

**ORDINANCE NO.**

**AN ORDINANCE ESTABLISHING THE CITY OF AUSTIN, TEXAS, AIRPORT SYSTEM SUBORDINATE LIEN REVOLVING REVENUE NOTE PROGRAM AND APPROVING THE EXECUTION AND DELIVERY OF ONE OR MORE NOTE PURCHASE AGREEMENTS**

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

***ARTICLE ONE***

***FINDINGS***

Section 1.01 **NOTE PROGRAM AUTHORIZATION.** Capitalized terms used in this Article One and not otherwise defined have the meaning assigned in Article Two. Council finds that:

(a) The City has previously issued, and there are currently outstanding, multiple series of Revenue Bonds in compliance with the respective terms of the Revenue Bond Ordinances.

(b) The Currently Outstanding Revenue Bonds are secured by a first lien on and pledge of the Net Revenues.

(c) The Revenue Bond Ordinances each reserve the right for the City to issue or incur, for any lawful Airport System purpose, Subordinate Obligations and related credit agreement obligations secured in whole or in part by liens on the Net Revenues that are junior and subordinate to the lien on Net Revenues securing payment of the Revenue Bonds.

(d) The City's obligation to fund certain reserve fund deficiencies relating to the Series 2017 Hotel Bonds from "Surplus Airport System Revenues" pursuant to the Series 2017 Hotel Grant Agreement, subject in all respects to the terms of the Series 2017 Hotel Grant Agreement and the Revenue Bond Ordinances, constitutes a Subordinate Obligation and is the only Subordinate Obligation that is currently outstanding.

(e) The City desires to establish, pursuant to the provisions of Chapter 22 and Chapter 1371, a revolving finance program to be known as the "City of Austin, Texas, Airport System Subordinate Lien Revolving Revenue Note Program" (defined in Article Two of this Ordinance as the "Note Program") for the purposes of (i) planning, acquiring, establishing, constructing, improving or equipping the Airport System, including the

1 acquisition of land or an interest in land, in accordance with Chapter 22 and Chapter 1371,  
2 and other authorized City purposes; (ii) the refunding or refinancing of any obligations of  
3 the City secured by Net Revenues, including Program Notes issued under the Note Program,  
4 and the payment of any obligation of the City pursuant to any credit agreement as permitted  
5 by the provisions of Section 1371.051 of Chapter 1371; (iii) the funding of any reserve or  
6 other fund or account established in connection with the issuance of Program Notes; and  
7 (iv) the payment of any costs or expenses associated with the Note Program.

8 (f) Program Notes issued under the Note Program are declared to be Subordinate  
9 Obligations under the Revenue Bond Ordinances and shall be purchased, when issued, by  
10 one or more Program Note Purchasers pursuant to the terms of the applicable Note Purchase  
11 Agreement then in effect.

12  
13 (g) Pursuant to Chapter 1371, the City may delegate to the Authorized Officer the  
14 authority to execute and finalize certain terms in connection with the issuance of the Program  
15 Notes authorized by this Ordinance, and Council desires to delegate to the Authorized  
16 Officer the authority described in this Ordinance.

17 (h) The establishment of the Note Program, pursuant to which the Program Notes,  
18 bearing interest in the manner and having the characteristics as described in this Ordinance,  
19 may be issued, sold and delivered from time to time in an aggregate principal amount at any  
20 time outstanding not to exceed \$150,000,000; the execution of the Initial Note Purchase  
21 Agreement, as well as the terms and conditions on which the City may enter into future Note  
22 Purchase Agreements; and the delegation of certain powers to the Authorized Officer, in  
23 each case, are necessary and in the public interest, and the use of the proceeds of the Program  
24 Notes in the manner specified in this Ordinance constitutes a valid public purpose.

25 (i) The purposes of this Ordinance are to approve the establishment of the Note  
26 Program, to extend certain provisions of the Revenue Bond Ordinances to and for the benefit  
27 of the Owners of the Program Notes, to secure the Program Notes and Note Program Costs  
28 by a lien on Net Revenues that is junior and subordinate to the liens on Net Revenues  
29 securing payment of the Revenue Bonds and the Administrative Expenses and to provide  
30 for the execution of one or more Note Purchase Agreements.

31 (j) The Note Program is expected to be rated by a nationally recognized rating  
32 agency for municipal securities in one of the three highest rating categories for a short-term  
33 debt instrument or one of the four highest rating categories for a long-term debt instrument.

34 (k) The Program Notes issued under the Note Program are being issued as interim  
35 financing, and the City expresses its intent to refund the Program Notes through the issuance  
36 of its revenue refunding bonds, with a maturity of up to 40 years, pursuant to the provisions  
37 of Chapter 22 and Chapter 1207. The City intends to issue any revenue refunding bonds as  
38 Additional Revenue Bonds (as defined in the Revenue Bond Ordinances). In accordance  
39 with Section 1371.057(c) of Chapter 1371, for the purposes of review and approval by the

1 Attorney General of the State of Texas, the Program Notes shall have the intended term and  
2 payment schedule of such refunding bonds.

