

ORDINANCE NO.

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE
OF ONE OR MORE SERIES OF CITY OF AUSTIN, TEXAS
SPECIAL TAX REVENUE BONDS (CONVENTION CENTER
PROJECT)**

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

SECTION 1: DEFINITIONS.

Unless otherwise expressly provided or unless the context otherwise requires, the terms defined in this Section for all purposes of this Ordinance shall have the respective meanings specified:

“Additional Bonds” means Additional Senior Lien Bonds or Additional Junior Lien Bonds issued by the City pursuant to Section 20 of this Ordinance, as applicable.

“Additional Junior Lien Bonds” means bonds secured wholly or partly by liens on the Pledged Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Senior Lien Bonds issued by the City pursuant to Section 20 of this Ordinance.

“Additional Junior Lien Obligations” means Junior Lien Obligations issued in accordance with the terms and conditions provided in Section 20 of this Ordinance.

“Additional Senior Lien Bonds” means bonds secured by a first and prior lien on the Pledged Revenues issued by the City pursuant to Section 20 of this Ordinance.

“Additional Senior Lien Obligations” means Senior Lien Obligations issued in accordance with the terms and conditions provided in Section 20 of this Ordinance.

“Administrative Expenses” means the fees, expenses and indemnification liabilities payable to the persons to whom fees and expenses incurred directly in connection with the Bonds and Credit Agreement Obligations issued hereunder are owed, including but not limited to the reasonable fees, expenses, other charges and

disbursements of the Trustee, the Paying Agent/Registrar, Credit Providers, the rebate analyst, the remarketing agents, the tender agents, and the broker-dealers including those of their respective officers, directors members, attorneys, agents, advisors and employees, and of which the City is given actual notice at least thirty (30) days prior to the due date thereof.

“Annual Debt Service Requirement” means the principal and interest Requirements due on Outstanding Senior Lien Bonds or Outstanding Junior Lien Bonds, as applicable, during any Fiscal Year or other period as specified in an ordinance authorizing this issuance of any Additional Bonds, as applicable.

“Authorized Official” means, individually and/or collectively, each of the Mayor, the City Manager, the Chief Financial Officer, the Director of Financial Services, and the Treasurer of the City.

“Average Annual Debt Service” means an amount which, at the time of computation, is derived by dividing the total Debt Service Requirement on all outstanding Senior Lien Bonds or Junior Lien Bonds, as applicable, to be paid over a period of years as the same is scheduled to become due and payable by the number of years taken into account in determining the total Debt Service Requirement, including any redemption premiums.

“Base Year” means the calendar year beginning January 1, 2024.

“Base Year Amount” means the amount of Hotel-Associated Revenue collected within the PFZ during the calendar year in which the City designated the PFZ, such year being the Base Year.

“Bond Act” means, collectively, Subchapter A of Chapter 1504, as amended, Texas Government Code, Chapter 1371, as amended, Texas Government Code, and Chapter 351, as amended, Texas Tax Code.

“Bond Date” means the initial date of delivery for any series of Bonds issued pursuant to the provisions of this Ordinance.

“Bond Year” – means the period of time that commences on the day following the interest payment date on the Bonds occurring in

65 November of any year and ending on the interest payment date on the
66 Bonds occurring in November of the following year.

67 “Bonds” means the Series 2025 Senior Lien Bonds and the Series 2025
68 Junior Lien Bonds authorized by this Ordinance and any Additional
69 Senior Lien Bonds or Junior Lien Bonds issued pursuant to the
70 provision of an ordinance authorizing the issuance of thereof.

71 “Business Day” means any day other than (a) a Saturday or Sunday, (b)
72 a day on which banks located in the cities in which the designated office
73 of the Paying Agent/Registrar is located are required or authorized by
74 law or executive order to close, (c) a day on which the New York Stock
75 Exchange is closed, or (d) a day on which the payment system of the
76 Federal Reserve System is not operational.

77 “City” means the City of Austin, Texas, and, where appropriate, the
78 City Council.

79 “Closing Date” means the date of the initial delivery of a series of
80 Bonds issued and delivered to the initial purchasers.

81 “Code” has the meaning set forth in Section 24(a) of this Ordinance.

82 “Comptroller” means the Texas Comptroller of Public Accounts.

83 “Convention Center Project” means the capital improvement project
84 generally described as the demolition, construction, reconstruction and
85 expansion to the City’s convention center.

86 “Credit Agreement” has the meaning set forth in Chapter 1371, as
87 amended, Texas Government Code.

88 “Credit Agreement Obligations” mean amounts payable by the City
89 under and pursuant to a Credit Agreement other than amounts payable
90 as Administrative Expenses.

91 “Credit Provider” means the issuer or provider of a Credit Agreement.

92 “Debt Service Requirements” of any series of bonds for any particular
93 Bond Year, means an amount equal to the sum of the principal of and
94 interest and any redemption premium on the bonds then Outstanding

which will become due and owing during the Bond Year; subject, however, to adjustment as provided in Section 18.

“Debt Service Reserve Fund Policy” means any surety bond or insurance policy issued by a provider having a rating in the two highest generic rating categories in effect at the time of issuance, issued to the City for the benefit of the Owners of the Bonds to satisfy any part of the Senior Lien Reserve Fund Requirement or the Junior Lien Reserve Fund Requirement, as provided in Section [17] herein.

“Designated Payment/Transfer Office” means the office of the Paying Agent/Registrar so designated by it from time to time.

“Fiscal Year” means the City’s fiscal year, which is currently October 1 to September 30.

“Fitch” means Fitch Ratings, Inc., a corporation organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

“Government Obligations” mean (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.

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

“Hotel Associated Revenues” shall mean, all as and to the extent received by the City from the Comptroller pursuant to the authority of Section 351.1015(e), as amended, Texas Tax Code:

- i. the revenue collected from hotels within the PFZ for the PFZ Term resulting from the State sales and use taxes imposed under Chapter 151, as amended, Texas Tax Code (the “State Sales Tax Revenues”);
- ii. the revenue collected from hotels within the PFZ for the PFZ Term resulting from the State hotel occupancy taxes imposed under Chapter 156, as amended, Texas Tax Code (the “State Hotel Tax Revenue”);
- iii. the revenue collected from hotels within the PFZ for the PFZ Term resulting from the State mixed beverage taxes imposed under Section 183.041, as amended, Texas Tax Code (excluding amounts that are paid or allocated to the City and Travis County by the Comptroller pursuant to Section 183.051(b), as amended, Texas Tax Code) (the “State Mixed Beverage Sales Tax Revenues”); and
- iv. the revenue collected from hotels within the PFZ for the PFZ Term resulting from the State mixed beverage gross receipts tax imposed under Section 183.021, as amended, Texas Tax Code (excluding amounts that are paid or allocated to the City and Travis County by the Comptroller pursuant to Section 183.051(b), as amended, Texas Tax Code) (the “State Mixed Beverage Gross Receipts Tax Revenues”).

“Hotel Occupancy Tax” means the tax, levied by the City pursuant to the Tax Act, on the cost of occupancy of any sleeping room furnished by any hotel located within the corporate limits of the City, in which

the cost of occupancy is \$2.00 or more each day, which tax is currently levied at a rate of 9% of the consideration paid by the occupant of the sleeping room to the hotel.

“Junior Lien Bonds” means the Series 2025 Junior Lien Bonds and Additional Bonds issued by the City pursuant to Section 20(d) of this Ordinance secured wholly or partly by liens on the Pledged Revenues that are junior and subordinate to the lien on Pledged Revenues securing payment of the Senior Lien Bonds, but on parity with the Series 2025 Junior Lien Bonds.

“Junior Lien Debt Service Fund” means the Fund referenced in Section 14 of this Ordinance for the payment of the Debt Service Requirements on the Junior Lien Obligations.

“Junior Lien Obligations” mean at any time all (i) Junior Lien Bonds, (ii) all Reimbursement Obligations, and (iii) any future obligation of the City under Credit Agreements or other agreements to the extent such obligations are secured by a lien on Pledged Revenues on an equal and ratable basis with the lien securing the Junior Lien Bonds.

“Junior Lien Reserve Fund” means the Fund referenced in Section 17 of this Ordinance to provide a reserve amount for the payment of Junior Lien Bonds.

“Junior Lien Reserve Fund Requirement” means the least of (i) 10% of the Outstanding principal amount of the Junior Lien Bonds or (ii) the maximum annual Debt Service Requirements scheduled to occur in the then current and each future Fiscal Year for all Junior Lien Bonds at any time Outstanding, or (iii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of Code, and regulations promulgated under Subsection (d) of section 148 of the Code.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City.

199 “Ordinance” means this Ordinance No. 2025[____]-[____] and all
200 exhibits, appendices, amendments and supplements.

201 “Outstanding”, when used with reference to any Senior Lien Bonds or
202 Junior Lien Bonds, means, as of a particular date, all Senior Lien Bonds
203 or Junior Lien Bonds delivered except: (a) any such Senior Lien Bonds
204 or Junior Lien Bonds paid, discharged or canceled by or on behalf of
205 the City at or before the particular date; (b) any Senior Lien Bonds and
206 Junior Lien Bonds defeased pursuant to the defeasance provisions of
207 the authorizing ordinance, or otherwise defeased as permitted by
208 applicable law; and (c) any Senior Lien Bonds or Junior Lien Bonds in
209 lieu of or in substitution for, which another obligation is delivered
210 pursuant to the ordinances authorizing the issuance of the Senior Lien
211 Bonds or Junior Lien Bonds.

212 “Parity Obligations” means Senior Lien Obligations or Junior Lien
213 Obligations issued which are secured wholly or partly by liens on the
214 Pledge Revenues that are on parity with any outstanding Senior Lien
215 Bonds or Junior Lien Bonds, as applicable.

216 “Paying Agent/Registrar” means, with respect to the Bonds, the Paying
217 Agent/Registrar to be appointed as provided in Section 5 of this
218 Ordinance, and its successors in that capacity.

219 “Pledged 2.0% Expansion Hotel Occupancy Tax Revenues” mean that
220 portion of the revenues derived by the City from the Hotel Occupancy
221 Tax which is equal to at least 2% of the consideration paid by occupants
222 of sleeping rooms furnished by hotels located within the corporate
223 limits of the City, in which the cost of occupancy is \$2.00 or more each
224 day, levied in accordance with the provisions of Section 351.1065,
225 Texas Tax Code, as amended.

226 “Pledged 4.5% Hotel Occupancy Tax Revenues” mean that portion of
227 the revenues derived by the City from the Hotel Occupancy Tax which
228 is equal to at least 4.5% of the consideration paid by occupants of
229 sleeping rooms furnished by hotels located within the corporate limits
230 of the City, in which the cost of occupancy is \$2.00 or more each day,
231 levied in accordance with the provisions of Section 351.003, Texas Tax
232 Code, as amended.

“Pledged PFZ Revenues” mean, all as and to the extent received by the City from the Comptroller pursuant to the authority of Section 351.1015(f), as amended, Texas Tax Code, the amount in any calendar year by the Hotel- Associated Revenues exceed the Base Year Amount.

“Pledged PFZ Revenues Receipts Account” means the account referenced in Section 15 of this Ordinance for the receipt of Pledged PFZ Revenues received by the City from the Comptroller.

“Pledged Revenues” mean, individually or collectively, (i) the Pledged 4.5% Hotel Occupancy Tax Revenues, (ii) the Pledged 2.0% Expansion Hotel Occupancy Tax Revenues, (iii) the Pledged PFZ Revenues, (iv) interest and other income realized from the investment of amounts on deposit in the funds and accounts to be maintained pursuant to this Ordinance to the extent such interest and other income are required to be transferred or credited to the Tax Fund, and (v) any additional revenue, receipts or income, other than ad valorem tax revenue, hereafter pledged to the Bonds in accordance with Section 21(b) of this Ordinance and in the Pricing Certificate.

“Pricing Certificate” means one or more certificates containing the final pricing information from the pricing of each Series 2025 Bond authorized by this Ordinance and executed by an Authorized Official, which completes the sale of the any respective Series 2025 Bond.

“Project Financing Zone” or “PFZ” means the “Project Financing Zone Number One, City of Austin, Texas” designated by the City pursuant to Section 351.1015, as amended, Texas Tax Code, and pursuant to Ordinance No. 20241212-005, approved by the City Council of the City on December 12, 2024, but effective as of December 23, 2024 and expires on December 23, 2054 (the “PFZ Term”).

“Rating Agency” means any nationally recognized rating agency that maintains a rating on the Bonds at the request of the City. Initially, the Rating Agencies are Moody’s and S&P.

“Rating Category” means one of the general rating categories of any Rating Agency, without regard to any refinement or gradation of such rating category by a numerical modifier or otherwise.

266 “Rating Confirmation Notice” means, with respect to an action that
267 affects the Bonds, a writing from each Rating Agency confirming that
268 the rating(s) issued by such Rating Agency on such series of Bonds will
269 not be lowered or withdrawn as a result of the action proposed to be
270 taken.

271 “Refunded Obligations” means any Subordinate Lien Obligations
272 outstanding prior to the Bond Date of the Series 2025 Bonds.

273 “Reimbursement Obligation” means any obligation entered into by the
274 City in connection with any Bond pursuant to which the City obligates
275 itself to reimburse a bank, insurer, surety or other entity for amounts
276 paid or advanced by such party pursuant to a letter of credit, line of
277 credit, standby bond purchase agreement, credit facility, liquidity
278 facility, insurance policy, surety bond or other similar credit agreement,
279 guaranty or liquidity agreement to secure any portion of principal of,
280 interest on or purchase price of any Bond or reserves in connection
281 therewith or otherwise relating to any Bond. The City’s obligations
282 under a Guaranty Agreement, its obligations under a liquidity facility,
283 and its obligations to reimburse a credit facility provider for amounts
284 paid under a credit facility constitute Reimbursement Obligations.

285 “Reserve Fund Surety Bond” means any surety bond, insurance policy,
286 letter of credit or other guaranty issued to the City for the benefit of the
287 Holders of the Parity Bonds to satisfy any part of the Reserve Fund
288 Requirement as provided in Section 17 of this Ordinance.

289 “Security Register” means the books of registration maintained by the
290 Paying Agent/Registrar for recording the names and addresses of and
291 the principal amounts registered to each Holder.

292 “Senior Lien Bonds” means the Series 2025 Senior Lien Bonds and
293 Additional Senior Lien Bonds secured by a lien on the Pledged
294 Revenues a parity with the Series 2025 Senior Lien Bonds.

295 “Senior Lien Debt Service Fund” means the Fund referenced in
296 Section 14 of this Ordinance for the payment of the Debt Service
297 Requirements on the Senior Lien Obligations.

