchased with such money or owned by such funds are held by or on behalf of each such fund. If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

(b) All interest and income derived from deposits and investments credited to any funds and accounts may be transferred to the Events Center Revenue Account, except as provided in (c) below, all interest and income on such account shall remain in such account.

(c) Notwithstanding anything to the contrary contained in this Ordinance, any interest and income derived from deposits and investments of any amounts credited to any fund or account may be transferred into any rebate account or subaccount and (2) paid to the federal government if in the opinion of nationally recognized bond counsel such payment is required to comply with any covenant contained in this Ordinance or required to prevent interest on any Parity Revenue Bonds or Subordinate Lien Bonds from being includable within the gross income of the owners for federal income tax purposes.

PART 20. SECURITY FOR UNINVESTED FUNDS. While any Bonds remain Outstanding, all uninvested moneys on deposit in, or credited to, the above described funds and accounts shall be secured by the pledge of security, as provided by Texas law.

PART 21. ADDITIONAL PARITY REVENUE BONDS. Save and except for refunding bonds issued to refund all or part of any outstanding Parity Revenue Bonds in accordance with Part 22 below, the City covenants that no Additional Bonds will be issued by the City payable from and secured by a parity lien on and pledge of the Pledged Revenues.

PART 22. REFUNDING BONDS. The City expressly reserves the right to issue refunding bonds to refund the Parity Revenue Bonds.

PART 23. SUBORDINATE LIEN BONDS. The City reserves the right to issue or incur, for any lawful purpose, bonds, notes or other obligations secured in whole or in part by a lien on and pledge of the Parking Revenues and Events Center Revenues junior and subordinate to the lien on and pledge of the Pledged Revenues securing payment of the Parity Revenue Bonds.

PART 24. PUNCTUAL PAYMENT OF BONDS. The City covenants it will punctually pay or cause to be paid the interest and any premium on and principal of all Bonds according to the terms of the Bonds and will faithfully do and perform, and at all times fully observe, any and all covenants, undertakings, stipulations and provisions contained in this Ordinance and in any other ordinance authorizing the issuance of Parity Revenue Bonds.

PART 25. PLEDGE AND ENCUMBRANCE OF REVENUES. The City covenants and 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 Revenue Bonds and has lawfully exercised such power under the Constitution and laws of the State. The City further covenants and represents that 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 City, except as provided by Parts 21, 22 or 23 of this Ordinance.

PART 26. BONDHOLDERS REMEDIES. This Ordinance shall constitute a contract between the City and the Owners of the Bonds from time to time Outstanding and this Ordinance shall be and remain in full force and effect until the Bonds and the interest and any premium thereon shall be fully paid or discharged or provision therefor shall have been made as provided in this Ordinance. In the event of a default in the payment of the principal of or interest or any premium on any of the Bonds or a default in the performance of any duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the Bonds may pursue all legal remedies afforded by the Constitution and laws of the State to compel the City to remedy such default and to prevent further default or defaults. Without in any way limiting the generality of the preceding, it is expressly provided that any Owner of any of the Bonds 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 City under this Ordinance, including the application of Pledged Revenues in the manner required in this Ordinance; provided, however, that the Owners of the Bonds shall never have the right to demand payment of the principal of, interest on or any redemption premium on the Bonds out of any funds raised or to be raised by taxation, other than the Special Motor Vehicle Rental Tax.

PART 27. SATISFACTION OF OBLIGATION OF CITY. If the City shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Ordinance, then the pledge of the Pledged Revenues under this Ordinance and all other obligations of the City to the Holders shall upon such payment or the appropriate provision for such payment being made cease, terminate, and become void and be discharged and satisfied.

Debt service on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed above in this Part when (i) money sufficient to pay in full the principal of and interest on such Bonds shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Obligations shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Obligations have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited with the Government Obligations, if any, to pay when due the principal of and interest on such Bonds on and prior to the

Stated Maturity of such Bonds or (if notice of redemption has been given or waived or if irrevocable arrangements for such payment acceptable to the Paying Agent/Registrar have been made) the redemption date of such Bonds. The City covenants that no deposit of moneys or Government Obligations will be made under this Part and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of section 148 of the Code or the Regulations.