3 (l) Council finds that sufficient written notice of the date, hour, place, and subject  
4 of the council meeting at which this Ordinance was adopted was posted at a place convenient  
5 and readily accessible at all times to the general public at the City Hall of the City for the  
6 time required by law preceding this meeting, as required by the Open Meetings Law, Chapter  
7 551, Texas Government Code, and that this meeting has been open to the public as required  
8 by law at all times during which this Ordinance has been discussed, considered, and formally  
9 acted upon. Council further ratifies, approves and confirms the written notice and the  
10 contents and posting of the meeting notice.

11 (m) The titles and headings of the articles and sections of this Ordinance have been  
12 provided for convenience of reference only and are not considered to be a part of this  
13 Ordinance and shall never be considered or given any effect in interpreting this Ordinance  
14 or in determining intent, if any question of intent arises.

## 15 *ARTICLE TWO*

### 16 *DEFINITIONS*

17  
18 Section 2.01 **DEFINITIONS.** Unless otherwise expressly provided or unless the  
19 context otherwise requires, the terms defined in this Section for all purposes of this  
20 Ordinance, and any ordinance amending or supplementing this Ordinance, have the  
21 meanings stated below:

22 “Additional Subordinate Obligations” means each series of bonds, notes, or other  
23 obligations, including reimbursement obligations and obligations pursuant to credit  
24 agreements and interest rate hedges, which the City has reserved the right to issue or incur  
25 from time to time pursuant to Section 6.03 of the Revenue Bond Ordinances and Section  
26 7.02 of this Ordinance as Subordinate Obligations secured in whole or in part by liens on  
27 the Net Revenues that are junior and subordinate to the lien on Net Revenues securing  
28 payment of the Revenue Bonds. Additional Subordinate Obligations (i) include any  
29 Termination Payments, and (ii) do not include the Program Notes, the Note Program Costs  
30 or the Prior Subordinate Obligations.

31 “Administrative Expense Fund” means the Airport System Revenue Bond  
32 Administrative Expense Fund established in the Revenue Bond Ordinances.

33 “Administrative Expenses” means the fees, expenses, and indemnification liabilities  
34 payable to the Persons to whom fees and expenses are due and owing in connection with the  
35 Revenue Bonds, and Credit Agreement Obligations incurred in connection with a related  
36 series of Revenue Bonds, including but not limited to the fees and expenses of the related  
37 paying agent/registrars, the Credit Providers, the rebate analysts, the remarketing agents and

1 the tender agents, and of which the City is given actual notice at least 30 days prior to the  
2 date payment of these amounts is due.

3 “Airport” means the air carrier airport developed, constructed and operated by the  
4 City pursuant to the city-wide election held within the City on May 1, 1993, and designated  
5 as the Austin-Bergstrom International Airport (ABIA).

6 “Airport Consultant” means a nationally recognized independent firm, person or  
7 corporation having a widely known and favorable reputation for special skill, knowledge,  
8 and experience in methods of developing, operating and financing airports of approximately  
9 the same size as the properties constituting the Airport System.

10 “Airport System” means all or any interest in airport, heliport and aviation facilities,  
11 now or from time to time owned, operated or controlled in whole or in part by the City,  
12 including the Airport, together with all properties, facilities, and services of the Airport, and  
13 all additions, extensions, replacements and improvements to the Airport, and all services  
14 currently provided, or to be provided, by the City in connection with the Airport, but  
15 expressly excluding (i) any heliport or heliports operated by City departments other than the  
16 Aviation Department, (ii) the Austin consolidated rental car facility, initially financed by the  
17 issuance of City of Austin, Texas Rental Car Special Facility Revenue Bonds, Taxable  
18 Series 2013 and refinanced by the issuance of City of Austin, Texas Rental Car Special  
19 Facility Revenue Refunding Bonds, Taxable Series 2021, as Special Facilities, and (iii) the  
20 Mueller Airport Property.

21 “Authorized Denomination” means any denomination authorized in the applicable  
22 Note Purchase Agreement, and if none is specifically stated, any denomination.

23 “Authorized Officer” means the City Manager of the City, the Chief Financial Officer  
24 of the City, the City Treasurer, or any Deputy or Assistant City Manager authorized by the  
25 City Manager to sign documents on his or her behalf.

26 “Aviation Director” means the Executive Director of the City’s Department of  
27 Aviation, or any successor or person acting in that capacity.

28 “Bond Counsel” means Bracewell LLP or any other attorney or firm of attorneys  
29 nationally recognized as experienced in the field of bonds of governmental issuers and  
30 appointed by the City.

31 “Business Day” has the meaning set forth in the applicable Note Purchase Agreement.

32 “Capital Fund” means the Airport System Capital Fund established in the Revenue  
33 Bond Ordinances.

34 “Chapter 9” means Chapter 9, Texas Business & Commerce Code.