298 “Senior Lien Obligations” means at any time all (i) Senior Lien Bonds,
299 (ii) all Reimbursement Obligations relating to the Senior Lien Bonds,

and (iii) any future obligation of the City under Credit Agreements or other agreements to the extent such obligations are secured by a lien on Pledged Revenues on an equal and ratable basis with the lien securing the Senior Lien Bonds.

“Senior Lien Reserve Fund” means the Fund referenced in Section 17 of this Ordinance to provide a reserve amount for the payment of Senior Lien Bonds.

“Senior Lien Reserve Fund Requirement” means the least of (i) 10% of the Outstanding principal amount of the Senior Lien Bonds or (ii) the maximum annual Debt Service Requirements scheduled to occur in the then current and each future Fiscal Year for all Senior Lien Bonds at any time Outstanding, or (iii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of section 148 of Code, and regulations promulgated under Subsection (d) of section 148 of the Code.

“Series 2025 Bonds” means, collectively, the Series 2025 Junior Lien Bonds and the Series 2025 Senior Lien Bonds.

“Series 2025 Junior Lien Bonds” means the “CITY OF AUSTIN, TEXAS JUNIOR LIEN SPECIAL TAX REVENUE BONDS, SERIES 2025 (CONVENTION CENTER PROJECT)” authorized pursuant to this Ordinance.

“Series 2025 Senior Lien Bonds” means the “CITY OF AUSTIN, TEXAS SENIOR LIEN SPECIAL TAX REVENUE BONDS, SERIES 2025 (CONVENTION CENTER PROJECT)” authorized pursuant to this Ordinance.

“S&P” means S&P Global Ratings, organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the City after consultation with the Remarketing Agent, if any, and the Broker-Dealer, if any.

“Subordinate Lien Obligations” means any bonds, notes or other obligations issued by the City secured wholly or partly by liens on the Pledged Revenues that are subordinate to the lien on Pledged Revenues securing payment of any Outstanding Senior Lien Obligations and Outstanding Junior Lien Obligations.

“Tax Act” means Chapter 351, as amended, Texas Tax Code.

“Transfer Date” means each February 14, May 14, August 14, and November 14, beginning [February 14, 2026].

“Transfer Period” means the period of time beginning on any Transfer Date and ending on the day immediately preceding the next succeeding Transfer Date.

“Variable Rate Obligations” mean any obligation pursuant to which the City is to pay interest at an interest rate that is not fixed for the life of the obligation and any obligation, such as an interest rate exchange agreement or other Credit Agreement, pursuant to which the City is to make payments the amounts of which are not known at the time the obligation is issued or incurred.

SECTION 2: AUTHORIZATION-DESIGNATION-PRINCIPAL AMOUNT - PURPOSE - DATE. Special revenue bonds of the City, payable solely from the sources and secured in the manner provided in this Ordinance, shall be and are authorized to be issued in one or more series in the not to exceed aggregate principal amount set forth in Section 4 of this Ordinance, to be designated and bear the title “CITY OF AUSTIN, TEXAS [SENIOR/JUNIOR] LIEN SPECIAL TAX REVENUE BONDS, SERIES 2025 (CONVENTION CENTER PROJECT)” (the “Series 2025 Bonds”), for the purpose of (a) demolition, construction, reconstruction and expansion of the City’s Convention Center, (b) refunding the Refunded Obligations, and (c) paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including the Bond Act.

SECTION 3: FULLY REGISTERED OBLIGATIONS - AUTHORIZED DENOMINATIONS - STATED MATURITIES - BOND DATE - INTEREST RATES. The Series 2025 Bonds are issuable in fully registered form only; shall be dated the Bond Date, shall be in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and the Series 2025 Bonds shall become due and payable on November 15 in each of the years and in principal amounts (the “Stated Maturities”) and bear interest at

368 per annum rates in accordance with details of the Series 2025 Bonds as set forth in
369 the Pricing Certificate.

370
371 The Series 2025 Bonds shall accrue interest on the unpaid principal amounts from
372 date and at the rate(s) per annum as specified in the Pricing Certificate (calculated
373 on the basis of a 360-day year of twelve 30-day months), and such interest shall be
374 payable on May 15 and November 15 in each year, commencing on the date
375 specified in the Pricing Certificate, until maturity or prior redemption.

376 **SECTION 4: DELEGATION OF AUTHORITY TO**
377 **AUTHORIZED OFFICIAL.**

378 As authorized by Chapter 1371, as amended, Texas Government Code, any
379 Authorized Official is authorized to act on behalf of the City in selling and delivering
380 the Series 2025 Bonds in one or more series, as new money, refunding or
381 combination new money and refunding bonds and carrying out the other procedures
382 specified in this Ordinance, including determining the aggregate principal amount
383 of the Series 2025 Bonds, the security and lien priority of any or all of the Pledged
384 Revenues pledged as security for any series of Series 2025 Bonds, the date of the
385 Series 2025 Bonds, any additional or different designation or title by which the
386 Series 2025 Bonds shall be known, the price at which the Series 2025 Bonds will be
387 sold, the years in which the Series 2025 Bonds will mature, the principal amount to
388 mature in each of such years, the rate of interest to be borne by each such maturity,
389 the first interest payment date, the price and terms upon and at which the Series 2025
390 Bonds shall be subject to redemption prior to maturity at the option of the City, as
391 well as any mandatory sinking fund redemption provisions, the designation of a
392 paying agent/registrar, the terms of any bond insurance applicable to the Series 2025
393 Bonds, and all other matters relating to the issuance, sale, and delivery of one or
394 more Series 2025 Bonds all of which shall be specified in the Pricing Certificate
395 pertaining to the applicable Series 2025 Bonds, provided that:

396 (i) the aggregate original principal amount of any series of Series 2025
397 Bonds shall not exceed \$650,000,000;

398 (ii) the true interest cost rate for any series of Series 2025 Bonds shall not
399 exceed 7.5%; and

400 (iii) the maximum maturity for any series of Series 2025 Bonds shall not
401 extend beyond November 15, 2061.

The execution of a Pricing Certificate shall evidence the sale date of each Series 2025 Bond by the City to the Purchasers (defined in (b) of this Section).

(b) In establishing the aggregate principal amount of any series of Series 2025 Bonds, the Authorized Official shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Series 2025 Bonds are authorized and to pay costs of issuing the Series 2025 Bonds. This delegation shall expire if not exercised by the Authorized Official by October 23, 2026. The Series 2025 Bonds shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate. A finding or determination made by the Authorized Official acting under authority of this Ordinance with respect to all matters relating to the sale of the Series 2025 Bonds shall have the same force and effect as a finding or determination made by the City Council.

SECTION 5: TERMS OF PAYMENT-PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Series 2025 Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the registered owners or holders of the Series 2025 Bonds (the "Holders") 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 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 as **Exhibit A** and such reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. Each Authorized Official is authorized to execute and deliver such Agreement in connection with the delivery of the Series 2025 Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Series 2025 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 Series 2025 Bonds, the City agrees to promptly cause a written notice to be sent to

each Holder by United States Mail, first class postage prepaid; this notice shall also give the address of the new Paying Agent/Registrar.

The principal of and premium, if any, on the Series 2025 Bonds are payable at the Stated Maturities or redemption of the Series 2025 Bonds, only upon presentation and surrender of the Series 2025 Bonds to the Paying Agent/Registrar at its designated offices (the "Designated Payment/Transfer Office"). Interest on the Series 2025 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 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 Series 2025 Bonds shall be a day other than a Business Day, then the date for that payment shall be the next succeeding day which is a Business Day; and payment on this 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 thirty (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.

SECTION 6: REDEMPTION.

(a) Redemption. The Series 2025 Bonds may be subject to redemption prior to Stated Maturity accordance with details of the Bonds as set forth in a Pricing Certificate.

(b) Exercise of Redemption Option. At least forty-five (45) days prior to a redemption date for the Series 2025 Bonds (unless a shorter notification period is satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Series 2025 Bonds, the principal amount

475 of each Stated Maturity to be redeemed, and the date of redemption. The decision
476 of the City to exercise the right to redeem Series 2025 Bonds shall be entered in the
477 minutes of the governing body of the City.

478 (c) Selection of Series 2025 Bonds for Redemption. If less than all
479 Outstanding Series 2025 Bonds of the same Stated Maturity are to be redeemed on
480 a redemption date, the Paying Agent/Registrar shall treat such Series 2025 Bonds as
481 representing the number of Bonds Outstanding, which is obtained by dividing the
482 principal amount of such Series 2025 Bonds by \$5,000, and shall select the Series
483 2025 Bonds to be redeemed within such Stated Maturity by lot.

484 (d) Notice of Redemption. Not less than thirty (30) days prior to a
485 redemption date for the Series 2025 Bonds, a notice of redemption shall be sent by
486 United States Mail, first class postage prepaid, in the name of the City and at the
487 City's expense, to each Holder of a Series 2025 Bond to be redeemed in whole or in
488 part at the address of the Holder appearing on the Security Register at the close of
489 business on the Business Day next preceding the date of mailing such notice, and
490 any notice of redemption so mailed shall be conclusively presumed to have been
491 given irrespective of whether received by the Holder.

492 All notices of redemption shall (i) specify the date of redemption for the Series
493 2025 Bonds, (ii) identify the Series 2025 Bonds to be redeemed and, in the case of
494 a portion of the principal amount to be redeemed, the principal amount to be
495 redeemed, (iii) state the redemption price, (iv) state that the Series 2025 Bonds, or
496 the portion of the principal amount to be redeemed, shall become due and payable
497 on the redemption date specified, and the interest on the Series 2025 Bonds, or on
498 the portion of the principal amount of the Series 2025 Bonds to be redeemed, shall
499 cease to accrue from and after the redemption date, and (v) specify that payment of
500 the redemption price for the Series 2025 Bonds, or the principal amount to be
501 redeemed, shall be made at the Designated Payment/Transfer Office of the Paying
502 Agent/Registrar only upon presentation and surrender by the Holder. If a Series
503 2025 Bond is subject by its terms to prior redemption and has been called for
504 redemption and notice of redemption has been given or waived as provided in this
505 Ordinance, that Series 2025 Bond (or the principal amount to be redeemed) shall
506 become due and payable, and interest shall cease to accrue from and after the
507 redemption date, provided moneys sufficient for the payment of these Series 2025
508 Bonds (or of the principal amount thereof to be redeemed) at the then applicable
509 redemption price are held for the purpose of such payment by the Paying
510 Agent/Registrar.

(e) Conditional Notice of Redemption. With respect to any optional redemption of the Series 2025 Bonds, unless moneys sufficient to pay the principal of and premium, if any, and interest on the Series 2025 Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of notice of redemption, the notice may state that the redemption is conditional upon the receipt of the 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 such prerequisites are not made or sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Series 2025 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 Series 2025 Bonds have not been redeemed.

SECTION 7: 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 Series 2025 Bonds issued under of this Ordinance. Any Series 2025 Bond may, in accordance with its terms and the terms of this Ordinance, be transferred or exchanged for Series 2025 Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his authorized agent, upon surrender of such Series 2025 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 Series 2025 Bond (other than the Initial Series 2025 Bond(s) authorized in Section 10 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 Series 2025 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 Series 2025 Bond or Series 2025 Bonds surrendered for transfer.

At the option of the Holder, Series 2025 Bonds (other than the Initial Series 2025 Bond(s) authorized in Section 10 of this Ordinance) may be exchanged for other Series 2025 Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Series 2025 Bonds surrendered for exchange, upon surrender of the Series 2025 Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying

548 Agent/Registrar. Whenever any Series 2025 Bonds are surrendered for exchange,
549 the Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf
550 of, and furnished by, the City, to the Holder requesting the exchange.

551 All Series 2025 Bonds issued upon any such transfer or exchange shall be
552 delivered at the Designated Payment/Transfer Office of the Paying Agent/Registrar,
553 or sent by United States Mail, first class postage prepaid, to the Holder and, upon
554 the delivery thereof, the same shall be valid obligations of the City, evidencing the
555 same obligation to pay, and entitled to the same benefits under this Ordinance, as the
556 Series 2025 Bonds surrendered in such transfer or exchange.

557 All transfers or exchanges of Series 2025 Bonds pursuant to this Section shall
558 be made without expense or service charge to the Holder, except as otherwise
559 provided in this Ordinance, and except that the Paying Agent/Registrar shall require
560 payment by the Holder requesting such transfer or exchange of any tax or other
561 governmental charges that are required to be paid for the transfer or exchange.

562 Series 2025 Bonds cancelled by reason of an exchange or transfer pursuant to
563 this Ordinance are defined to be "Predecessor Series 2025 Bonds," evidencing all or
564 a portion of the same obligation to pay evidenced by the Series 2025 Bond or Series
565 2025 Bonds registered and delivered in the exchange or transfer. Additionally, the
566 term "Predecessor Series 2025 Bonds" includes any mutilated, lost, destroyed, or
567 stolen Series 2025 Bond for which a replacement Series 2025 Bond has been issued,
568 registered and delivered in lieu of the Series 2025 Bond pursuant to Section 23 of
569 this Ordinance and such new replacement Series 2025 Bond shall be deemed to
570 evidence the same obligation as the mutilated, lost, destroyed, or stolen Series 2025
571 Bond.

572 Neither the City nor the Paying Agent/Registrar shall be required to transfer
573 or exchange any Series 2025 Bond called for redemption, in whole or in part, within
574 45 days of the date fixed for redemption of such Series 2025 Bond; however, this
575 limitation of transfer shall not be applicable to an exchange by the Holder of the
576 unredeemed balance of a Series 2025 Bond called for redemption in part.

577 **SECTION 8: BOOK-ENTRY ONLY TRANSFERS AND**
578 **TRANSACTIONS.** Notwithstanding the provisions contained in Sections 5, 6 and
579 7 of this Ordinance relating to the payment, redemption and transfer/exchange of the
580 Series 2025 Bonds, the City approves and authorizes the use of the "Book-Entry
581 Only" securities clearance, settlement and transfer system provided by The
582 Depository Trust Company ("DTC"), a limited purpose trust company organized
583 under the laws of the State of New York, in accordance with the operational

584 arrangements referenced in the Blanket Issuer Letter of Representations, by and
585 between the City and DTC (the “Depository Agreement”).