Any moneys so deposited with the Paying Agent/Registrar, or an authorized escrow agent, and all income from Government Obligations held in trust by the Paying Agent/Registrar or an authorized escrow agent, pursuant to this Part which is not required for the payment of the Bonds, or any principal amount(s), or interest thereon with respect to which such moneys have been so deposited shall be remitted to the City or deposited as directed by the City. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity, or applicable redemption date, of the Bonds such moneys were deposited and are held in trust to pay shall, upon the request of the City, be remitted to the City against a written receipt therefor. Notwithstanding the above and preceding, any remittance of funds from the Paying Agent/Registrar to the City shall be subject to any applicable unclaimed property laws of the State.

PART 28. MUTILATED - DESTROYED - LOST AND STOLEN BONDS.

In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the City and after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the City and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen.

Every new Bond issued pursuant to this Part in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and ratably with all other Outstanding Bonds.

The provisions of this Part are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

PART 29. AMENDMENT OF ORDINANCE.

(a) Without Consent. The City may, without the consent of or notice to any of the Owners of the Bonds, amend this Ordinance for any one or more of the following purposes:

(1) to cure any ambiguity, defect, omission or inconsistent provision in this Ordinance or in the Bonds; or to comply with any applicable provision of law or regulation of federal agencies; provided, however, that such action shall not adversely affect the interests of the Owners of the Bonds;

(2) to change the terms or provisions of this Ordinance to the extent necessary to prevent the interest on the Bonds from being includable within the gross income of the Owners of the Bonds for federal income tax purposes;

(3) to grant to or confer upon the Owners of the Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners of the Bonds;

(4) to add to the covenants and agreements of the City contained in this Ordinance other covenants and agreements of, or conditions or restrictions upon, the City or to surrender or eliminate any right or power reserved to or conferred upon the City in this Ordinance;

(5) to amend any provisions relating to the issuance of Subordinate Lien Bonds, provided such amendment does not cause any reduction in any rating assigned to the Bonds by any major municipal securities evaluation service then rating the Bonds;

(6) to subject to the lien and pledge of this Ordinance additional Pledged Revenues, provided such amendment does not cause any reduction in any rating assigned to the Bonds by any major municipal securities evaluation service then rating the Bonds; and

(7) to amend the continuing disclosure undertaking as provided in Part 45 of this Ordinance.

(b) Amendments Requiring Consent. The City may at any time adopt one or more ordinances amending, modifying, adding to or eliminating any of the provisions of this Ordinance but, if such amendment is not of the character described in (a) above, only with the consent given in accordance with (c) below of the Owner or Owners of not less than 50% of the aggregate unpaid principal amount of the Parity Revenue Bonds then Outstanding and affected by such amendment, modification, addition, or elimination; provided, however, that nothing in this Part shall permit (1) an extension of the maturity of the principal of or interest on any Bond issued under this Ordinance, or (2) a reduction in the principal amount of any Bond or the rate of interest on any Bond, or (3) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such amendment.

(c) Consent of Owners. Any consent required by this Part 29 by any Owner shall be in writing, may be in any number of concurrent writings of similar tenor, and may be signed by such Owner or his authorized attorney. Proof of the execution of any such consent or of the writing appointing any such attorney and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Ordinance, and shall be conclusive in favor of the City with regard to any action taken, suffered or omitted to be taken by the City under such instrument, namely:

(1) the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution; and

(2) the fact of the ownership by any person of any Bond and the date of the ownership of same may be proved by a certificate executed by an appropriate officer of the Paying Agent/Registrar, stating that at the date such Bond was registered in the name of such party in the Security Register.

In lieu of the preceding the City may accept such other proofs of the preceding as it shall deem appropriate.

Consents required pursuant to (b) above shall be valid only if given following the mailing of notice by or on behalf of the City requesting such consent and setting forth the substance of the amendment of this Ordinance in respect of which such consent is sought and stating that copies are available at the office of the City Clerk for inspection. Such notice shall be mailed by certified mail to each Owner of the Bonds affected at the address shown on the Security Register.

Notice of any amendment requiring the consent of all Holders of the Bonds shall be furnished to any rating agency rating the Bonds at least 15 days prior to the execution or adoption of such amendment.

(d) Revocation of Consent. Any consent by any Owner of a Bond pursuant to the provisions of this Part shall be irrevocable for a period of six months from the date of mailing of the notice provided for in this Part, and shall be conclusive and binding upon all future Owners of the same Bond and any Bond delivered on transfer thereof or in exchange for or replacement during such period. Such consent may be revoked at any time after six months from the date of the first mailing of such notice by the owner who gave such consent or by a successor in title, by filing notice with the Paying Agent/Registrar, but such revocation shall not be effective if the Owners of a majority in aggregate principal amount of the Bonds Outstanding as in this Ordinance defined have, prior to the attempted revocation, consented to and approved the amendment.