1 “Chapter 22” means Chapter 22, Texas Transportation Code.

2 “Chapter 1207” means Chapter 1207, Texas Government Code.

3 “Chapter 1208” means Chapter 1208, Texas Government Code.

4 “Chapter 1371” means Chapter 1371, Texas Government Code.

5 “City” means the City of Austin, Texas, and, where appropriate, council, or any  
6 successor as owner and operator of the Airport System.

7 “Code” means the Internal Revenue Code of 1986, as amended, and, with respect to  
8 a specific section thereof, such reference shall be deemed to include (i) the Regulations  
9 promulgated under such section, (ii) any successor provision of similar import hereafter  
10 enacted, (iii) any corresponding provision of any subsequent Internal Revenue Code, and  
11 (iv) the regulations promulgated under the provisions described in clauses (ii) and (iii).

12 “Comptroller” means the Comptroller of Public Accounts of the State of Texas.

13 “Credit Agreement” means (i) any agreement of the City entered into in connection  
14 with and for the purpose of (A) enhancing or supporting the creditworthiness of any Revenue  
15 Bonds or (B) providing liquidity with respect to Revenue Bonds which by their terms are  
16 subject to tender for purchase, and which, by its terms, creates a liability on the part of the  
17 City on a parity with the Revenue Bonds to which it relates, and (ii) a Swap Agreement. A  
18 determination by the City that an agreement constitutes a Credit Agreement under this  
19 definition shall be conclusive as against all Owners.

20 “Credit Agreement Obligations” means any amounts payable by the City under and  
21 pursuant to a Credit Agreement other than amounts payable as an Administrative Expense.

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

23 “Currently Outstanding Revenue Bonds” means the outstanding (i) “City of Austin,  
24 Texas Airport System Revenue Bonds, Series 2013,” (ii) “City of Austin, Texas Airport  
25 System Revenue Bonds, Series 2014 (AMT),” (iii) “City of Austin, Texas Airport System  
26 Revenue Bonds, Series 2017A,” (iv) “City of Austin, Texas Airport System Revenue Bonds,  
27 Series 2017B (AMT),” (v) “City of Austin, Texas Airport System Revenue Refunding  
28 Bonds, Series 2019 (AMT),” (vi) “City of Austin, Texas Airport System Revenue Bonds,  
29 Series 2019A,” (vii) “City of Austin, Texas Airport System Revenue Bonds, Series 2019B  
30 (AMT),” and (viii) “City of Austin, Texas Airport System Revenue Bonds, Series 2022  
31 (AMT).”

32 “Debt Service” means (i) with respect to a series of Revenue Bonds, an amount equal  
33 to the Principal Installment, redemption premium, if any, and interest on such Revenue  
34 Bonds, (ii) with respect to a Credit Agreement other than a Swap Agreement, amounts

1 payable as Credit Agreement Obligations, and (iii) with respect to a Swap Agreement,  
2 regularly scheduled amounts payable by the City under a Swap Agreement, so long as the  
3 counterparty is not in default (specifically excluding Termination Payments, which shall  
4 constitute Subordinate Obligations).

5 “Debt Service Fund” means the Airport System Revenue Bond Debt Service Fund  
6 established in the Revenue Bond Ordinances.

7 “Debt Service Requirements” means for any particular period of time, an amount  
8 equal to the sum of the following for such period with respect to all or any portion of  
9 Revenue Bonds or Credit Agreement Obligations, as applicable, then Outstanding:

10 (a) That portion of interest which would accrue with respect to Revenue Bonds  
11 during such period if interest were deemed to accrue only during the six month period prior  
12 to its payment (12 month period in the case of capital appreciation or compound interest  
13 bonds), plus

14 (b) That portion of the principal amount of Revenue Bonds which would accrue  
15 during such period if principal were deemed to accrue only during the 12 month period prior  
16 to its scheduled payment date (either at maturity or by reason of scheduled mandatory  
17 redemptions, but after taking into account all prior optional and mandatory Revenue Bond  
18 redemptions), less and except any such interest or principal for the payment of which  
19 provision has been made by: (i) appropriating for such purpose amounts sufficient to provide  
20 for the full and timely payment of such interest or principal either from proceeds of bonds,  
21 from interest earned or to be earned thereon, from Airport System funds other than Net  
22 Revenues, or from any combination of such sources; and (ii) depositing such amounts  
23 (except in the case of interest to be earned, which shall be deposited as received) into a  
24 dedicated fund or account (including, without limitation, the Capitalized Interest Account),  
25 the proceeds of which are required to be transferred as needed into the Debt Service Fund,  
26 or directly to the paying agent/registrars for the Revenue Bonds.

27 For purposes of calculating Debt Service Requirements, in making estimates as to  
28 interest accrued or to accrue on Variable Rate Bonds, the actual interest rate shall be used to  
29 the extent known or ascertainable and to the extent unknown and not ascertainable, the  
30 maximum interest rate applicable to such Variable Rate Bonds shall be used; provided,  
31 however, that to the extent Variable Rate Bonds are subject to a Swap Agreement, the fixed  
32 rate that is effective with respect to such Variable Rate Bonds pursuant to such Swap  
33 Agreement shall be used.