586 Pursuant to the Depository Agreement and the rules of DTC, the Series 2025
587 Bonds shall be deposited with DTC, who shall hold the Series 2025 Bonds for its
588 participants (the “DTC Participants”). While the Series 2025 Bonds are held by
589 DTC under the Depository Agreement, the Holder of the Series 2025 Bonds on the
590 Security Register for all purposes, including payment and notices, shall be Cede &
591 Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or
592 owner of each Series 2025 Bond (the “Beneficial Owners”) being recorded in the
593 records of DTC and DTC Participants.

594 In the event DTC determines to discontinue serving as securities depository
595 for the Series 2025 Bonds or otherwise ceases to provide book-entry clearance and
596 settlement of securities transactions in general or the City determines that DTC is
597 incapable of properly discharging its duties as securities depository for the Series
598 2025 Bonds, the City covenants and agrees with the Holders to cause Series 2025
599 Bonds to be printed in definitive form and provide for Series 2025 Bond certificates
600 to be issued and delivered to DTC Participants and Beneficial Owners, as the case
601 may be. Thereafter, the Series 2025 Bonds in definitive form shall be assigned,
602 transferred and exchanged on the Security Register maintained by the Paying
603 Agent/Registrar and payment of such Series 2025 Bonds shall be made in
604 accordance with the provisions of Sections 5, 6, and 7 of this Ordinance.

605 **SECTION 9: EXECUTION - REGISTRATION.** The Series 2025
606 Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under
607 its seal reproduced or impressed on the Series 2025 Bonds and countersigned by the
608 City Clerk. The signature of these officers on the Series 2025 Bonds may be manual
609 or facsimile. Series 2025 Bonds bearing the manual or facsimile signatures of
610 individuals who are or were the proper officers of the City on the Bond Date shall
611 be deemed to be executed on behalf of the City, notwithstanding that any of these
612 individuals shall cease to hold office at the time of delivery of the Series 2025 Bonds
613 to the initial purchaser(s) and with respect to Series 2025 Bonds delivered in
614 subsequent exchanges and transfers, all as authorized and provided in Chapter 1201,
615 as amended, Texas Government Code.

616 No Series 2025 Bond shall be entitled to any right or benefit under this
617 Ordinance, or be valid or obligatory for any purpose, unless there appears on such
618 Series 2025 Bond either a certificate of registration substantially in the form
619 provided in Section 11(c), manually executed by the Comptroller or an authorized

agent, or a certificate of registration substantially in the form provided in Section 11(d), manually executed by an authorized officer, employee or representative of the Paying Agent/Registrar, and either such certificate upon any Series 2025 Bond signed shall be conclusive evidence, and the only evidence, that such Series 2025 Bond has been certified, registered and delivered.

SECTION 10: INITIAL SERIES 2025 BOND(S). The Series 2025 Bonds shall be initially issued either (i) as a single fully registered bond in the total principal amount shown in Section 1 hereof, with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the “Initial Bond(s)”) and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Series 2025 Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas 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 the purchaser’s designee, shall cancel the Initial Bond(s) delivered and exchange them for definitive Series 2025 Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses the Holders identified all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the purchaser’s designee, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 11: FORMS. (a) Forms Generally. The Series 2025 Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Series 2025 Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance 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 Series 2025 Bonds and any reproduction of an opinion of counsel) on the Series 2025 Bonds as may be established by the City or determined by the officers executing such Bonds as evidenced by their execution. Any portion of the text of any Series 2025 Bonds may

658 be set forth on the Series 2025 Bond, with an appropriate reference on the face of
659 the Series 2025 Bond.

660 The definitive Series 2025 Bonds and the Initial Bond(s) shall be printed,
661 lithographed, engraved, typewritten, photocopied or otherwise reproduced in any
662 other similar manner, all as determined by the officers executing such Series 2025
663 Bonds as evidenced by their execution.

664

DRAFT

665 (b) Form of Definitive Bond.

666 REGISTERED

REGISTERED

667 NO. _____

\$ _____

668

669 UNITED STATES OF AMERICA

670 STATE OF TEXAS

671 CITY OF AUSTIN, TEXAS

672 [[SENIOR/JUNIOR] LIEN SPECIAL TAX REVENUE BONDS, SERIES 2025

673 (AUSTIN CONVENTION CENTER PROJECT)"]

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
[_____] [____], _____%	[November] [15], _____		
2025	20[_____]		

674 Registered Owner:

675 Principal Amount: DOLLARS

676 The City of Austin (the "City"), a body corporate and municipal corporation
677 in the Counties of Travis, Williamson and Hays, State of Texas, for value received,
678 hereby promises to pay to the order of the Registered Owner named above, or the
679 registered assigns thereof, solely from the revenues identified in this Bond, on the
680 Stated Maturity date specified above the Principal Amount stated above (or so much
681 thereof as shall not have been paid upon prior redemption) and to pay interest
682 (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid
683 Principal Amount hereof from the Closing Date at the per annum rate of interest
684 specified above; such interest being payable on May 15 and November 15 of each
685 year, commencing May 15, 2026, until maturity or prior redemption. Principal of
686 this Bond is payable at its Stated Maturity or redemption to the registered owner
687 hereof, upon presentation and surrender, at the Designated Payment/Transfer Office
688 of the Paying Agent/Registrar executing the registration certificate appearing
689 hereon, or its successor; provided, however, while this Bond is registered to Cede &
690 Co., the payment of principal upon a partial redemption of the principal amount
691 hereof may be accomplished without presentation and surrender of this Bond.
692 Interest is payable to the registered owner of this Bond (or one or more Predecessor
693 Bonds, as defined in the Ordinance) whose name appears on the "Security Register"
694 maintained by the Paying Agent/Registrar at the close of business on the "Record

Date”, which is the last Business 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 day other than a Business Day, then the date for such payment shall be the next succeeding day which is a Business Day; 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 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.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$[] (the “Bonds”) for the purpose of (a) demolition, construction, reconstruction and expansion of the City’s Convention Center, (b) refunding Refunded Obligations, and (c) paying costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Chapter 1504, as amended, Texas Government Code, Chapter 1371, as amended, Texas Government Code, and Chapter 351, as amended, Texas Tax Code, and pursuant to an Ordinance adopted by the governing body of the City (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 [Senior Lien/Junior Lien] Debt Service Fund 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:

<u>Term Bonds due</u>		<u>Term Bonds due</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
15, 20	\$,000	15, 20	\$,000
15, 20*	\$,000	15, 20	\$,000
		15, 20*	\$,000

724 The particular Term Bonds of a stated maturity to be redeemed on each
725 redemption date shall be chosen by lot by the Paying Agent/Registrar; provided,
726 however, that the principal amount of Term Bonds for a stated maturity required to
727 be redeemed on a mandatory redemption date may be reduced, at the option of the
728 City, by the principal amount of Term Bonds of like stated maturity which, at least
729 50 days prior to the mandatory redemption date, (1) shall have been acquired by the
730 City at a price not exceeding the principal amount of such Term Bonds plus accrued
731 interest to the date of purchase, and delivered to the Paying Agent/Registrar for
732 cancellation or (2) shall have been redeemed pursuant to the optional redemption
733 provisions appearing below and not previously credited against a mandatory
734 redemption requirement.

735 The Bonds maturing on and after [November] [15], 20[] may be redeemed
736 prior to their Stated Maturities, at the option of the City, in whole or in part in
737 principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated
738 Maturity by lot by the Paying Agent/Registrar), on [November] [15], 20[] or any
739 date thereafter, at the redemption price of par, together with accrued interest to the
740 date of redemption.

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

753 In the event a portion of the principal amount of a Bond is to be redeemed and
754 the registered owner is someone other than Cede & Co., payment of the redemption
755 price of such principal amount shall be made to the registered owner only upon
756 presentation and surrender of such Bond to the Designated Payment/Transfer Office
757 of the Paying Agent/Registrar, and a new Bond or Bonds of like maturity and interest
758 rate in any authorized denominations provided by the Ordinance for the then
759 unredeemed balance of the principal sum thereof will be issued to the registered
760 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.

The Bonds are special obligations of the City payable solely from and, together with the other Parity Obligations executed and delivered in connection with the issuance of the Bonds, equally and ratably secured by a [senior/junior] parity lien on and pledge of, the Pledged Revenues in the manner provided in the Ordinance. Additionally, the Bonds shall be equally and ratably secured by a lien on the funds, if any, deposited to the credit of the [Senior Lien/Junior Lien] Debt Service Fund and the [Senior Lien/Junior Lien] Reserve Fund in accordance with the terms of the Ordinance. 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. The holder hereof shall never have the right to demand payment of this obligation out of any funds raised or to be raised by ad valorem taxation.

Subject to satisfying the terms and conditions prescribed therefor, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Pledged Revenues, in the same manner and to the same extent as the Bonds.

Reference is hereby 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 in the Ordinance 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 in the Ordinance. Capitalized terms used in this Bond have the same meanings assigned in the Ordinance.

796 This Bond, subject to certain limitations contained in the Ordinance, may be
797 transferred on the Security Register only upon its presentation and surrender at the
798 Designated Payment/Transfer Office of the Paying Agent/Registrar, with the
799 Assignment hereon endorsed by, or accompanied by a written instrument of transfer
800 in form satisfactory to the Paying Agent/Registrar executed by, the registered owner
801 hereof, or his authorized agent. When a transfer on the Security Register occurs,
802 one or more new fully registered Bonds of the same Stated Maturity, of authorized
803 denominations, bearing the same rate of interest, and of the same aggregate principal
804 amount will be issued by the Paying Agent/Registrar to the designated transferee or
805 transferees.

806 The City and the Paying Agent/Registrar, and any agent of either, may treat
807 the registered owner hereof whose name appears on the Security Register (i) on the
808 Record Date as the owner entitled to payment of interest hereon, (ii) on the date of
809 surrender of this Bond as the owner entitled to payment of principal hereof at its
810 Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as
811 the owner for all other purposes, and neither the City nor the Paying Agent/Registrar,
812 or any agent of either, shall be affected by notice to the contrary. In the event of
813 non-payment of interest on one or more maturities on a scheduled payment date,
814 which non-payment shall have continued for thirty (30) days thereafter, a new record
815 date for such interest payment for such maturity or maturities (a "Special Record
816 Date") will be established by the Paying Agent/Registrar, if and when funds for the
817 payment of such interest have been received from the City. Notice of the Special
818 Record Date and of the scheduled payment date of the past due interest (which shall
819 be 15 days after the Special Record Date) shall be sent at least five (5) Business Days
820 prior to the Special Record Date by United States Mail, first class postage prepaid,
821 to the address of each Holder of such maturity or maturities appearing on the
822 Security Register at the close of business on the last Business Day next preceding
823 the date of mailing of such notice.

824 It is hereby certified, recited, represented and covenanted that the City is an
825 organized and legally existing municipal corporation under and pursuant to the
826 Constitution and laws of the State of Texas; that the issuance of the Bonds is
827 authorized by law; that all acts, conditions and things required to exist and be done
828 precedent to and in the issuance of the Bonds to render the same lawful and valid
829 obligations of the City have been properly done, have happened and have been
830 performed in regular and due time, form and manner as required by the Constitution
831 and laws of the State of Texas and the Ordinance; that the Bonds do not exceed any
832 constitutional or statutory limitation; and that due provision has been made for the
833 payment of the Bonds by a pledge of the Pledged Revenues. In case any provision

834 in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the
835 validity, legality, and enforcement of the remaining provisions and applications shall
836 not in any way be affected or impaired thereby. The terms and provisions of this
837 Bond and the Ordinance shall be construed in accordance with and shall be governed
838 by the laws of the State of Texas.

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

841 CITY OF AUSTIN, TEXAS

842

843

844

845

Mayor

846 COUNTERSIGNED:

847

848

849

850 _____
City Clerk

851

852 (SEAL)

853

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

856 REGISTRATION CERTIFICATE OF
857 COMPTROLLER OF PUBLIC ACCOUNTS

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

858 I HEREBY CERTIFY that this Bond has been examined, certified as to
859 validity and approved by the Attorney General of the State of Texas, and registered
860 by the Comptroller of Public Accounts of the State of Texas.

861 WITNESS my signature and seal of office this _____.

862 _____
863 [Acting] Comptroller of Public Accounts
864 of the State of Texas

865 (SEAL)

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

868 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

875 The designated office of the Paying Agent/Registrar in [____],
876 [____] is the Designated Payment/Transfer Office for this Bond.

877 [____],
878 as Paying Agent/Registrar

879 Registration date: By _____
880 _____ Authorized Signature

881 (e) Form of Assignment.

882 ASSIGNMENT

883 FOR VALUE RECEIVED the undersigned sells,
884 assigns, and transfers unto (Print or typewrite name, address, and zip code of
885 transferee): _____
886 _____
887 (Social Security or other identifying number (_____
888 _____) the within Bond and all rights under this Bond, and
889 irrevocably constitutes and appoints _____
890 attorney to transfer the within Bond on the books kept for registration of the Bonds,
891 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.

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

895

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

897 REGISTERED REGISTERED
898 NO. T-1 \$[_____]

899 UNITED STATES OF AMERICA
900 STATE OF TEXAS
901 CITY OF AUSTIN, TEXAS
902 [SENIOR/JUNIOR] LIEN SPECIAL TAX REVENUE BONDS, SERIES 2025
903 (AUSTIN CONVENTION CENTER PROJECT)”

Bond Date:
[_____] [____],
2025

904 Registered Owner: BofA Securities, Inc.

905 Principal Amount: [_____] DOLLARS

906 The City of Austin (the “City”), a body corporate and municipal corporation
907 in the Counties of Travis, Williamson and Hays, State of Texas, for value received,
908 hereby promises to pay to the order of the Registered Owner named above, or the
909 registered assigns thereof, solely from the revenues identified in this Bond, the
910 Principal Amount stated above on November 15 in each of the years and in principal
911 installments in accordance with the following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE(S)
------	---------------------------	---------------------

912 (Information to be inserted from schedule in Section 2 hereof).

913 (or so much thereof as shall not have been prepaid prior to maturity) and to pay
914 interest on the unpaid principal amounts hereof from the Closing Date at the per
915 annum rates of interest specified above computed on the basis of a 360-day year of
916 twelve 30-day months; such interest being payable on May 15 and November 15 of
917 each year, commencing May 15, 2026, until maturity or prior redemption. Principal
918 installments of this Bond are payable in the year of maturity or on a redemption date
919 to the registered owner hereof, by [_____] (the “Paying
920 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 last Business 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.

SECTION 12: PLEDGE AND SOURCE OF PAYMENT.