PART 30. TAX EXEMPTION. (a) Definitions. When used in this Part, the following terms shall have the following meanings:

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor.

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

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

"Gross Proceeds" means any proceeds as defined in section 1.148-1 (b) of the Regulations, and any replacement proceeds as defined in section 1.148-1 (c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in section 1.148-1 (b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and section 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds.

"Yield" of (1) any Investment has the meaning set forth in section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in section 1.148-4 of the Regulations.

Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

(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 Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner of the Bond for federal income tax purposes. Without limiting the generality of the preceding, unless and until the City receives 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 each of the specific covenants in this Part.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the City shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of

the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Bonds), other than taxes of general application within the City or 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 thereunder, 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 preceding covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such 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 any property acquired, constructed or improved with such Gross Proceeds 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 thereunder, the City shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, 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 thereunder.

(g) Information Report. The City shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The City shall 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 accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the City may commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the City shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The City shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchaser and the loan of the money represented thereby and to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners for federal income tax purposes, the City shall pay to the United States out of the Debt Service Account or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the 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 Part 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) Elections. The City hereby directs and authorizes the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer or City Treasurer, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

(k) Bonds Not Hedge Bonds. (1) At the time the original obligations refunded by the Bonds were issued, the City reasonably expected to spend at least 85% of the spendable proceeds of such original obligations within three years after such obligations were issued and (2) not more than 50% of the proceeds of the original obligations refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

(l) Current Refunding. The payment and discharge of the Refunded Bonds will occur within ninety (90) days after the issuance of the Bonds and, therefore, the portion of the Bonds issued to refund the Refunded Bonds is a current refunding.

PART 31. SALE OF BONDS; OFFICIAL STATEMENT APPROVAL.

The Bonds are to be sold by the City to the purchaser(s) (the "Purchasers") in accordance with a bond purchase agreement (the "Purchase Contract"), the terms and provisions of the Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 4 of this Ordinance. With regard to such terms and provisions of said Purchase Contract, the Pricing Officer may come to an agreement with the Purchasers on the following, among other matters:

- (1) The details of the purchase and sale of the Bonds;
- (2) The details of the public offering of the Bonds by the Purchasers;
- (3) The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;
- (4) A security deposit for the Bonds;
- (5) The representations and warranties of the City to the Purchasers;

- (6) The details of the delivery of, and payment for, the Bonds;
- (7) The Purchasers' obligations under the Purchase Contract;
- (8) The certain conditions to the obligations of the City under the Purchase Contract;
- (9) Termination of the Purchase Contract;
- (10) Particular covenants of the City;
- (11) The survival of representations made in the Purchase Contract;
- (12) The payment of any expenses relating to the Purchase Contract;
- (13) The determination of whether a continuing disclosure undertaking as described in Part 45 of this Ordinance is required;
- (14) Notices; and
- (15) 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 Bonds.

The Pricing Officer may execute the Purchase Contract for and on behalf of the City and as the act and deed of this City Council.

The Mayor and City Clerk of the City may deliver for and on behalf of the City copies of a Preliminary Official Statement and Official Statement, prepared in connection with the offering of the Bonds by the Purchasers, in final form as may be required by the Purchasers, and such final Official Statement in the form and content as approved by the Pricing Officer or as electronically executed by said officials shall be deemed to be approved by the City Council of the City and constitute the Official Statement authorized for distribution and use by the Purchasers.

PART 32. CONTROL AND CUSTODY OF BONDS. The Mayor of the City shall be and is authorized to take and have charge of all necessary orders and records pending the delivery of the Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval of the Initial Bond(s) by the Attorney General, the registration of the Bonds by the Comptroller of Public Accounts, and the delivery of the Bonds to the Purchasers.

Furthermore, the Mayor, Mayor Pro Tem, City Clerk, City Manager, Chief Financial Officer, City Attorney and City Treasurer, any one or more of these officials, are authorized and directed to furnish and execute any documents relating to the City and

its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and registration by the Comptroller of Public Accounts and, together with the City's financial advisor, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the exchange for obligations described in this Ordinance.