34 “Debt Service Reserve Fund” means the Airport System Revenue Bond Debt Service  
35 Reserve Fund established in the Revenue Bond Ordinances.

1 “Default Rate” means the rate of interest specified, if at all, in a Note Purchase  
2 Agreement as being applicable to Outstanding Program Notes subject to such Note Purchase  
3 Agreement during the continuation of an Event of Default.

4 “Defeasance Obligations” means: (i) direct, noncallable obligations of the United  
5 States of America, including obligations that are unconditionally guaranteed by the United  
6 States; (ii) noncallable obligations of an agency or instrumentality of the United States of  
7 America, including obligations that are unconditionally guaranteed or insured by the agency  
8 or instrumentality and that, on the date of their purchase, are rated as to investment quality  
9 by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii)  
10 noncallable obligations of a state or an agency or a county, municipality, or other political  
11 subdivision of a state that have been refunded and that, on the date council adopts or  
12 approves the proceedings authorizing the financial arrangements, are rated as to investment  
13 quality by a nationally recognized investment rating firm not less than “AAA” or its  
14 equivalent; and (iv) any other then authorized securities or obligations under applicable  
15 Texas law in existence on the date the City adopts or approves any proceedings authorizing  
16 the issuance of refunding obligations that may be used to defease obligations such as the  
17 Program Notes. The foregoing notwithstanding, the Authorized Officer may determine in a  
18 Note Purchase Agreement to modify the foregoing definition of “Defeasance Obligations”  
19 by eliminating any securities or obligations set forth in the preceding sentence upon  
20 determining that it is in the best interest of the City to do so, which shall be evidenced by  
21 the City’s execution and delivery of the applicable Note Purchase Agreement.

22 “Designated Payment/Transfer Office” means (i) with respect to the initial Paying  
23 Agent/Registrar named in Section 9.01 of this Ordinance, its corporate trust office in Dallas,  
24 Texas, or such other location designated by the Paying Agent/Registrar, and (ii) with respect  
25 to any successor Paying Agent/Registrar or Paying Agent/Registrar named in connection  
26 with the execution of a subsequent Note Purchase Agreement, the office of the successor  
27 designated and located as may be agreed upon by the City and the successor.

28 “Favorable Opinion of Bond Counsel” means, with respect to any action, or omission  
29 of an action, the taking or omission of which requires such an opinion, an unqualified written  
30 opinion of nationally recognized bond counsel to the effect that, under existing law, such  
31 action or omission does not adversely affect the excludability of interest payable on the Tax-  
32 Exempt Program Notes from gross income for federal income tax purposes (subject to the  
33 inclusion of any exceptions contained in the opinion of bond counsel delivered upon original  
34 issuance of the applicable Tax-Exempt Program Notes or other customary exceptions  
35 acceptable to the recipient thereof).

36 “Federal Payments” means those funds received by the Airport System from the  
37 federal government or any agency of the federal government as payments for the use of any  
38 facilities or services of the Airport System.

1 “Fiscal Year” means the City’s fiscal year as from time to time designated by the City,  
2 which is currently October 1 to September 30.

3 “General Obligation Airport Bonds” means those bonds or other obligations of the  
4 City secured by a levy of ad valorem taxes from time to time issued or to be issued by the  
5 City for Airport System purposes.

6 “Gross Proceeds” means any Proceeds and any Replacement Proceeds of an issue.

7 “Gross Revenues” means all income and revenues derived directly or indirectly by  
8 the City from the operation and use of and otherwise pertaining to all or any part of the  
9 Airport System, whether resulting from extensions, enlargements, repairs, betterments or  
10 other improvements to the Airport System, or otherwise, and includes, except to the extent  
11 expressly excluded below, all revenues received by the City from the Airport System,  
12 including, without limitation, all rentals, rates, fees and other charges for the use of the  
13 Airport System, or for any service rendered by the City in the operation of the Airport  
14 System, interest and other income realized from the investment or deposit of amounts  
15 required to be transferred or credited to the Revenue Fund. Gross Revenues expressly  
16 excludes:

17 (a) proceeds of any Revenue Bonds and Subordinate Obligations;

18 (b) interest or other investment income derived from proceeds of Revenue Bonds  
19 and Subordinate Obligations deposited to the credit of a construction fund, and all other  
20 interest or investment income not required to be transferred or credited to the Revenue Fund;

21 (c) any monies received as grants, appropriations, or gifts, the use of which is  
22 limited by the grantor or donor to the construction or acquisition of Airport System facilities,  
23 except to the extent any such monies shall be received as payments for the use of the Airport  
24 System facilities;

25 (d) any revenues derived from any Special Facilities (e.g., customer facility  
26 charges) which are pledged to the payment of Special Facilities Bonds;