(a) The Series 2025 Senior Lien Bonds and other Senior Lien Obligations shall constitute special obligations of the City payable from and equally and ratably secured by senior lien on the Pledged Revenues, as set forth in the Pricing Certificate. 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 Senior Lien Obligations, and all expenses of providing for their full and timely payment in accordance with their terms, in the Senior Lien Debt Service Fund and the Senior Lien Reserve Fund as provided in this Ordinance. The City grants a lien on the Pledged Revenues and Senior Lien Debt Service Fund to secure the payment of principal of and premium, if any, and interest on the Senior Lien Bonds and all other payments due on the Senior Lien Obligations; and the City further grants a lien on the Senior Lien Reserve Fund to secure the payment of principal of and premium, if any, and interest on the Senior Lien Bonds. Except as otherwise expressly provided by their terms, all Senior Lien Obligations shall be in all respects on a parity with and of equal dignity with one another. The liens granted under this Ordinance shall be valid and binding and fully perfected after the date of adoption of this Ordinance without physical delivery or transfer of control of the Pledged Revenues, the filing of this Ordinance or any other act; all as provided in Chapter 1208 of the Texas Government Code. The Holders of the Senior Lien Bonds and the beneficiaries of the other Senior Lien Obligations shall never have the right to demand payment of the principal of, interest on or any redemption premium on the Senior Lien Bonds (or payment of other amounts owed by the City in respect of other Senior Lien Obligations) out of any funds raised or to be raised by taxation, other than the Pledged Revenues.

958 (b) The Series 2025 Junior Lien Bonds and other Junior Lien Obligations
959 shall constitute special obligations of the City payable from and equally and ratably
960 secured on the Pledged Revenues junior and subordinate to the lien and pledge of
961 the Pledged Revenues pledged to the payment of the Senior Lien Obligations, as set
962 forth in the Pricing Certificate. Such Pledged Revenues, or other lawfully available
963 funds of the City, shall, in the manner provided in this Ordinance, be set aside for
964 and pledged to the payment of the Junior Lien Obligations, and all expenses of
965 providing for their full and timely payment in accordance with their terms, in the
966 Junior Lien Debt Service Fund and the Junior Lien Reserve Fund as provided in this
967 Ordinance. Subject to the senior and prior lien on the Pledged Revenues securing
968 the Senior Lien Obligations, the City grants a lien on the Pledged Revenues and
969 Junior Lien Debt Service Fund to secure the payment of principal of and premium,
970 if any, and interest on the Junior Lien Bonds and all other payments due on the Junior
971 Lien Obligations; and the City further grants a lien on the Junior Lien Reserve Fund
972 to secure the payment of principal of and premium, if any, and interest on the Junior
973 Lien Bonds. Except as otherwise expressly provided by their terms, all Junior Lien
974 Obligations shall be in all respects on a parity with and of equal dignity with one
975 another. The liens granted under this Ordinance shall be valid and binding and fully
976 perfected after the date of adoption of this Ordinance without physical delivery or
977 transfer of control of the Pledged Revenues, the filing of this Ordinance or any other
978 act; all as provided in Chapter 1208 of the Texas Government Code. The Holders
979 of the Junior Lien Bonds and the beneficiaries of the other Junior Lien Obligations
980 shall never have the right to demand payment of the principal of, interest on or any
981 redemption premium on the Junior Lien Bonds (or payment of other amounts owed
982 by the City in respect of other Junior Lien Obligations) out of any funds raised or to
983 be raised by taxation, other than the Pledged Revenues.

984 (c) If Texas law is amended at any time while any Series 2025 Bonds are
985 Outstanding such that the pledge of the Pledged Revenues granted by the City under
986 this Section 12 is to be subject to the filing requirements of Chapter 9, Business &
987 Commerce Code, or other law, then to preserve to the registered owners of the Series
988 2025 Bonds the perfection of the security interest in said pledge, the City agrees to
989 take such measures as it determines are reasonable and necessary under Texas law
990 to comply with the applicable filing requirements to continue the perfection of such
991 security interest.

992 **SECTION 13: LEVY OF HOTEL OCCUPANCY TAX.**

993 The City has levied, and while any Series 2025 Bonds remain Outstanding the
994 City levies and covenants that it shall continue to levy, a Hotel Occupancy Tax on

995 the cost of occupancy of any sleeping room furnished by any hotel within the
996 corporate limits of the City, in which the cost of occupancy is \$2.00 or more each
997 day, at a rate of at least 9% of the consideration paid by the occupant of the sleeping
998 room to the hotel, all as authorized by the Tax Act. The City further covenants that
999 it shall enforce the provisions of this Ordinance, or any other ordinance levying a
1000 hotel occupancy tax, concerning the collection, remittance and payment of the Hotel
1001 Occupancy Tax.

1002

DRAFT

1003 **SECTION 14: SPECIAL FUNDS.**

1004 (a) Special Funds. The following special funds and accounts are hereby
1005 created and established and shall be maintained while any of the Obligations remain
1006 Outstanding:

1007 (1) Convention Center Hotel Occupancy Tax Fund (“Tax
1008 Fund”);

1009 (a) Convention Center Hotel Occupancy Tax 4.5% Account;

1010 (b) Convention Center Hotel Occupancy Tax 2% Account;

1011 (2) Project Financing Zone Revenue Fund (“PFZ Revenue
1012 Fund”);

1013 (3) Senior Lien Debt Service Fund;

1014 (4) Junior Lien Debt Service Fund;

1015 (5) Senior Lien Reserve Fund; and

1016 (6) Junior Lien Reserve Fund.

1017 Such funds and accounts may also include any additional accounts or
1018 subaccounts as may from time to time be designated by the City, including
1019 specifically rebate accounts or subaccounts for accumulating rebatable arbitrage
1020 payable to the federal government, provided such accounts or subaccounts are not
1021 inconsistent with this Ordinance.

1022 (b) Special PFZ Revenue Funds. The City confirms the designation of the
1023 PFZ effective December 23, 2024 and the establishment of a suspense account by
1024 the Comptroller where the Pledged PFZ Revenues collected by the Comptroller are
1025 being deposited pursuant to the terms and conditions of Section 351.1015, as
1026 amended, Texas Tax Code. The City shall cause amounts representing Pledged PFZ
1027 Revenues to be transferred to the PFZ Revenue Fund [monthly] as soon as
1028 practicable following the City’s receipt of such Pledged PFZ Revenues from the
1029 Texas Comptroller of Public Accounts, after the City’s reporting and reconciliation
1030 procedures.

1031

1032

1033 **SECTION 15: FLOW OF FUNDS.**

1034 (a) Flow of Funds Regarding Pledged 4.5% Hotel Occupancy Tax
1035 Revenues and Pledged 2.0% Expansion Hotel Occupancy Tax Revenues. The City
1036 covenants and agrees that all Pledged 4.5% Hotel Occupancy Tax Revenues and
1037 Pledged 2.0% Expansion Hotel Occupancy Tax Revenues shall be deposited as
1038 received into the Tax Fund. Money from time to time credited to the Tax Fund shall
1039 be applied as follows in the following order of priority:

1040 First, to transfer to the Senior Lien Debt Service Fund all
1041 amounts necessary to provide for the payment of Senior Lien
1042 Obligations.

1043 Second, to transfer to the Senior Lien Reserve Fund the amounts
1044 required pursuant to Section 17 of this Ordinance.

1045 Third, to transfer to the Junior Lien Debt Service Fund all
1046 amounts necessary to provide for the payment of Junior Lien
1047 Obligations.

1048 Fourth, to transfer to the Junior Lien Reserve Fund the amounts
1049 required pursuant to Section 17 of this Ordinance.

1050 Fifth, to the payment of all Subordinate Lien Obligations secured
1051 under this Ordinance on a *pari passu* basis.

1052 Sixth, for any lawful purpose under the Tax Act.

1053 (b) Flow of Funds Regarding Pledged PFZ Revenues. The City covenants
1054 and agrees that all receipts and revenues collected and received by the Comptroller
1055 pertaining to the Pledged PFZ Revenues and deposited by the Comptroller into a
1056 suspense account pursuant to the terms and conditions of Section 351.1015, as
1057 amended, Texas Tax Code, and transferred over to the City shall be deposited in the
1058 Pledged PFZ Revenues Receipts Account. Following the issuance of the Series 2025
1059 Bonds and while any Bonds remain Outstanding, money from time to time credited
1060 to the [Pledged PFZ Revenues Receipts Account] shall be applied as follows in the
1061 following order of priority:

1062 First, to transfer to the Senior Lien Debt Service Fund all
1063 amounts necessary to provide for the payment of Senior Lien
1064 Obligations.

1065 Second, to transfer to the Senior Lien Reserve Fund the amounts
1066 required pursuant to Section 17 of this Ordinance.

1067 Third, to transfer to the Junior Lien Debt Service Fund all
1068 amounts necessary to provide for the payment of Junior Lien
1069 Obligations.

1070 Fourth, to transfer to the Junior Lien Reserve Fund the amounts
1071 required pursuant to Section 17 of this Ordinance.

1072 Fifth, to the payment of all Subordinate Obligations secured
1073 under this Ordinance on a *pari passu* basis.

1074 Sixth, for any lawful purpose under the Tax Act.

1075 **SECTION 16: DEBT SERVICE FUND.**

1076 (a) The City covenants and agrees that before each Interest Payment Date, stated
1077 maturity date and mandatory redemption date for the Senior Lien Obligations (and
1078 before the dates payments are due on other Senior Lien Obligations) there shall be
1079 deposited into the Senior Lien Debt Service Fund, which is to be an eligible account
1080 held for the benefit of the Senior Lien Obligations, from the Pledged Revenues, an
1081 amount equal to one hundred percent (100%) of the amount required to fully pay the
1082 amount then due and payable on the Senior Lien Obligations, and such deposits shall
1083 be made in substantially equal quarterly installments (based on the total Annual Debt
1084 Service Requirements to be paid on the Senior Lien Obligations divided by the
1085 number of Transfer Dates to occur during the period covered by such calculation)
1086 on or before each Transfer Date, beginning on the first Transfer Date to occur after
1087 the delivery of the Series 2025 Senior Lien Bonds.

1088 In addition, on each Transfer Date, the City covenants and agrees to cause to
1089 be deposited into the Senior Lien Debt Service Fund from the Pledged Revenues an
1090 amount calculated to pay all expenses of providing for the full and timely payment
1091 of the principal of, premium, if any, and interest on the Senior Lien Obligations in
1092 accordance with their terms, including without limitation, all fees charged or
1093 incurred for paying agent/registrar services rendered in connection with the Senior
1094 Lien Obligations.

1095 Money credited to the Senior Lien Debt Service Fund shall be used solely for
1096 the purpose of paying on a *pari passu* basis (except as otherwise provided) principal
1097 (at maturity or prior redemption or to purchase Senior Lien Obligations issued as

1098 term bonds in the open market to be credited against mandatory redemption
1099 requirements), interest and redemption premiums on Senior Lien Obligations and all
1100 other amounts due on other Senior Lien Obligations, plus all other charges, costs and
1101 expenses relating to such payment, including those described in the preceding
1102 paragraph. On the Business Day immediately preceding each payment due date for
1103 the Senior Lien Obligations, the City shall transfer from the Senior Lien Debt
1104 Service Fund and Senior Lien Reserve Fund, if necessary, to the appropriate paying
1105 agent/registrar amounts equal to the amounts due on the Senior Lien Obligations on
1106 such date.

1107 The City may establish and utilize such accounts within the Senior Lien Debt
1108 Service Fund as it may, from time to time, deem appropriate.

1109 (b) The City covenants and agrees that before each Interest Payment Date, stated
1110 maturity date and mandatory redemption date for the Junior Lien Obligations (and
1111 before the dates payments are due on other Junior Lien Obligations) there shall be
1112 deposited into the Junior Lien Debt Service Fund, which is to be an eligible account
1113 held for the benefit of the Junior Lien Obligations, from the Pledged Revenues, an
1114 amount equal to one hundred percent (100%) of the amount required to fully pay the
1115 amount then due and payable on the Junior Lien Obligations, and such deposits shall
1116 be made in substantially equal quarterly installments (based on the total Annual Debt
1117 Service Requirements to be paid on the Junior Lien Obligations divided by the
1118 number of Transfer Dates to occur during the period covered by such calculation)
1119 on or before each Transfer Date, beginning on the first Transfer Date to occur after
1120 the delivery of the Series 2025 Junior Lien Bonds.

1121 In addition and subject to the transfer of amounts into the Senior Lien Debt
1122 Service Fund, on each Transfer Date, the City covenants and agrees to cause to be
1123 deposited into the Junior Lien Debt Service Fund from the Pledged Revenues an
1124 amount calculated to pay all expenses of providing for the full and timely payment
1125 of the principal of, premium, if any, and interest on the Junior Lien Obligations in
1126 accordance with their terms, including without limitation, all fees charged or
1127 incurred for paying agent/registrar services rendered in connection with the Junior
1128 Lien Obligations.

1129 Money credited to the Junior Lien Debt Service Fund shall be used solely for
1130 the purpose of paying on a *pari passu* basis (except as otherwise provided) principal
1131 (at maturity or prior redemption or to purchase Junior Lien Obligations issued as
1132 term bonds in the open market to be credited against mandatory redemption
1133 requirements), interest and redemption premiums on Junior Lien Obligations and all

1134 other amounts due on other Junior Lien Obligations, plus all other charges, costs and
1135 expenses relating to such payment, including those described in the preceding
1136 paragraph. On the Business Day immediately preceding each payment due date for
1137 the Junior Lien Obligations, the City shall transfer from the Junior Lien Debt Service
1138 Fund and Junior Lien Reserve Fund, if necessary, to the appropriate paying
1139 agent/registrar amounts equal to the amounts due on the Junior Lien Obligations on
1140 such date.

1141 The City may establish and utilize such accounts within the Junior Lien Debt
1142 Service Fund as it may, from time to time, deem appropriate.

1143 **SECTION 17: RESERVE FUND.**

1144 (a) The Senior Lien Reserve Fund has been established for the benefit of
1145 the Senior Lien Obligations. The City shall establish and maintain a balance in the
1146 Senior Lien Reserve Fund equal to the Senior Lien Reserve Fund Requirement. In
1147 addition to or in lieu of cash on deposit in the Senior Lien Reserve Fund, the Senior
1148 Lien Reserve Fund Requirement may be funded by a Reserve Fund Surety Bond
1149 issued by an insurance company or other entity that is rated as of the date of
1150 acquisition of the Reserve Fund Surety Bond (either for the long term unsecured
1151 debt of the issuer of such Reserve Fund Surety Bond or for obligations insured,
1152 secured or guaranteed by such issuer) in either of the two highest letter categories
1153 by two major municipal securities credit rating services.