PART 33. PROCEEDS OF SALE. Immediately following the delivery of the Bonds, proceeds of sale (less those proceeds of sale designated to pay costs of issuance and any accrued interest received from the Purchasers of the Bonds) shall be deposited with (ii) the Escrow Agent (defined in Part 34 of this Ordinance) or application and disbursement in accordance with the provisions of the Escrow Agreement or deposited with the paying agent/registrar for the Refunded Bonds for the payment and redemption of the Refunded Bonds. The proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying agent/registrar for the Refunded Bonds) for the refunding of the Refunded Bonds shall be disbursed for payment of costs of issuance, or deposited in the Debt Service Account for the Bonds, all in accordance with written instructions from the City or its Financial Advisor. Accrued interest, if any, received from the Purchasers shall be deposited to the credit of the Debt Service Account.

PART 34. ESCROW AGREEMENT. An "Escrow Agreement" (the "Escrow Agreement") by and between the City and an authorized escrow agent (the "Escrow Agent"), if an agreement is required in connection with the issuance of the Bonds, shall be attached to, and approved in, the Pricing Certificate. The Escrow Agreement is authorized to be finalized and executed by the Pricing Officer for and on behalf of the City and as the act and deed of this City Council; and the Escrow Agreement as executed by the Pricing Officer shall be deemed approved by the City Council and constitute the Escrow Agreement approved by this Ordinance. With regard to the finalization of certain terms and provisions of the Escrow Agreement, a Pricing Officer is authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

- (1) The identification of the Refunded Bonds;
- (2) The creation and funding of any escrow fund; and
- (3) The Escrow Agent's compensation, administration of the any escrow fund, and the settlement of any paying agents' charges relating to the Refunded Bonds.

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement and the delivery of the escrowed securities to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF AUSTIN, TEXAS, TOWN LAKE VENUE PROJECT REVENUE REFUNDING BONDS, SERIES 2016 ESCROW

FUND” (referred to as the “Escrow Fund”), or such other designation as specified on the Pricing Certificate; all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, the Ordinance, the Pricing Certificate, and the Escrow Agreement.

Additionally, the Pricing Officer shall determine the amount of any City contribution to the refunding from moneys on deposit in the debt service account maintained for the payment of the Refunded Bonds.

PART 35. REFUNDED BONDS.

(a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date such Refunded Bonds are subject to redemption or such other date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the ordinance adopted by Council, which authorized the issuance of the Refunded Bonds. The Pricing Officer is authorized and directed to issue or cause to be issued a Notice of Redemption for the Refunded Bonds in substantially the form set forth as an Exhibit to the Pricing Certificate, to the paying agent/registrars for Refunded Bonds, in accordance with the redemption provisions applicable to the Refunded Bonds.

(b) The paying agent/registrars for Refunded Bonds is directed to provide the appropriate notice of redemption as required by the ordinance authorizing the Refunded Bonds and is directed to make appropriate arrangements so that the Refunded Bonds may be redeemed on the redemption date.

(c) The source of funds for payment of the principal of and interest on the Refunded Bonds on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent or the paying agent/registrars for the Refunded Bonds pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, this Ordinance and the Pricing Certificate.

PART 36. LEGAL OPINION. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Dallas, Texas, approving the Bonds as to their validity, the opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of the opinion is hereby authorized to be printed on the definitive Bonds or an executed counterpart shall accompany the global Bonds deposited with the Depository Trust Company.

PART 37. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

PART 38. BENEFITS OF ORDINANCE. Nothing in this Ordinance or the Pricing Certificate, expressed or implied, is intended or shall be construed to confer upon any person other than the City, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or any provision or the Pricing Certificate, this Ordinance and all its provisions and the Pricing Certificate being intended to be and being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and the Holders.

PART 39. INCONSISTENT PROVISIONS. All ordinances, orders or resolutions, or parts of such ordinances, orders or resolutions, which are in conflict or inconsistent with any provision of this Ordinance are repealed to the extent of such conflict and the provisions of this Ordinance shall be and remain controlling as to the matters contained in this Ordinance.

PART 40. GOVERNING LAW. This Ordinance shall be construed and enforced in accordance with the laws of the State and the United States of America.

PART 41. SEVERABILITY. If any provision of this Ordinance or the application of such provision to any circumstance shall be held to be invalid, the remainder of this Ordinance and the application of this Ordinance to other circumstances shall nevertheless be valid, and Council declares that this Ordinance would have been enacted without such invalid provision.