27 (e) insurance proceeds other than loss of use or business interruption insurance  
28 proceeds;

29 (f) the proceeds of the passenger facility charge (PFC) currently imposed by the  
30 City and any other per-passenger charge as may be lawfully authorized;

31 (g) sales and other taxes collected by the Airport System on behalf of the State of  
32 Texas and any other taxing entities;

33 (h) Federal Payments received by the Airport System unless the City first receives  
34 an opinion from nationally recognized bond counsel to the effect that the payments, if

1 included in Gross Revenues, would not cause the interest on the Revenue Bonds and the  
2 Tax-Exempt Program Notes to be includable within the gross income of the owners of those  
3 obligations for federal income tax purposes;

4 (i) the proceeds received by the City from the sale or other disposition of Airport  
5 System property, except amounts representing interest or finance charges in a deferred sale  
6 or other similar method of conveyance where a portion of the sale price is payable on a  
7 deferred basis, in which case any interest or finance charges shall be considered Gross  
8 Revenues; and

9 (j) Other Available Funds transferred to the Revenue Fund as provided in this  
10 Ordinance.

11 “Initial Note Purchase Agreement” means the Note Purchase Agreement by and  
12 between the City and the Initial Program Note Purchaser, as the same may be amended,  
13 modified or supplemented in accordance with its terms.

14 “Initial Program Note Purchaser” means Wells Fargo Bank, National Association, a  
15 national banking association, and its successors and assigns.

16 “Investment Proceeds” is defined in section 1.148-1(b) of the Regulations and,  
17 generally, consist of any amounts actually or constructively received from investing  
18 Proceeds of an issue.

19 “Issuance Costs” or “Costs of Issuance” means costs to the extent incurred in  
20 connection with, and allocable to, the issuance of an issuance of obligations within the  
21 meaning of section 147(g) of the Code. For example, Issuance Costs include the following  
22 costs, but only to the extent incurred in connection with, and allocable to, the borrowing:  
23 underwriters’ spread; counsel fees; financial advisory fees; fees paid to an organization to  
24 evaluate the credit quality of an issue; trustee fees; paying agent fees; bond registrar,  
25 certification and authentication fees; accounting fees; printing costs for bonds and offering  
26 documents; public approval process costs; engineering and feasibility study costs; guarantee  
27 fees, other than qualified guarantees; and similar costs.

28 “Issuance Date” means, with respect to a Program Note, the date the City receives the  
29 purchase price in exchange for that Program Note.

30 “Maximum Rate” has the meaning set forth in the applicable Note Purchase  
31 Agreement; provided, that in no event shall the Maximum Rate exceed the maximum net  
32 effective interest rate permitted by law to be paid on obligations issued or incurred by the  
33 City in the exercise of its borrowing powers (currently prescribed by Chapter 1204, Texas  
34 Government Code, as amended).

1 “Maximum Maturity Date” means the termination date of a Note Purchase  
2 Agreement, as may be extended from time to time, but not to exceed thirty (30) years from  
3 the date of this Ordinance.

4 “Minimum Capital Reserve” means an amount, designated by the Aviation Director  
5 not less frequently than annually at the end of each Fiscal Year, but in any event not more  
6 than \$100,000 each Fiscal Year, necessary to accumulate or to re-accumulate in the Capital  
7 Fund a reserve in an amount not less than \$1,000,000.

8 “Moody’s” means Moody’s Investors Service, Inc., its successors and assigns, and if  
9 this corporation shall for any reason no longer perform the functions of a securities rating  
10 agency, “Moody’s” shall refer to any other nationally recognized securities rating agency  
11 designated by the City.

12 “Mueller Airport Property” means the property and facilities that comprised the  
13 former Robert Mueller Municipal Airport, located within the City. The Mueller Airport  
14 Property is not part of the Airport System.

15 “Net Proceeds” has the meaning set forth in section 150(a)(3) of the Code and  
16 generally means, with respect to any issue, Proceeds of such issue reduced by amounts in a  
17 Reasonably Required Reserve or Replacement Fund.

18 “Net Revenues” means that portion of the Gross Revenues remaining after the  
19 deduction of the Operation and Maintenance Expenses of the Airport System.

20 “Note Program” means the “City of Austin, Texas, Airport System Subordinate Lien  
21 Revolving Revenue Note Program” established pursuant to the provisions of this Ordinance.

22 “Note Program Costs” means (i) the Unused Fee, closing fees, and other fees to the  
23 extent specified in and payable from time to time by the City to a Program Note Purchaser  
24 under a Note Purchase Agreement, but specifically excluding the principal of and premium,  
25 if any, and interest on any Program Note, and (ii) the fees, expenses, and indemnification  
26 liabilities payable to the Persons to whom fees and expenses are due and owing in connection  
27 with the Program Notes and credit agreement obligations incurred in connection with  
28 Program Notes, including but not limited to the fees and expenses of the Paying  
29 Agent/Registrar, and of which the City is given actual notice prior to the date payment of  
30 these amounts is due.