1154 (1) By reason of the issuance of the Series 2025 Senior Lien
1155 Bonds, the total amount to be accumulated and maintained as the Senior
1156 Lien Reserve Fund Requirement will be determined in conjunction with
1157 the sale of the Series 2025 Senior Lien Bonds. As reflected in the
1158 Pricing Certificate, the Senior Lien Reserve Requirement will be
1159 funded in full on the date of the delivery of the Series 2025 Senior Lien
1160 Bonds with proceeds of sale of the Series 2025 Senior Lien Bonds
1161 and/or a Reserve Fund Surety Bond.

1162 (2) In any Transfer Period in which the Senior Lien Reserve
1163 Fund contains less than the Senior Lien Reserve Fund Requirement, or
1164 in which the City is obligated to repay or reimburse any issuer of a
1165 Reserve Fund Surety Bond (in the event such Reserve Fund Surety
1166 Bond is drawn upon), then after making all required transfers to the
1167 Senior Lien Debt Service Fund, there shall be transferred into the
1168 Senior Lien Reserve Fund from the available Pledged Revenues on
1169 each Transfer Date amounts necessary to reestablish the Senior Lien

Reserve Fund Requirement and satisfy any repayment obligations to the issuer of any Reserve Fund Surety Bond. After such amount has been accumulated in the Senior Lien Reserve Fund and after satisfying any repayment obligation to any Reserve Fund Surety Bond issuer and so long thereafter as such fund contains such amount and all such repayment obligations have been satisfied, no further transfers shall be required to be made, and any excess amounts in such fund may be transferred to the Senior Lien Debt Service Fund. But, if and whenever the balance in the Senior Lien Reserve Fund is reduced below the Senior Lien Reserve Fund Requirement, or any Reserve Fund Surety Bond repayment obligations arise, transfers to the Senior Lien Reserve Fund shall be resumed and continued in the manner stated above to restore the Senior Lien Reserve Fund Requirement and to pay such reimbursement obligations.

(3) The Senior Lien Reserve Fund shall be used to pay the principal of and interest on the Senior Lien Obligations at any time when there is not sufficient money available in the Senior Lien Debt Service Fund for such purpose and to make any payments required to satisfy repayment obligations to issuers of Reserve Fund Surety Bonds, and may also be used to make the final payments for the retirement or defeasance of the Senior Lien Obligations.

(4) If an Authorized Official determines that doing so would be in the best interest of the City, the Senior Lien Reserve Fund Requirement may be funded wholly or partly by a Reserve Fund Surety Bond selected by an Authorized Official (the "Surety Bond Issuer"). An Authorized Official may approve the terms and form of the Reserve Fund Surety Bond and of a guaranty or other agreement pursuant to which the City is obligated to pay premiums, fees, and reimbursement obligations owing to the Surety Bond Issuer (a "Reimbursement Agreement"). In connection with a Reserve Fund Surety Bond and any Additional Senior Lien Bonds, the City, the Paying Agent/Registrar and the Surety Bond Issuer may approve procedures providing for a reasonable allocation among Reserve Fund Surety Bonds and funds held in the Senior Lien Reserve Fund to make payments on Senior Lien Bonds and to provide for repayments to Surety Bond Issuers.

(b) The Junior Lien Reserve Fund has been established for the benefit of the Junior Lien Obligations. The City shall establish and maintain a balance in the

1207 Junior Lien Reserve Fund equal to the Junior Lien Reserve Fund Requirement. In
1208 addition to or in lieu of cash on deposit in the Junior Lien Reserve Fund, the Junior
1209 Lien Reserve Fund Requirement may be funded by a Reserve Fund Surety Bond
1210 issued by an insurance company or other entity that is rated as of the date of
1211 acquisition of the Reserve Fund Surety Bond (either for the long term unsecured
1212 debt of the issuer of such Reserve Fund Surety Bond or for obligations insured,
1213 secured or guaranteed by such issuer) in either of the two highest letter categories
1214 by two major municipal securities credit rating services.

1215 (1) By reason of the issuance of the Series 2025 Junior Lien
1216 Bonds, the total amount to be accumulated and maintained as the Junior
1217 Lien Reserve Fund Requirement will be determined in conjunction with
1218 the sale of the Series 2025 Junior Lien Bonds. As reflected in the
1219 Pricing Certificate, the Junior Lien Reserve Requirement will be funded
1220 in full on the date of the delivery of the Series 2025 Junior Lien Bonds
1221 with proceeds of sale of the Series 2025 Junior Lien Bonds and/or a
1222 Reserve Fund Surety Bond.

1223 (2) In any Transfer Period in which the Junior Lien Reserve
1224 Fund contains less than the Junior Lien Reserve Fund Requirement, or
1225 in which the City is obligated to repay or reimburse any issuer of a
1226 Reserve Fund Surety Bond (in the event such Reserve Fund Surety
1227 Bond is drawn upon), then after making all required transfers to the
1228 Junior Lien Debt Service Fund, there shall be transferred into the Junior
1229 Lien Reserve Fund from the available Pledged Revenues on each
1230 Transfer Date amounts necessary to reestablish the Junior Lien Reserve
1231 Fund Requirement and satisfy any repayment obligations to the issuer
1232 of any Reserve Fund Surety Bond. After such amount has been
1233 accumulated in the Junior Lien Reserve Fund and after satisfying any
1234 repayment obligation to any Reserve Fund Surety Bond issuer and so
1235 long thereafter as such fund contains such amount and all such
1236 repayment obligations have been satisfied, no further transfers shall be
1237 required to be made, and any excess amounts in such fund may be
1238 transferred to the Junior Lien Debt Service Fund. But, if and whenever
1239 the balance in the Junior Lien Reserve Fund is reduced below the Junior
1240 Lien Reserve Fund Requirement, or any Reserve Fund Surety Bond
1241 repayment obligations arise, transfers to the Junior Lien Reserve Fund
1242 shall be resumed and continued in the manner stated above to restore
1243 the Junior Lien Reserve Fund Requirement and to pay such
1244 reimbursement obligations.

(3) The Junior Lien Reserve Fund shall be used to pay the principal of and interest on the Junior Lien Obligations at any time when there is not sufficient money available in the Junior Lien Debt Service Fund for such purpose and to make any payments required to satisfy repayment obligations to issuers of Reserve Fund Surety Bonds, and may also be used to make the final payments for the retirement or defeasance of the Junior Lien Obligations.

(4) If an Authorized Official determines that doing so would be in the best interest of the City, the Junior Lien Reserve Fund Requirement may be funded wholly or partly by a Reserve Fund Surety Bond selected by an Authorized Official (the "Surety Bond Issuer"). An Authorized Official may approve the terms and form of the Reserve Fund Surety Bond and Reimbursement Agreement. In connection with a Reserve Fund Surety Bond and any Additional Junior Lien Bonds, the City, the Paying Agent/Registrar and the Surety Bond Issuer may approve procedures providing for a reasonable allocation among Reserve Fund Surety Bonds and funds held in the Junior Lien Reserve Fund to make payments on Junior Lien Obligations and to provide for repayments to Surety Bond Issuers.

SECTION 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 in this Ordinance, amounts equivalent to such deficiency shall be set apart and transferred to such fund or account from the first available and unallocated Pledged Revenues, 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 or Transfer Dates.

SECTION 19: INVESTMENT OF FUNDS; TRANSFER OF INVESTMENT INCOME.

(a) Money in all funds shall, at the option of the City, be invested in the manner provided by Texas law and the City's investment policy; except 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. 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 Texas law, which shall not be considered to be a loss of the segregation of such money or funds if 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 in these funds shall be promptly sold to prevent any default.

(b) All interest and income derived from deposits and investments credited to the Senior Lien Debt Service Fund, the Junior Lien Debt Service Fund, the Senior Lien Reserve Fund and the Junior Lien Reserve Fund shall remain a part of the fund from which such investment was made, and such investment interest and income shall reduce by like amount any required transfer to such funds from the Pledged Revenues, except at any time when the Senior Lien Reserve Fund has on deposit an amount more than the Senior Lien Reserve Fund Requirement, all investment interest and income received on any investment of funds in such fund shall be deposited to the credit of the Senior Lien Debt Service Fund and when the Junior Lien Reserve Fund has on deposit an amount more than the Junior Lien Reserve Fund Requirement, all investment interest and income received on any investment of funds in such fund shall be deposited to the credit of the Junior Lien Debt Service Fund.

(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 (i) transferred into any rebate account or subaccount and (ii) 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 an order, resolution or ordinance to prevent interest on any Bonds from being includable within the gross income of the owners thereof for federal income tax purposes.

SECTION 20: ADDITIONAL BONDS

(a) No Prior Lien Bonds. The City covenants that it will not issue any additional bonds or other obligations payable from and secured by a lien on and pledge of the Pledged Revenues that is senior to the lien securing the Senior Lien Obligations.

(b) Refunding Bonds. The City expressly reserves the right to issue refunding bonds to refund all or a portion of the Senior Lien Obligations, Junior Lien Obligations, or refunding bonds previously issued to refund any Senior Lien Obligations or Junior Lien Obligations. Such refunding bonds may be secured by a lien on Pledged Revenues on a parity with or subordinate to the lien securing any Outstanding Bonds; provided, however, obligations issued which are junior and subordinate in all respects to the refunding bonds then being issued may be refunded with bonds may be issued by meeting all terms and conditions for the issuance of such Additional Bonds as outlined in subsection (c) below.

(c) Additional Senior Lien Bonds.

In regard to the Pledged Revenues, the City reserves and retains the right to issue or incur additional obligations secured wholly or partly by a parity lien on such Pledged Revenues securing the Senior Lien Obligations, subject to the following:

First, the City is in compliance with all covenants in ordinances authorizing the issuance of any Outstanding Senior Lien Bonds, is not in default in the performance and observance of any of the terms, provisions and conditions hereof and thereof, and the funds and accounts established for the payment and security of the Senior Lien Obligations then Outstanding contain the amounts then required to be deposited therein or the proceeds of the Additional Senior Lien Bonds then to be issued are to be used to cure any deficiency in the amounts on deposit to the credit of such funds or accounts, if any; and

Second, it has secured from an independent certified public accountant a certificate evidencing his or her determination that (A) Pledged Revenues were, for the last completed Fiscal Year or for any consecutive 12-month period of the last 24 consecutive months prior to adoption of the ordinance authorizing issuance of the Additional Senior Lien Bond, equal to at least 1.50 times the Maximum Annual Debt Service Requirement on Senior Lien Bonds, calculated on a fiscal year basis for all Senior Lien Bonds that will be Outstanding after issuance of the proposed Additional Senior Lien Bond; or (B) according to a feasibility report commissioned by the City, projected future collection and receipt of Pledged Revenues for the next consecutive 12-month period following the month of adoption of the ordinance authorizing the issuance of the Additional Senior Lien Bond are equal

to at least 1.50 times the Average Annual Debt Service Requirement for Senior Lien Bonds, calculated on a fiscal year basis for all bonds that will be Outstanding after issuance of the proposed Additional Senior Lien Bond; and

Third, provision is made in the ordinance authorizing the issuance of the Senior Lien Bonds for the complete funding of any required reserves for payment of principal of and interest on such Senior Lien Bonds as of their initial delivery.

(d) Additional Junior Lien Bonds.

In regard to the Pledged Revenues, the City reserves and retains the right to issue or incur additional obligations secured wholly or partly by a parity lien on such Pledged Revenues securing the Junior Lien Bonds, subject to the following:

First, the City is in compliance with all covenants in ordinances authorizing the issuance of any Outstanding Junior Lien Bonds, is not in default in the performance and observance of any of the terms, provisions and conditions hereof and thereof, and the funds and accounts established for the payment and security of the Junior Lien Obligations then Outstanding contain the amounts then required to be deposited therein or the proceeds of the Additional Junior Lien Bonds then to be issued are to be used to cure any deficiency in the amounts on deposit to the credit of such funds or accounts, if any; and

Second, it has secured from an independent certified public accountant a certificate evidencing his or her determination that (A) Pledged Revenues, were for the last completed Fiscal Year or for any consecutive 12-month period of the last 24 consecutive months prior to adoption of the ordinance authorizing issuance of the Additional Junior Lien Bond, equal to at least 1.05 times the Maximum Annual Debt Service Requirement, calculated on a fiscal year basis for all Senior Lien Bonds and Junior Lien Bonds that will be Outstanding after issuance of the proposed Additional Junior Lien Bond; or (B) according to a feasibility report commissioned by the City, projected future collection and receipt of Pledged Revenues for the next consecutive 12-month period following the month of adoption of the ordinance authorizing issuance of the Additional Junior Lien Bond are equal to at least [1.00] times the Average Annual Debt Service Requirement for

1388 Senior Lien Bonds and Junior Lien Bonds, calculated on a fiscal year
1389 basis for all bonds that will be Outstanding after issuance of the
1390 proposed Additional Junior Lien Bond; and

1391 Third, provision is made in the ordinance authorizing the issuance of
1392 the Junior Lien Bonds for the complete funding of any required reserves
1393 for payment of principal of and interest on such Junior Lien Bonds as
1394 of their initial delivery.

1395 (e) Among the future obligations authorized to be issued or incurred
1396 pursuant to this Section 20(c) are Credit Agreements. The City may enter into such
1397 a Credit Agreement payable from and secured wholly or partly by a lien on Pledged
1398 Revenues if it obtains either (i) the consent from any Credit Facility Provider issuing
1399 a Credit Facility in support of the Bonds or (ii) written confirmation from each
1400 Rating Agency then rating the Parity Obligations at the request of the City that
1401 issuance of the Credit Agreement will not cause a withdrawal or reduction in the
1402 rating assigned to the Series 2025 Bonds. The City may secure its obligations under
1403 a future Credit Agreement by a lien on Pledged Revenues if such lien is on a parity
1404 with or subordinate to the lien securing the Parity Obligations.

1405 (f) If the City issues Variable Rate Obligations, it shall use the following
1406 procedures for purposes of determining the maximum and the average annual Debt
1407 Service Requirements of Variable Rate Obligations:

1408 (i) At the sole discretion of the City, such
1409 Variable Rate Obligations shall be deemed to bear interest
1410 at one of the following rates: (A) an interest rate equal to
1411 the average rate borne by such obligations (or by
1412 comparable debt if such obligations have not been
1413 outstanding during the preceding 24 months) for any
1414 24-month period ending within 30 days before the date of
1415 calculation; or (B) an interest rate equal to the 30-Year
1416 Tax-Exempt Revenue Bond Index rate as published in The
1417 Bond Buyer on any date selected by the City within 30
1418 days before the date of calculation. If such index is no
1419 longer published in The Bond Buyer, an index of tax-
1420 exempt revenue bonds with maturities of 20 years, or
1421 more, published in a financial newspaper or journal with
1422 national circulation may be selected by the City and used
1423 for this purpose.