PART 42. CONSTRUCTION OF TERMS. If appropriate in the context of this Ordinance, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

PART 43. NOTICES TO HOLDERS-WAIVER. Wherever this Ordinance or the Pricing Certificate provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise expressly provided in this Ordinance) if in writing and sent by United States mail, first class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect

the sufficiency of such notice with respect to all other Bonds. Where this Ordinance provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

PART 44. CANCELLATION. All Bonds surrendered for payment, redemption, transfer or exchange, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/Registrar. The City may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the City may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar. All cancelled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the City.

PART 45. CONTINUING DISCLOSURE UNDERTAKING. The Pricing Officer is authorized to determine whether a continuing disclosure undertaking is required in connection with the issuance of the Bonds. To the extent it is determined that an undertaking under the Rule is required, this Part 45 shall apply.

(a) Definitions. As used in this Part, the following terms have the meanings ascribed to such terms below:

“*MSRB*” means the Municipal Securities Rulemaking Board.

“*Rule*” means SEC Rule 15c2-12, as amended from time to time.

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

(b) Annual Reports. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year of the City beginning in the year stated in the Pricing Certificate, financial information and operating data with respect to the City of the general type approved by the Pricing Officer and described in the Pricing Certificate, and (2) if not provided as part such financial information and operating data in item (1), audited financial statements of the City within 12 months after the end of each fiscal year beginning in the year stated in the Pricing Certificate. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the City shall file unaudited financial statements within such twelve-month period and audited financial statements for the applicable fiscal year, when and if the audit report on such statements becomes available. Any financial statements to be provided shall be (i) prepared in accordance with the accounting principles described in the Pricing Certificate

or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (ii) 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 City changes its fiscal year, it 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 City otherwise 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 available to the public on the MSRB's Internet Web site or filed with the SEC.

(c) *Notice of Certain Events.* The City shall provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after 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 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, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of 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 or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

For these purposes, any event described in the immediately preceding paragraph 12 is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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 a timely manner, of any failure by the City to provide financial information or operating data in accordance with this Part by the time required by this Part.

(d) Filings with the MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Part shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) Limitations, Disclaimers, and Amendments. The City shall be obligated to observe and perform the covenants specified in this Part with respect to the City and the Bonds while, but only while, the City remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the City in any event will give the notice required by subsection (c) of this Part of any Bond calls and defeasance that cause the City to be no longer such an “obligated person.”

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 financial results, condition, or prospects of the City or the State or undertake to update any information provided in accordance with this Part or otherwise, except as expressly provided in this Part. The City does not make any representation or warranty concerning such 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 BOND 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 SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH 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 constitute 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.

Notwithstanding any provisions in this Ordinance to the contrary, the provisions of this Part may be amended by the City from time to time to adapt to changed circumstances resulting 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 so 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 to the date of such amendment, 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 Ordinance that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the City and the State (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Part may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the

City so amends the provisions of this Part, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

PART 46. INCORPORATION OF FINDINGS AND DETERMINATIONS.

The findings and determinations of Council contained in the preamble of this Ordinance are incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Part.

PART 47. PUBLIC MEETING. It is officially found, determined, and declared that the meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Ordinance, was given, all as required by Texas Government Code, Chapter 551, as amended.

PART 48. EFFECTIVE DATE. This Ordinance is passed one reading as authorized by Texas Government Code, section 1201.028 and shall be effective immediately upon its passage and adoption.

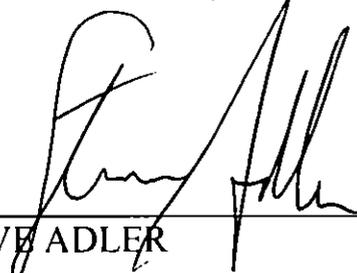
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PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

____ August 18 _____, 2016

§
§
§



STEVE ADLER
Mayor

APPROVED:



ANNE L. MORGAN
City Attorney

ATTEST:



JANNETTE S. GOODALL
City Clerk

(City Seal)



Exhibit A
PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT is entered into as of _____, 2016 (this "Agreement"), by and between _____, a banking association duly organized and existing under the laws of the _____, or its successors (the "Bank") and the City of Austin, Texas (the "Issuer"),

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "City of Austin, Texas, Town Lake Community Events Center Venue Project Revenue Refunding Bonds, Series 2016" (the "Securities"), such Securities scheduled to be delivered to the initial purchasers thereof on or about _____, 2016; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 **Appointment**. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof; all in accordance with this Agreement and the "Authorizing Document" (hereinafter defined). The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Authorizing Document.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02 **Compensation**. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in **Annex A** attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of

the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE TWO DEFINITIONS

Section 2.01 **Definitions**. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Acceleration Date” on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

“Authorizing Document” means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, as the same may be amended or modified, including any pricing certificate related thereto, certified by the secretary or any other officer of the Issuer and delivered to the Bank.