31 “Note Purchase Agreement” means the Initial Note Purchase Agreement and any  
32 additional note purchase agreement approved and authorized to be entered into pursuant to  
33 Article Five of this Ordinance, as from time to time in effect between the City and the  
34 Program Note Purchasers, pursuant to which the Program Note Purchasers are obligated to  
35 purchase and/or accept Program Notes at the times, subject to the conditions, and bearing

1 interest calculated in the manner specified in the Note Purchase Agreement, but in all  
2 respects consistent with the provisions of this Ordinance.

3 “Operation and Maintenance Expenses” means all reasonable and necessary current  
4 expenses of the City, paid or accrued, of operating, maintaining and repairing the Airport  
5 System, including, without limitation, those reasonably allocated City overhead expenses  
6 relating to the administration, operation and maintenance of the Airport System; insurance  
7 and fidelity bond premiums; payments to pension and other funds and to any self-insurance  
8 fund; any general and excise taxes or other governmental charges imposed by entities other  
9 than the City; any required rebate of any portion of interest income to the federal government  
10 which is payable from Gross Revenues or the Revenue Fund; costs of contractual and  
11 professional services, labor, materials and supplies for current operations, including the  
12 costs of direct City services rendered to the Airport System as are requested from the City  
13 by the Airport System and as are reasonably necessary for the operation of the Airport  
14 System; costs of issuance of Revenue Bonds and Subordinate Obligations for the Airport  
15 System (except to the extent paid from the proceeds); fiduciary costs; costs of collecting and  
16 refunding Gross Revenues; utility costs; any lawful refunds of any Gross Revenues; and all  
17 other administrative, general and commercial expenses, but excluding:

18 (a) any allowance for depreciation;

19 (b) costs of capital improvements;

20 (c) reserves for major capital improvements, Airport System operations,  
21 maintenance or repair;

22 (d) any allowance for redemption of, or payment of interest or premium on,  
23 Revenue Bonds and Subordinate Obligations;

24 (e) any liabilities incurred in acquiring or improving properties of the Airport  
25 System;

26 (f) expenses of lessees under Special Facilities Leases and operation and  
27 maintenance expenses pertaining to Special Facilities to the extent they are required to be  
28 paid by such lessees pursuant to the terms of the Special Facilities Leases;

29 (g) any charges or obligations incurred in connection with any lawful Airport  
30 System purpose, including the lease, acquisition, operation or maintenance of any facility or  
31 property benefiting the Airport System, provided that the payment of such charges or  
32 obligations is expressly agreed by the payee to be payable solely from proceeds of the  
33 Capital Fund;

34 (h) liabilities based upon the City’s negligence or other ground not based on  
35 contract; and

1 (i) so long as Federal Payments are excluded from Gross Revenues, an amount of  
2 expenses that would otherwise constitute Operation and Maintenance Expenses for such  
3 period equal to the Federal Payments for such period.

4 “Operation and Maintenance Reserve Fund” means the fund by that name established  
5 in the Revenue Bond Ordinances.

6 “Ordinance” means this ordinance and all amendments and supplements to this  
7 ordinance.

8 “Other Available Funds” means any amount of unencumbered funds accumulated in  
9 the Capital Fund in excess of the Minimum Capital Reserve which, before the beginning of  
10 any Fiscal Year, are designated by the City as Other Available Funds and transferred at the  
11 beginning of such Fiscal Year to the Revenue Fund; but in no event may this amount exceed  
12 25% of the Debt Service Requirements for the Revenue Bonds for such Fiscal Year for  
13 purposes of Sections 5.03 and 6.01 of the Revenue Bond Ordinances.

14 “Outstanding” when used with reference to any Program Notes, means, as of a  
15 particular date, all those Program Notes delivered under the provisions of this Ordinance  
16 except: (a) any Program Note paid, discharged, or cancelled by or on behalf of the City at  
17 or before that date; (b) any Program Note defeased pursuant to the defeasance provisions of  
18 this Ordinance or otherwise defeased as permitted by applicable law; and (c) any Program  
19 Note in lieu of or in substitution for which another Program Note was delivered pursuant to  
20 this Ordinance.

21 “Owner” or “Registered Owner” means the Person who is the registered owner of a  
22 Program Note as shown on the Register maintained by the Paying Agent/Registrar. Any  
23 reference to a particular percentage or proportion of the Owners means the Owners at a  
24 particular time of the specified percentage or proportion in aggregate principal amount of  
25 all Program Notes then Outstanding under this Ordinance.

26 “Paying Agent/Registrar” means, with respect to the Initial Note Purchase  
27 Agreement, U.S. Bank Trust Company, Nation Association, a national banking association,  
28 and its successors in that capacity, or the Paying Agent/Registrar named in connection with  
29 a subsequent Note Purchase Agreement as provided in this Ordinance.

30 “Paying Agent Registrar Agreement” means the paying agent/registrar agreement  
31 between the Paying Agent/Registrar and the City relating to Program Notes, which  
32 provisions may be included in a Note Purchase Agreement.