(ii) If the City has entered into a Credit Agreement in connection with an issue of obligations payable from and secured by Pledged Revenues and if Clause B of paragraph (c)(1)(i) above does not apply, (X) payments due under the Credit Agreement, from either the City or the other party to the Credit Agreement, shall be included in such calculation except to the extent that the payments are already taken into account in the debt service calculation, (Y) any payments that would otherwise be included under the debt service calculation which are to be replaced by payments under a Credit Agreement from either the City or the other party to the Credit Agreement shall be excluded from such calculation, and (Z) payments due under a Credit Agreement that are paid at a variable rate shall be deemed to be made at a fixed rate determined in a manner consistent with clause A of paragraph (c)(1)(i) above. For any calculation of historic data, only those payments actually made in the subject period shall be taken into account in making such calculation and for prospective calculations, only those payments reasonably expected to be made in the subject period shall be taken into account in making the calculation.

(2) If the City has entered into a Credit Agreement to discharge or purchase any of its obligations payable from or secured by Pledged Revenues under arrangements where the City's obligation to repay the amounts advanced under the Credit Agreement for the discharge or purchase is payable over more than one year from the advance under the Credit Agreement, then the portion of the obligations committed to be discharged or purchased pursuant to the Credit Agreement shall be excluded from any calculation of debt service requirements, and the principal of and interest requirements that constitute the City's reimbursement obligation shall be added.

(3) In determining the Pledged Revenues available to satisfy the coverage requirements of condition (c)(1) above, the City may take into consideration an increase in the portion of the Pledged Revenues that became effective during the Coverage Period and, for purposes of satisfying the above coverage tests, make a pro forma determination of the Pledged Revenues for the Coverage Period based on such increased

1462 portion of the Pledged Revenues being in effect for the entire Coverage
1463 Period.

1464 (4) Any Additional Bonds may bear any name or designation
1465 provided by the ordinance authorizing their issuance and may be issued
1466 in such form and manner as may be authorized by law. Furthermore,
1467 any such bonds may be secured by any other source of payment
1468 lawfully available for such purposes, including a Credit Agreement,
1469 financial guaranty insurance policy or similar credit or liquidity
1470 support. Any Reimbursement Obligation or obligation under a Credit
1471 Agreement may be secured by Pledged Revenues on a basis *pari passu*
1472 with the Senior Lien Obligations or Junior Lien Obligations, as
1473 appropriate.

1474 **SECTION 21: COVENANTS AND PROVISIONS RELATING TO**
1475 **ALL PARITY OBLIGATIONS**

1476 (a) Punctual Payment of Parity Obligations. The City covenants it will
1477 punctually pay or cause to be paid the interest and any premium on and principal of
1478 all Parity Obligations according to their terms and will faithfully do and perform,
1479 and at all times fully observe, any and all covenants, undertakings, stipulations and
1480 provisions contained in this Ordinance and in any other ordinance authorizing the
1481 issuance of such Parity Obligations.

1482 (b) Pledge and Encumbrance of Pledged Revenues. The City covenants
1483 and represents that it has the lawful power to create a lien on and to pledge the
1484 Pledged Revenues to secure the payment of the Parity Obligations and has lawfully
1485 exercised such power under the Constitution and laws of the State of Texas. The
1486 City further covenants and represents that, other than to the payment of the bonds
1487 and obligations authorized and reserved to be issued in this Ordinance, the Pledged
1488 Revenues are not and will not be made subject to any other lien, pledge or
1489 encumbrance to secure the payment of any debt or obligation of the City unless such
1490 lien, pledge or encumbrance is junior and subordinate to the lien and pledge securing
1491 payment of the Parity Obligations.

1492 (c) Bondholders' Remedies. This Ordinance shall constitute a contract
1493 between the City and the Holders of the Series 2025 Bonds from time to time
1494 Outstanding and the beneficiaries of other Parity Obligations and this Ordinance
1495 shall be and remain irrevocable until the Series 2025 Bonds and the other Parity
1496 Obligations shall be fully paid or discharged or provision for payment or discharge
1497 shall have been made as provided in this Ordinance. In the event of a default in the

1498 payment of the principal of or interest or any premium on any of the Series 2025
1499 Bonds or a default in the performance of any duty or covenant provided by law or in
1500 this Ordinance, each Holder of a Series 2025 Bond and each beneficiary of any Parity
1501 Obligation may pursue all legal remedies afforded by the Constitution and laws of
1502 the State of Texas to compel the City to remedy such default and to prevent further
1503 default or defaults. Without in any way limiting the generality of the preceding, it
1504 is expressly provided that each Holder of a Series 2025 Bond and each beneficiary
1505 of any Parity Obligation may at law or in equity, by suit, action, mandamus, or other
1506 proceedings, enforce and compel performance of all duties required to be performed
1507 by the City under this Ordinance, including the application of Pledged Revenues in
1508 the manner required in this Ordinance; provided, however, that no Holder of a Series
1509 2025 Bond and no beneficiary of a Parity Obligation shall ever have the right to
1510 demand payment of the principal of, interest on or any redemption premium on the
1511 Series 2025 Bonds or any payment on any Parity Obligation out of any funds raised
1512 or to be raised by taxation, other than the Pledged 4.5% Hotel Occupancy Tax
1513 Revenues and the Pledged 2.0% Expansion Hotel Occupancy Tax Revenues.

1514 (d) Satisfaction of Obligation of City. If the City shall pay or cause to be
1515 paid, or there shall otherwise be paid to the Holders, the principal of, premium, if
1516 any, and interest on the Series 2025 Bonds, at the times and in the manner stipulated
1517 in this Ordinance, then the pledge of the Pledged Revenues under this Ordinance and
1518 all other obligations of the City to the Holders shall cease, terminate, and become
1519 void and be discharged and satisfied.

1520 Series 2025 Bonds, or any principal amount(s) thereof, shall be deemed to
1521 have been paid within the meaning and with the effect expressed above in this
1522 Section when: (i) money sufficient to pay in full such Series 2025 Bonds or the
1523 principal amount(s) thereof at Stated Maturity, together with all interest due thereon,
1524 shall have been irrevocably deposited with and held in trust by the Paying
1525 Agent/Registrar, or an authorized escrow agent; and/or (ii) Government Securities
1526 shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an
1527 authorized escrow agent, which Government Securities mature as to principal and
1528 interest in such amounts and at such times as will insure the availability, without
1529 reinvestment, of sufficient money, together with any money deposited therewith, if
1530 any, to pay when due the principal of and interest on such Series 2025 Bonds, or the
1531 principal amount(s) thereof, on and prior to the Stated Maturity thereof. In the event
1532 of a defeasance of the Series 2025 Bonds, the City shall deliver a certificate from its
1533 financial advisor, the Paying Agent/Registrar, an independent accounting firm, or
1534 another qualified third party concerning the deposit of cash and/or Government
1535 Securities to pay, when due, the principal of, redemption premium (if any), and

1536 interest due on any defeased Series 2025 Bonds. To the extent applicable (if at all),
1537 the Issuer covenants that no deposit of money or Government Securities will be
1538 made under this Section and no use made of any such deposit which would cause
1539 the Series 2025 Bonds to be treated as arbitrage bonds within the meaning of
1540 section 148 of the Code.

1541 Any money so deposited with the Paying Agent/Registrar, and all income
1542 from Government Securities held in trust by the Paying Agent/Registrar, or an
1543 authorized escrow agent, pursuant to this Section which is not required for the
1544 payment of the Series 2025 Bonds, or any principal amount(s) thereof, or interest
1545 thereon with respect to which such money has been so deposited shall be remitted to
1546 the City or deposited as directed by the City. Furthermore, any money held by the
1547 Paying Agent/Registrar for the payment of the principal of and interest on the Series
1548 2025 Bonds and remaining unclaimed for a period of three (3) years after the Stated
1549 Maturity of the Series 2025 Bonds, such money was deposited and is held in trust to
1550 pay shall upon the request of the City be remitted to the City against a written receipt
1551 therefor, subject to the unclaimed property laws of the State of Texas.

1552 (e) Non-Business Days. In any case where the date of maturity of interest
1553 on or principal of the Series 2025 Bonds or the date fixed for redemption of any
1554 Series 2025 Bonds or the due date for the payment or performance of any obligation
1555 shall be other than a Business Day, then such payment need not be made on such
1556 due date but may be made on the next succeeding day which is a Business Day with
1557 the same force and effect as if made on the date of maturity or the date fixed for
1558 redemption or other due date, and no interest shall accrue for the period from the
1559 scheduled due date to the date of actual payment. If any Transfer Date shall not be
1560 a Business Day, then the transfer otherwise required to be made on such date
1561 pursuant to Section 16 shall be made on the next succeeding Business Day.

1562 **SECTION 22: ALTERATION OF RIGHTS AND DUTIES;**
1563 **AMENDMENT OF ORDINANCE.**

1564 (a) Alteration of Rights and Duties. The rights, duties, and obligations of
1565 the City and the Holders of the Series 2025 Bonds are subject in all respects to all
1566 applicable federal and state laws including, without limitation, the provisions of
1567 federal law regarding the composition of indebtedness of political subdivisions, as
1568 the same now exist or may be amended.

1569 (b) Amendment of Ordinance Without Consent. The City may, without the
1570 consent of or notice to any of the Holders of the Series 2025 Bonds, amend this
1571 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 Series 2025 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 Holders of the Series 2025 Bonds;

(2) to change the terms or provisions of this Ordinance to the extent necessary to prevent the interest on the Series 2025 Bonds from being includable within the gross income of the owners thereof for federal income tax purposes;

(3) to grant to or confer upon the Holders of the Series 2025 Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Holders of the Series 2025 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 Additional Bonds if the City first obtains a Rating Confirmation Notice with respect to such amendment; and

(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 Series 2025 Bonds by any major municipal securities evaluation service then rating the Series 2025 Bonds;

provided, however, that if and to the extent required by a Credit Facility, Liquidity Facility, another Credit Agreement or other provision of this Ordinance, the City shall first obtain the consent of the Credit Facility Provider and any Liquidity Facility Provider to any such amendment pursuant to this Section 22.

(c) Amendments of Ordinance Requiring Consent.

(1) 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 Section 22(b) of this Ordinance, only with the consent given in accordance with Section 22(d) of this Ordinance of the Holders of not fewer than a majority of the aggregate unpaid principal amount of the Parity Obligations then Outstanding and affected by such amendment, modification, addition, or elimination; provided, however, that nothing in this Section 22(c) shall permit (1) an extension of the maturity of the principal of or interest on any Series 2025 Bond issued hereunder, or (2) a reduction in the principal amount of any Series 2025 Bond or the rate of interest on any Series 2025 Bond or redemption price, or (3) a privilege or priority of any Series 2025 Bond or Series 2025 Bonds over any other Series 2025 Bond or Series 2025 Bonds, or (4) a reduction in the aggregate principal amount of the Series 2025 Bonds required for consent to such amendment.

(2) If and to the extent required by a Credit Facility, Liquidity Facility, another Credit Agreement or other provision of this Ordinance, the City shall first obtain the consent of the Credit Facility Provider, and any Liquidity Provider to any such amendment pursuant to this Section 22(c).

(d) Consent of Holders. Any consent required by Section 22(c) shall be considered given:

(1) By all Holders of Outstanding Series 2025 Bonds if a Credit Facility is in effect, the Credit Facility Provider is not in default under the Credit Facility and the Credit Facility Provider has given its written consent to the amendments in writing,

(2) By all Holders of Outstanding Series 2025 Bonds if the Series 2025 Bonds are remarketed following a mandatory tender of all Series 2025 Bonds and the substance of such amendment has been disclosed to the market in connection with such remarketing,

(3) By all Holders of Outstanding Series 2025 Bonds if the Series 2025 Bonds are in an Auction Rate Mode and if written notice of the substance of the proposed amendment has been furnished to the Holders and if following such disclosure, there have occurred at least two consecutive Auctions and in each such Auction either Sufficient Clearing Bids existed or the Auction Rate determined was the Winning Bid Rate,

(4) By any Holder in any number of concurrent writings of similar tenor, signed by such Holder 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 Parity Obligations, 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:

(i) 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

(ii) the fact of the ownership by any person of any Series 2025 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 thereof such Series 2025 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 consider appropriate.

Consents obtained pursuant to Section 22(d)(4) 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 thereof are available at the office of the City Clerk for inspection. Such notice shall be mailed by certified mail to each Holder of the Parity Obligations affected at the address shown on the Security Register.

(e) Revocation of Consent. Any consent by any Holder of a Series 2025 Bond pursuant to the provisions of Section 22(d)(4) shall be irrevocable for a period of six months from the date of mailing of the notice provided for in this Section, and shall be conclusive and binding upon all future Holders of the same Series 2025 Bond and any Series 2025 Bond delivered on transfer thereof or in exchange for or

replacement thereof 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 thereof with the Paying Agent/Registrar, but such revocation shall not be effective if the Holders of a majority in aggregate principal amount of the Parity Obligations Outstanding as in this Ordinance defined have, before the attempted revocation, consented to and approved the amendment.

SECTION 23: MUTILATED - DESTROYED - LOST AND STOLEN BONDS. In case any Series 2025 Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Series 2025 Bond of like form, tenor, and lien level, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Series 2025 Bond, or in lieu of and in substitution for such destroyed, lost or stolen Series 2025 Bond, only upon the approval of the City and after (i) the filing by the Holder thereof with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of such Series 2025 Bond, and of the authenticity of the ownership thereof 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 Series 2025 Bond shall be borne by the Holder of the Series 2025 Bond mutilated, destroyed, lost or stolen.

Every new Series 2025 Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Series 2025 Bond shall constitute a replacement of the prior obligation of the City, whether or not the mutilated, destroyed, lost, or stolen Series 2025 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 Series 2025 Bonds.

The provisions of this Section 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 Series 2025 Bonds.

SECTION 24: TAX EXEMPTION.

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

1710 “Closing Date” means the date on which the Series 2025 Bonds are first
1711 authenticated and delivered to the initial purchasers against payment
1712 therefor.

1713 “Code” means the Internal Revenue Code of 1986, as amended by all
1714 legislation, if any, effective on or before the Closing Date.

1715 “Computation Date” has the meaning set forth in Section 1.148-1(b) of
1716 the Regulations.

1717 “Gross Proceeds” means any proceeds as defined in Section 1.148-1(b)
1718 of the Regulations, and any replacement proceeds as defined in Section
1719 1.148-1(c) of the Regulations, of the Series 2025 Bonds.