“Bank Office” means the designated office of the Bank at the address shown in Section 3.01 hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Authorizing Document).

“Redemption Date”, when used with respect to any Security to be redeemed, means the date fixed for such redemption pursuant to the terms of the Authorizing Document.

“Responsible Officer”, when used with respect to the Bank, means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated

officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities.

“Stated Maturity” means the date specified in the Authorizing Document the principal of a Security is scheduled to be due and payable.

Section 2.02 **Other Definitions.** The terms “Bank,” “Issuer,” and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01 **Duties of Paying Agent.** As Paying Agent, the Bank shall pay, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address:

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date (as defined in the Authorizing Document). All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the paying agent account provided in Section 5.05 hereof, sent by United States mail, first class postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02 **Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Authorizing Document.

ARTICLE FOUR REGISTRAR

Section 4.01 **Security Register - Transfers and Exchanges**. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. The Bank represents and warrants its office in Dallas, Texas will at all times have immediate access to the Security Register by electronic or other means and will be capable at all times of producing a hard copy of the Security Register at its Dallas office for use by the Issuer. All transfers, exchanges and replacements of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, such written instrument to be in a form satisfactory to the Bank and duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 **Securities**. The Issuer shall provide additional Securities when needed to facilitate transfers or exchanges thereof. The Bank covenants that such additional Securities, if and when provided, will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03 **Form of Security Register**. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04 **List of Security Holders**. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05 **Return of Cancelled Securities**. The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4.06 **Mutilated, Destroyed, Lost or Stolen Securities**. The Issuer hereby instructs the Bank, subject to the provisions of the Authorizing Document, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such mutilated, destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, destroyed, lost or stolen.

Section 4.07 **Transaction Information to Issuer**. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE FIVE THE BANK

Section 5.01 **Duties of Bank**. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5.02 **Reliance on Documents, Etc.**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by the Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor or other agent as the final closing memorandum or letter. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.03 **Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04 **May Hold Securities**. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05 **Moneys Held by Bank - Paying Agent Account/Collateralization**. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of moneys received from the Issuer under this Agreement for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such paying agent account shall be made by check drawn on such account unless the owner of the Securities shall, at its own expense and risk, request an alternative method of payment.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal of, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code, as amended. The Bank shall have no liability by virtue of actions taken in compliance with this provision.

The Bank is not obligated to pay interest on any money received by it under this Agreement.

This Agreement relates solely to money deposited for the purposes described herein, and the parties agree that the Bank may serve as depository for other funds of the Issuer, act as trustee under indentures authorizing other bond transactions of the Issuer, or act in any other capacity not in conflict with its duties hereunder.

Section 5.06 **Indemnification**. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07 **Interpleader**. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the state and county where the administrative office of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08 **DTC Services**. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6.01 **Amendment**. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02 **Assignment**. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03 **Notices**. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page(s) hereof.

Section 6.04 **Effect of Headings**. The Article and Section headings herein are for convenience of reference only and shall not affect the construction hereof.

Section 6.05 **Successors and Assigns**. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06 **Severability**. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07 **Merger, Conversion, Consolidation, or Succession**. Any corporation or association into which the Bank may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank as Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of either parties hereto.

Section 6.08 **Benefits of Agreement**. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.09 **Entire Agreement**. This Agreement and the Authorizing Document constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Authorizing Document, the Authorizing Document shall govern.

Section 6.10 **Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.11 **Termination**. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying Agent/Registrar within a reasonable time, the Bank may petition a court of competent jurisdiction within the State of Texas to appoint a successor. Furthermore, the Bank and the Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with the other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.12 **Governing Law**. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of page left blank intentionally.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

By: _____

Title: _____

Address: _____

CITY OF AUSTIN, TEXAS

By: _____
Pricing Officer

Address: 301 W. 2nd Street, Third Floor
Austin, Texas 78701