33 “Person” means any individual, corporation, partnership, limited liability company,  
34 joint venture, association, joint-stock company, trust, unincorporated organization or  
35 government or any agency or political subdivision of the government.

1 “Placed in Service” has the meaning set forth in section 1.150-2(c) of the Regulations  
2 and means, with respect to a facility, the date on which, based on all the facts and  
3 circumstances, (i) the facility reaches a degree of completion that will permit its operation  
4 at substantially its design level, and (ii) the facility is, in fact, in operation at such level.

5 “Preliminary Expenditures” are described in section 1.150-2(f)(2) of the Regulations  
6 and include architectural, engineering, surveying, soil testing, reimbursement bond issuance  
7 and similar costs that are incurred prior to commencement of acquisition, construction or  
8 rehabilitation of a project, but do not include land acquisition, site preparation and similar  
9 costs incident to the commencement of construction or rehabilitation.

10 “Principal Installment” means, with respect to Revenue Bonds or a series of Revenue  
11 Bonds, any amounts, including any mandatory sinking fund installments, which are stated  
12 to be due or required to be made on or with respect to a Revenue Bond or series of Revenue  
13 Bonds, which, when made, would reduce the amount of the Revenue Bond or series of  
14 Revenue Bonds that remain Outstanding or would retire and pay the same in full.

15 “Prior Subordinate Obligations” means the City’s obligation to fund certain reserve  
16 fund deficiencies relating to the Series 2017 Hotel Bonds from “Surplus Airport System  
17 Revenues” pursuant to the Series 2017 Hotel Grant Agreement, subject in all respects to the  
18 terms of the Series 2017 Hotel Grant Agreement and the Revenue Bond Ordinances.

19 “Proceeds” has the meaning set forth in section 1.148-1(b) of the Regulations and,  
20 generally, means any Sale Proceeds and Investment Proceeds.

21 “Program Note Payment Fund” means the “Airport System Subordinate Lien Program  
22 Note Payment Fund” established in Section 6.05 of this Ordinance.

23 “Program Note Project Fund” means the “Airport System Subordinate Lien Program  
24 Note Project Fund” established in Section 6.06 of this Ordinance.

25 “Program Note Purchaser” means an Initial Program Note Purchaser or any other  
26 party from time to time obligated to purchase Program Notes pursuant to the terms of a Note  
27 Purchase Agreement.

28 “Program Notes” means the notes authorized to be issued and at any time outstanding  
29 under the Note Program pursuant to this Ordinance and designated as described in Section  
30 3.03 of this Ordinance.

31 “Qualified Project Costs” means costs relating to the Tax-Exempt Projects that meet  
32 the following requirements:

- 33 (a) The costs are of a type that is properly chargeable to capital account (or  
34 would be so chargeable with a proper election or with the application of the definition

1 of placed in service under section 1.150-2(c) of the Regulations) under general  
2 Federal income tax principles;

3 (b) (i) The costs were paid no earlier than 60 days prior to the date the City  
4 adopted an official intent to reimburse in accordance with section 1.150-2(d) of the  
5 Regulations and (ii) the reimbursement allocation is made no later than 18 months  
6 after the later of (A) the date the expenditure was paid and (B) the date the applicable  
7 Tax-Exempt Project is Placed in Service or abandoned, but in no event more than  
8 three years after the original expenditure is paid; provided that such limitations do not  
9 apply to any amount not in excess of \$100,000 or to Preliminary Expenditures that do  
10 not exceed 20 percent of the Sale Proceeds of the Program Notes;

11 (c) The costs are not Issuance Costs; and

12 (d) The costs are incurred to provide “airport facilities,” which may include  
13 both an “airport” (within the meaning of section 142 of the Code) and property that is  
14 functionally related and subordinate thereto (within the meaning of section 1.103-  
15 8(a)(3) and 1.103-8(e)(2)(ii) of the Regulations). For purposes of this definition, a  
16 storage or training facility is an “airport facility” only if such facility is directly related  
17 to and is physically located on or adjacent to the airport. In addition, an “office” is  
18 considered an “airport facility” only if such office is located on the premises of an  
19 airport and all but a de minimis amount of the functions to be performed at such office  
20 are directly related to the day-to-day operations at such airport.

21 “Reasonably Required Reserve or Replacement Fund” means any fund described in  
22 section 148(d) of the Code.

23 “Record Date” means, except as may otherwise be provided in a Note Purchase  
24 Agreement, for any interest payment date with respect to Program Notes, the close of  
25 business on the Business Day immediately preceding the interest payment date.

26 “Register” means the books of registration kept by the Paying Agent/Registrar in  
27 which are maintained the names and addresses of and the principal amounts registered to  
28 each Owner.

29 “Regulations” means the applicable proposed, temporary or final Treasury  
30 Regulations promulgated under the Code or, to the extent applicable to the Code, under the  
31 Internal Revenue Code of 1954, as such regulations may be amended or supplemented from  
32 time to time.