1720 “Investment” has the meaning set forth in Section 1.148-1(b) of the
1721 Regulations.

1722 “Nonpurpose Investment” means any investment property, as defined
1723 in section 148(b) of the Code, in which Gross Proceeds of the Series
1724 2025 Bonds are invested and which is not acquired to carry out the
1725 governmental purposes of the Series 2025 Bonds.

1726 “Rebate Amount” has the meaning set forth in Section 1.148-1(b) of
1727 the Regulations.

1728 “Regulations” means any proposed, temporary, or final Income Tax
1729 Regulations issued pursuant to Sections 103 and 141 through 150 of the
1730 Code, and 103 of the Internal Revenue Code of 1954, which are
1731 applicable to the Series 2025 Bonds. Any reference to any specific
1732 Regulation shall also mean, as appropriate, any proposed, temporary or
1733 final Income Tax Regulation designed to supplement, amend or replace
1734 the specific Regulation referenced.

1735 “Yield” of (1) any Investment has the meaning set forth in Section
1736 1.148-5 of the Regulations and (2) the Series 2025 Bonds has the
1737 meaning set forth in Section 1.148-4 of the Regulations.

1738 (b) Not to Cause Interest to Become Taxable. The City shall not use,
1739 permit the use of, or omit to use Gross Proceeds or any other amounts (or any
1740 property the acquisition, construction or improvement of which is to be financed
1741 directly or indirectly with Gross Proceeds) in a manner which if made or omitted,
1742 respectively, would cause the interest on any Series 2025 Bond to become includable

1743 in the gross income, as defined in section 61 of the Code, of the owner thereof for
1744 federal income tax purposes. Without limiting the generality of the foregoing, unless
1745 and until the City receives a written opinion of counsel nationally recognized in the
1746 field of municipal bond law to the effect that failure to comply with such covenant
1747 will not adversely affect the exemption from federal income tax of the interest on
1748 any Series 2025 Bond, the City shall comply with each of the specific covenants in
1749 this Section.

1750 (c) No Private Use or Private Payments. Except as permitted by section
1751 141 of the Code and the Regulations and rulings thereunder, the City shall at all
1752 times prior to the last Stated Maturity of Series 2025 Bonds:

1753 (1) exclusively own, operate and possess all property the
1754 acquisition, construction or improvement of which is to be financed or
1755 refinanced directly or indirectly with Gross Proceeds of the Series 2025
1756 Bonds (including property financed with Gross Proceeds of the
1757 Refunded Bonds), and not use or permit the use of such Gross Proceeds
1758 (including all contractual arrangements with terms different than those
1759 applicable to the general public) or any property acquired, constructed
1760 or improved with such Gross Proceeds in any activity carried on by any
1761 person or entity (including the United States or any agency, department
1762 and instrumentality thereof) other than a state or local government,
1763 unless such use is solely as a member of the general public; and

1764 (2) not directly or indirectly impose or accept any charge or
1765 other payment by any person or entity who is treated as using Gross
1766 Proceeds of the Series 2025 Bonds or any property the acquisition,
1767 construction or improvement of which is to be financed or refinanced
1768 directly or indirectly with such Gross Proceeds, other than taxes of
1769 general application within the City or interest earned on investments
1770 acquired with such Gross Proceeds pending application for their
1771 intended purposes.

1772 (d) No Private Loan. Except to the extent permitted by section 141 of the
1773 Code and the Regulations and rulings thereunder, the City shall not use Gross
1774 Proceeds of the Series 2025 Bonds to make or finance loans to any person or entity
1775 other than a state or local government. For purposes of the foregoing covenant, such
1776 Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property
1777 acquired, constructed or improved with such Gross Proceeds is sold or leased to such
1778 person or entity in a transaction which creates a debt for federal income tax purposes;

1779 (2) capacity in or service from such property is committed to such person or entity
1780 under a take-or-pay, output or similar contract or arrangement; or (3) indirect
1781 benefits, or burdens and benefits of ownership, of such Gross Proceeds or any
1782 property acquired, constructed or improved with such Gross Proceeds are otherwise
1783 transferred in a transaction which is the economic equivalent of a loan.

1784 (e) Not to Invest at Higher Yield. Except to the extent permitted by section
1785 148 of the Code and the Regulations and rulings thereunder, the City shall not at any
1786 time prior to the final Stated Maturity of the Series 2025 Bonds directly or indirectly
1787 invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money
1788 so invested), if as a result of such investment the Yield from the Closing Date of all
1789 Investments acquired with Gross Proceeds (or with money replaced thereby),
1790 whether then held or previously disposed of, exceeds the Yield of the Series 2025
1791 Bonds.

1792 (f) Not Federally Guaranteed. Except to the extent permitted by section
1793 149(b) of the Code and the Regulations and rulings thereunder, the City shall not
1794 take or omit to take any action which would cause the Series 2025 Bonds to be
1795 federally guaranteed within the meaning of section 149(b) of the Code and the
1796 Regulations and rulings thereunder.

1797 (g) Information Report. The City shall timely file the information required
1798 by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or
1799 such other form and in such place as the Secretary may prescribe.

1800 (h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in
1801 section 148(f) of the Code and the Regulations and rulings thereunder:

1802 (1) The City shall account for all Gross Proceeds (including
1803 all receipts, expenditures and investments thereof) on its books of
1804 account separately and apart from all other funds (and receipts,
1805 expenditures and investments thereof) and shall retain all records of
1806 accounting for at least six years after the day on which the last
1807 outstanding Series 2025 Bond is discharged. However, to the extent
1808 permitted by law, the City may commingle Gross Proceeds of the Series
1809 2025 Bonds with other money of the City, provided that the City
1810 separately accounts for each receipt and expenditure of Gross Proceeds
1811 and the obligations acquired therewith.

1812 (2) Not less frequently than each Computation Date, the City
1813 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 Series 2025 Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Series 2025 Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the City shall pay to the United States out of the Debt Service Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Series 2025 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 Series 2025 Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the

1851 transaction had been at arm's length and had the Yield of the Series 2025 Bonds not
1852 been relevant to either party.

1853 (j) Elections. The City hereby directs and authorizes the City Manager,
1854 Chief Financial Officer, Director of Financial Services, and City Treasurer, either or
1855 any combination of them, to make elections permitted or required pursuant to the
1856 provisions of the Code or the Regulations, as they deem necessary or appropriate in
1857 connection with the Series 2025 Bonds, in the Certificate as to Tax Exemption or
1858 similar or other appropriate certificate, form or document.

1859 (k) Bonds Not Hedge Bonds. (1) The City reasonably expects to spend at
1860 least 85% of the spendable proceeds of the Series 2025 Bonds within three years
1861 after such Series 2025 Bonds are issued and (2) not more than 50% of the proceeds
1862 of the Series 2025 Bonds will be invested in Nonpurpose Investments having a
1863 substantially guaranteed Yield for a period of 4 years or more.

1864 **SECTION 25: SALE OF BONDS – BOND PURCHASE**
1865 **AGREEMENT**. The Series 2025 Bonds are to be sold by the City to the Purchasers
1866 in accordance with one or more bond purchase agreements (each a "Purchase
1867 Contract"), the terms and provisions of which Purchase Contract are to be
1868 determined by the Authorized Official, in accordance with Section 4 of this
1869 Ordinance. With regard to such terms and provisions of the Purchase Contract, the
1870 Authorized Official may come to an agreement with the Purchasers on the following,
1871 among other matters:

1872 (1) The details of the purchase and sale of the Series 2025 Bonds;

1873 (2) The details of the public offering of the Series 2025 Bonds by the
1874 Purchasers;

1875 (3) The details of an Official Statement (and, if appropriate, any
1876 Preliminary Official Statement) relating to the Series 2025 Bonds and the City's
1877 Rule 15c2-12 compliance;

1878 (4) A security deposit for the Series 2025 Bonds;

1879 (5) The representations and warranties of the City to the Purchasers;

1880 (6) The details of the delivery of, and payment for, the Series 2025 Bonds;

1881 (7) The Purchasers' obligations under the Purchase Contract;

1882 (8) The certain conditions to the obligations of the City under the Purchase
1883 Contract;

1884 (9) Termination of the Purchase Contract;

1885 (10) Particular covenants of the City;

1886 (11) The survival of representations made in the Purchase Contract;

1887 (12) The payment of any expenses relating to the Purchase Contract;

1888 (13) Notices; and

1889 (14) Any and all such other details that are found by the Authorized Official
1890 to be necessary and advisable for the purchase and sale of the Series 2025 Bonds.

1891 Any Authorized Official may execute the Purchase Contract for and on behalf
1892 of the City and as the act and deed of Council.

1893 The Mayor and City Clerk of the City may manually or electronically execute
1894 and deliver for and on behalf of the City copies of a Preliminary Official Statement
1895 and Official Statement, prepared in connection with the offering of the Series 2025
1896 Bonds by the Purchasers, in final form as may be required by the Purchasers, and
1897 the final Official Statement in the form and content as approved by the Authorized
1898 Official or as manually or electronically executed by said officials shall be deemed
1899 to be approved by Council and constitute the Official Statement authorized for
1900 distribution and use by the Purchasers.

1901 **SECTION 26: PROCEEDS OF SALE.** (a) Immediately following the
1902 delivery of the Series 2025 Senior Lien Bonds, proceeds of sale designated to pay
1903 costs of issuance, proceeds of sale designated to fund the Senior Lien Reserve
1904 Requirement, if applicable, shall be disbursed for payment of costs of issuance,
1905 deposited in the Senior Lien Debt Service Fund or the Senior Lien Reserve Fund, all
1906 in accordance with written instructions from the City or its Financial Advisor.
1907 Accrued interest, if any, received from the Purchasers shall be deposited to the credit
1908 of the Senior Lien Debt Service Fund. The remainder of the proceeds shall be
1909 deposited into the special construction account or accounts created for the projects
1910 to be constructed with the proceeds of the Series 2025 Senior Lien Bonds.

1911 (b) Immediately following the delivery of the Series 2025 Junior Lien Bonds,
1912 proceeds of sale designated to pay costs of issuance, proceeds of sale designated to
1913 fund the Junior Lien Reserve Requirement, if applicable, shall be disbursed for

1914 payment of costs of issuance, deposited in the Junior Lien Debt Service Fund or the
1915 Junior Lien Reserve Fund, all in accordance with written instructions from the City
1916 or its Financial Advisor. Accrued interest, if any, received from the Purchasers shall
1917 be deposited to the credit of the Junior Lien Debt Service Fund. The remainder of
1918 the proceeds shall be deposited into the special construction account or accounts
1919 created for the projects to be constructed with the proceeds of the Series 2025 Junior
1920 Lien Bonds.

1921 **SECTION 27: CONTROL AND CUSTODY OF BONDS.** The Mayor
1922 of the City shall be and is authorized to take and have charge of all necessary orders
1923 and records pending the delivery of the Series 2025 Bonds, and shall take and have
1924 charge and control of the Initial Bond(s) pending the approval thereof by the
1925 Attorney General, the registration thereof by the Comptroller of Public Accounts
1926 and the delivery thereof to the Purchaser(s).

1927 Furthermore, the Mayor, Mayor Pro Tem, City Clerk, City Manager, Chief
1928 Financial Officer, Deputy Chief Financial Officer, City Attorney and City Treasurer,
1929 any one or more of said officials, are authorized and directed to furnish and execute
1930 such documents relating to the City and its financial affairs as may be necessary for
1931 the issuance of the Series 2025 Bonds, the approval of the Attorney General and
1932 registration by the Comptroller of Public Accounts and, together with the City's
1933 financial advisor, and the Paying Agent/Registrar, make the necessary arrangements
1934 for the delivery of the Initial Bond(s) to the initial Purchasers and the exchange
1935 thereof for obligations described in this Ordinance and in the Official Statement.

1936 **SECTION 28: LEGAL OPINION.** The obligation of the Purchasers to
1937 accept delivery of the Series 2025 Bonds is subject to being furnished a final opinion
1938 of Norton Rose Fulbright US LLP, Austin, Texas, approving such Series 2025 Bonds
1939 as to their validity, said opinion to be dated and delivered as of the date of delivery
1940 and payment for such Series 2025 Bonds. A true and correct reproduction of said
1941 opinion is authorized to be printed on the definitive Series 2025 Bonds or an
1942 executed counterpart thereof shall accompany the Series 2025 Bonds deposited with
1943 the Depository Trust Company.

1944 **SECTION 29: CUSIP NUMBERS.** CUSIP numbers may be printed or
1945 typed on the definitive Series 2025 Bonds. It is expressly provided, however, that
1946 the presence or absence of CUSIP numbers on the definitive Series 2025 Bonds shall
1947 be of no significance or effect as regards the legality thereof and neither the City
1948 nor attorneys approving said Series 2025 Bonds as to legality are to be held

1949 responsible for CUSIP numbers incorrectly printed or typed on the definitive Series
1950 2025 Bonds.

1951 **SECTION 30: BENEFITS OF ORDINANCE.** Nothing in this
1952 Ordinance, expressed or implied, is intended or shall be construed to confer upon
1953 any person other than the City, the Paying Agent/Registrar and the Holders, any
1954 right, remedy, or claim, legal or equitable, under or by reason of this Ordinance or
1955 any provision hereof, this Ordinance and all its provisions being intended to be and
1956 being for the sole and exclusive benefit of the City, the Paying Agent/Registrar and
1957 the Holders.

1958 **SECTION 31: INCONSISTENT PROVISIONS.** All ordinances,
1959 orders or resolutions, or parts thereof, which are in conflict or inconsistent with any
1960 provision of this Ordinance are repealed to the extent of such conflict and the
1961 provisions of this Ordinance shall be and remain controlling as to the matters
1962 contained in this Ordinance.

1963 **SECTION 32: GOVERNING LAW.** This Ordinance shall be construed
1964 and enforced in accordance with the laws of the State of Texas and the United States
1965 of America.

1966 **SECTION 33: SEVERABILITY.** If any provision of this Ordinance or
1967 the application thereof to any circumstance shall be held to be invalid, the remainder
1968 of this Ordinance and the application thereof to other circumstances shall
1969 nevertheless be valid, and the Council declares that this Ordinance would have been
1970 enacted without such invalid provision.

1971 **SECTION 34: CONSTRUCTION OF TERMS.** If appropriate in the
1972 context of this Ordinance, words of the singular number shall be considered to
1973 include the plural, words of the plural number shall be considered to include the
1974 singular, and words of the masculine, feminine or neuter gender shall be considered
1975 to include the other genders.

1976 **SECTION 35: NOTICES TO HOLDERS-WAIVER.** Wherever this
1977 Ordinance provides for notice to Holders of any event, such notice shall be
1978 sufficiently given (unless otherwise in this Ordinance expressly provided) if in
1979 writing and sent by United States Mail, first class postage prepaid, to the address of
1980 each Holder as it appears in the Security Register.

1981 In any case where notice to Holders is given by mail, neither the failure to
1982 mail such notice to any particular Holders, nor any defect in any notice so mailed,

1983 shall affect the sufficiency of such notice with respect to all other Series 2025 Bonds.
1984 Where this Ordinance provides for notice in any manner, such notice may be waived
1985 in writing by the Holder entitled to receive such notice, either before or after the
1986 event with respect to which such notice is given, and such waiver shall be the
1987 equivalent of such notice. Waivers of notice by Holders shall be filed with the
1988 Paying Agent/Registrar, but such filing shall not be a condition precedent to the
1989 validity of any action taken in reliance upon such waiver.

1990 **SECTION 36: CANCELLATION.** All Series 2025 Bonds surrendered
1991 for payment, redemption, transfer or exchange, if surrendered to the Paying
1992 Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the City,
1993 shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall
1994 be promptly cancelled by the Paying Agent/Registrar. The City may at any time
1995 deliver to the Paying Agent/Registrar for cancellation any Series 2025 Bonds
1996 previously certified or registered and delivered which the City may have acquired in
1997 any manner whatsoever, and all Series 2025 Bonds so delivered shall be promptly
1998 cancelled by the Paying Agent/Registrar. All cancelled Series 2025 Bonds held by
1999 the Paying Agent/Registrar shall be destroyed as directed by the City.

2000 **SECTION 37: CONTINUING DISCLOSURE UNDERTAKING.**

2001 (a) Definitions. As used in this Section, the following terms have the
2002 meanings ascribed to such terms below:

2003 *EMMA* means the MSRB's Electronic Municipal Market Access system,
2004 accessible by the general public, without charge, on the internet through the uniform
2005 resource locator (URL) <http://www.emma.msrb.org>.

2006 *Financial Obligation* means a (a) debt obligation; (b) derivative instrument
2007 entered into in connection with, or pledged as security or a source of payment for,
2008 an existing or planned debt obligation; or (c) guarantee of a debt obligation or any
2009 such derivative instrument; provided that "financial obligation" shall not include
2010 municipal securities (as defined in the Securities Exchange Act of 1934, as amended)
2011 as to which a final official statement (as defined in the Rule) has been provided to
2012 the MSRB consistent with the Rule.

2013 *MSRB* means the Municipal Securities Rulemaking Board.

2014 *Rule* means SEC Rule 15c2-12, as amended from time to time.

2015 *SEC* means the United States Securities and Exchange Commission.

2016 *Undertaking* means the City's continuing disclosure undertaking, described
2017 in Subsections B through F below, hereunder accepted and entered into by the City
2018 for the purpose of compliance with the Rule.

2019 (b) Annual Reports. The City shall file annually with the MSRB, (1) within
2020 six months after the end of each fiscal year of the City ending in or after 2025,
2021 financial information and operating data with respect to the City of the general type
2022 included in the final Official Statement authorized by Section 25 of this Ordinance,
2023 being the information described in **Exhibit C** hereto, and (2) if not provided as part
2024 of such financial information and operating data, audited financial statements of the
2025 City, when and if available. Any financial statements so to be provided shall be (i)
2026 prepared in accordance with the accounting principles described in **Exhibit C** hereto,
2027 or such other accounting principles as the City may be required to employ from time
2028 to time pursuant to state law or regulation, and (ii) audited, if the City commissions
2029 an audit of such financial statements and the audit is completed within the period
2030 during which they must be provided. If the audit of such financial statements is not
2031 complete within such period, then the City shall file unaudited financial statements
2032 within such period and audited financial statements for the applicable fiscal year to
2033 the MSRB, when and if the audit report on such financial statements becomes
2034 available. Under current Texas law, including, but not limited to, Chapter 103, as
2035 amended, Texas Local Government Code, the City must have its records and
2036 accounts audited annually and shall have an annual financial statement prepared
2037 based on the audit. The annual financial statement, including the auditor's opinion
2038 on the statement, shall be filed in the office of the City Secretary within 180 days
2039 after the last day of the City's fiscal year. Additionally, upon the filing of this
2040 financial statement and the annual audit, these documents are subject to the Texas
2041 Open Records Act, as amended, Texas Government Code, Chapter 552.

2042 If the City changes its fiscal year, it will notify the MSRB of the change (and
2043 of the date of the new fiscal year end) prior to the next date by which the City
2044 otherwise would be required to provide financial information and operating data
2045 pursuant to this Section.

2046 The financial information and operating data to be provided pursuant to this
2047 Section may be set forth in full in one or more documents or may be included by
2048 specific reference to any document available to the public on the MSRB's Internet
2049 Web site or filed with the SEC.

2050 (c) Notice of Certain Events. The City shall provide notice of any of the
2051 following events with respect to the Bonds to the MSRB in a timely manner and not
2052 more than 10 business days after occurrence of the event:

2053 (i) Principal and interest payment delinquencies;

2054 (ii) Non-payment related defaults, if material;

2055 (iii) Unscheduled draws on debt service reserves
2056 reflecting financial difficulties;

2057 (iv) Unscheduled draws on credit enhancements
2058 reflecting financial difficulties;

2059 (v) Substitution of credit or liquidity providers, or their
2060 failure to perform;

2061 (vi) Adverse tax opinions, the issuance by the Internal
2062 Revenue Service of proposed or final determinations of taxability,
2063 Notices of Proposed Issue (IRS Form 5701-TEB), or other material
2064 notices or determinations with respect to the tax status of the Bonds, or
2065 other material events affecting the tax status of the Bonds;

2066 (vii) Modifications to rights of holders of the Bonds, if
2067 material;

2068 (viii) Bond calls, if material, and tender offers;

2069 (ix) Defeasances;

2070 (x) Release, substitution, or sale of property securing
2071 repayment of the Bonds, if material;

2072 (xi) Rating changes;

2073 (xii) Bankruptcy, insolvency, receivership, or similar
2074 event of the City, which shall occur as described below;

2075 (xiii) The consummation of a merger, consolidation, or
2076 acquisition involving the City or the sale of all or substantially all of its
2077 assets, other than in the ordinary course of business, the entry into of a
2078 definitive agreement to undertake such an action or the termination of

2079 a definitive agreement relating to any such actions, other than pursuant
2080 to its terms, if material;

2081 (xiv) Appointment of a successor or additional trustee or
2082 the change of name of a trustee, if material;

2083 (xv) Incurrence of a Financial Obligation of the City, if
2084 material, or agreement to covenants, events of default, remedies,
2085 priority rights, or other similar terms of a Financial Obligation of the
2086 City, any of which affect security holders, if material; and

2087 (xvi) Default, event of acceleration, termination event,
2088 modification of terms, or other similar events under the terms of a
2089 Financial Obligation of the City, any of which reflect financial
2090 difficulties.

2091 For these purposes, (a) any event described in the immediately preceding
2092 paragraph (12) is considered to occur when any of the following occur: the
2093 appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding
2094 under the United States Bankruptcy Code or in any other proceeding under state or
2095 federal law in which a court or governmental authority has assumed jurisdiction over
2096 substantially all of the assets or business of the City, or if such jurisdiction has been
2097 assumed by leaving the existing governing body and officials or officers in
2098 possession but subject to the supervision and orders of a court or governmental
2099 authority, or the entry of an order confirming a plan of reorganization, arrangement,
2100 or liquidation by a court or governmental authority having supervision or jurisdiction
2101 over substantially all of the assets or business of the City, and (b) the City intends
2102 the words used in the immediately preceding paragraphs (15) and (16) and the
2103 definition of Financial Obligation in this Section to have the same meanings as when
2104 they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August
2105 20, 2018.

2106 The City shall notify the MSRB, in a timely manner, of any failure by the City
2107 to provide financial information or operating data in accordance with this Section by
2108 the time required by this Section.

2109 (d) Limitations, Disclaimers and Amendments. The City shall be obligated
2110 to observe and perform the covenants specified in this Section with respect to the
2111 City and the Bonds while, but only while, the City remains an “obligated person”
2112 with respect to the Bonds within the meaning of the Rule, except that the City in any

2113 event will give the notice required by subsection (c) hereof of any Bond calls and/or
2114 defeasances that cause the City to no longer be such an “obligated person”.

2115 The provisions of this Section are for the sole benefit of the Holders and
2116 beneficial owners of the Bonds, and nothing in this Section, express or implied, shall
2117 give any benefit or any legal or equitable right, remedy, or claim hereunder to any
2118 other person. The City undertakes to provide only the financial information,
2119 operating data, financial statements, and notices which it has expressly agreed to
2120 provide pursuant to this Section and does not undertake to provide any other
2121 information that may be relevant or material to a complete presentation of the
2122 financial results, condition, or prospects of the City or the State of Texas or
2123 undertake to update any information provided in accordance with this Section or
2124 otherwise, except as expressly provided in this Section. The City does not make any
2125 representation or warranty concerning such information or its usefulness to a
2126 decision to invest in or sell Bonds at any future date.

2127 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
2128 HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER
2129 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN
2130 WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER
2131 NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT
2132 SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY
2133 SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY
2134 SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR
2135 SPECIFIC PERFORMANCE.

2136 No default by the City in observing or performing its obligations under this
2137 Section shall constitute a breach of or default under this Ordinance for purposes of
2138 any other provision of this Ordinance.

2139 Nothing in this Section is intended or shall act to disclaim, waive, or otherwise
2140 limit the duties of the City under federal and state securities laws.

2141 Notwithstanding anything in this Ordinance to the contrary, the provisions of
2142 this Section may be amended by the City from time to time to adapt to changed
2143 circumstances resulting from a change in legal requirements, a change in law, or a
2144 change in the identity, nature, status, or type of operations of the City, but only if (1)
2145 the provisions of this Section, as so amended, would have permitted an underwriter
2146 to purchase or sell Bonds in the primary offering of the Bonds in compliance with
2147 the Rule, taking into account any amendments or interpretations of the Rule to the
2148 date of such amendment, as well as such changed circumstances, and (2) either (a)

2149 the Holders of a majority in aggregate principal amount and Maturity Amount (or
2150 any greater amount required by any other provision of this Ordinance that authorizes
2151 such an amendment) of the Outstanding Bonds consent to such amendment or (b) a
2152 Person that is unaffiliated with the City (such as nationally recognized bond counsel)
2153 determines that such amendment will not materially impair the interests of the
2154 Holders and beneficial owners of the Bonds. The provisions of this Section may
2155 also be amended from time to time or repealed by the City if the SEC amends or
2156 repeals the applicable provisions of the Rule or a court of final jurisdiction
2157 determines that such provisions are invalid, but only if and to the extent that
2158 reservation of the City's right to do so would not prevent underwriters of the initial
2159 public offering of the Bonds from lawfully purchasing or selling Bonds in such
2160 offering. If the City so amends the provisions of this Section, it shall include with
2161 any amended financial information or operating data next provided in accordance
2162 with subsection (b) an explanation, in narrative form, of the reasons for the
2163 amendment and of the impact of any change in the type of financial information or
2164 operating data so provided.

2165 (e) Information Format – Incorporation by Reference. The City
2166 information required under this Section shall be filed with the MSRB through
2167 EMMA in such format and accompanied by such identifying information as may be
2168 specified from time to time thereby. Under the current rules of the MSRB,
2169 continuing disclosure documents submitted to EMMA must be in word-searchable
2170 portable document format (PDF) files that permit the document to be saved, viewed,
2171 printed, and retransmitted by electronic means and the series of obligations to which
2172 such continuing disclosure documents relate must be identified by CUSIP number
2173 or numbers. Financial information and operating data to be provided pursuant to
2174 this Section may be set forth in full in one or more documents or may be included
2175 by specific reference to any document (including an official statement or other
2176 offering document) available to the public through EMMA or filed with the SEC.

2177 (f) General Policies and Procedures Concerning Compliance with the
2178 Rule. Because the issuance of the Obligations is subject to the provisions of the Rule
2179 and because the potential “underwriters” in a negotiated sale of the Obligations or
2180 the initial purchasers in a competitive sale of the Obligations may be subject to
2181 MSRB rules and regulations with respect to such sale (including certain due
2182 diligence and suitability requirements, among others), the City hereby adopts the
2183 General Policies and Procedures Concerning Compliance with the Rule (the
2184 “Policies and Procedures”), attached hereto as **Exhibit D**, with which the City shall
2185 follow to assure compliance with the Undertaking. The City has developed these
2186 Policies and Procedures for the purpose of meeting its requirements of the

2187 Undertaking and, in connection therewith, has sought the guidance from its internal
2188 staff charged with administering the City's financial affairs, its municipal or
2189 financial advisors, its legal counsel (including its Bond Counsel), and its
2190 independent accountants (to the extent determined to be necessary or advisable). The
2191 Policies and Procedures can be amended at the sole discretion of the City and any
2192 such amendment will not be deemed to be an amendment to the Undertaking. Each
2193 Authorized Official is hereby authorized to amend the Policies and Procedures as a
2194 result of a change in law, a future issuance of indebtedness subject to the Rule, or
2195 another purpose determined by the Authorized Official to be necessary or desirable
2196 for or with respect to future compliance with the Undertaking.

2197 **SECTION 38: INCORPORATION OF FINDINGS AND**
2198 **DETERMINATIONS.** The findings and determinations of the City Council
2199 contained in the preamble hereof are incorporated by reference and made a part of
2200 this Ordinance for all purposes as if the same were restated in full in this Section.

2201 **SECTION 39: [BOND INSURANCE].**

2202 **SECTION 40: PUBLIC MEETING.** It is officially found, determined,
2203 and declared that the meeting at which this Ordinance is adopted was open to the
2204 public and public notice of the time, place, and subject matter of the public business
2205 to be considered at such meeting, including this Ordinance, was given, all as required
2206 by Chapter 551, as amended, Texas Government Code.

2207 **SECTION 41: EFFECTIVE DATE.** This Ordinance is passed on one
2208 reading as authorized by Section 1201.028, as amended, Texas Government Code
2209 and shall be effective immediately upon its passage and adoption.

2210 *[remainder of page left blank intentionally]*

2211

PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

[_____] [____], 2025

§
§
§

APPROVED:

KIRK WATSON
Mayor

ATTEST:

DEBORAH THOMAS
City Attorney

(City Seal)

ERIKA BRADY
City Clerk