33 “Renewal and Replacement Fund” means the Airport System Renewal and  
34 Replacement Fund established in the Revenue Bond Ordinances.

35 “Replacement Proceeds” has the meaning set forth in section 1.148-1(c) of the  
36 Regulations.

1 “Revenue Bond Ordinances” means (i) the following ordinances adopted by council  
2 authorizing the issuance of the Currently Outstanding Revenue Bonds: 20130509-009,  
3 20141120-135, 20161215-015, 20161215-018, 20190411-018, 20190619-081, 20190619-  
4 082, and 20220407-008, and (ii) any ordinances pursuant to which Additional Revenue  
5 Bonds are issued, in each case, together with any amendments to these ordinances adopted  
6 by council.

7 “Revenue Bonds” means the Currently Outstanding Revenue Bonds and each series  
8 of bonds, notes or other obligations, other than Credit Agreement Obligations, which the  
9 City has reserved the right to issue or incur from time to time pursuant to Section 6.01 of the  
10 Revenue Bond Ordinances, payable from and secured by a first lien on and pledge of Net  
11 Revenues.

12 “Revenue Fund” means the Airport System Revenue Fund established in the Revenue  
13 Bond Ordinances.

14 “Sale Proceeds” has the meaning set forth in section 1.148-1(b) of the Regulations  
15 and generally means any amounts actually or constructively received from the sale (or other  
16 disposition) of an issue, including amounts used to pay underwriters’ discount or  
17 compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds  
18 also include, but are not limited to, amounts derived from the sale of a right that is associated  
19 with any obligation and that is described in section 1.148-4(b)(4) of the Regulations.

20 “Series 2017 Hotel Bonds” means the Austin-Bergstrom Landhost Enterprises, Inc.  
21 Airport Hotel Senior Revenue Refunding and Improvement Bonds, Series 2017.

22 “Series 2017 Hotel Grant Agreement” means that certain Grant Agreement dated as  
23 of October 1, 2017, by and between the City and Austin-Bergstrom Landhost Enterprises,  
24 Inc.

25 “Special Facilities” means structures, hangars, aircraft overhaul, maintenance or  
26 repair shops, heliports, hotels, storage facilities, garages, inflight kitchens, training facilities  
27 and any and all other facilities and appurtenances being a part of, or related to, the Airport  
28 System, the cost of the construction or other acquisition of which is financed with the  
29 proceeds of Special Facilities Bonds.

30 “Special Facilities Bonds” means those bonds previously issued or from time to time  
31 issued by the City after the date of this Ordinance pursuant to Section 6.04 of the Revenue  
32 Bond Ordinances.

33 “Special Facilities Lease” means any lease or agreement pursuant to which a Special  
34 Facility is leased by the City to the lessee in consideration for which the lessee agrees to pay  
35 (i) all debt service on the Special Facilities Bonds issued to finance the Special Facility

1 (which payments are pledged to secure the Special Facilities Bonds) and (ii) the operation  
2 and maintenance expenses of the Special Facility.

3 “Standard & Poor’s” means S&P Global Ratings, its successors and assigns, and if  
4 this entity shall for any reason no longer perform the functions of a securities rating agency,  
5 “Standard & Poor’s” shall refer to any other nationally recognized securities rating agency  
6 designated by the City.

7 “Stated Maturity” of any Program Note means the stated date when the principal of  
8 the Program Note will become due.

9 “Subordinate Obligations” means the Prior Subordinate Obligations, the Program  
10 Notes and any Additional Subordinate Obligations.

11 “Swap Agreement” means a Credit Agreement with respect to a series of Revenue  
12 Bonds pursuant to which the City has entered into an interest rate exchange agreement or  
13 other interest rate hedge agreement for the purpose of converting in whole or in part the  
14 City’s fixed or variable interest rate liability on all or a portion of the Revenue Bonds to a  
15 fixed or variable rate liability (including converting a variable rate liability to a different  
16 variable rate liability). For the purpose of this definition, a counterparty is not qualified  
17 unless it holds, on the date of execution of a Swap Agreement, a current rating by at least  
18 two of the following three rating agencies: Moody’s, and by Standard & Poor’s, and by Fitch  
19 Ratings, or their respective successors, at least equal to the rating of each such rating agency  
20 assigned to the Revenue Bonds without reference to any Credit Agreement.

21 “Tax-Exempt Program Note” means any Program Note, the interest on which is  
22 excludable from gross income for federal income tax purposes.

23 “Tax-Exempt Projects” means, collectively, any projects financed with Proceeds of  
24 Tax-Exempt Program Notes.

25 “Taxable Program Note” means any Program Note, the interest on which is not  
26 excludable from gross income for federal income tax purposes.

27 “Termination Payment” means an amount owed by the City to a counterparty pursuant  
28 to a Swap Agreement incurred in connection with the termination of the Swap Agreement  
29 and which, on the date of execution of the Swap Agreement, is not an amount representing  
30 a regularly scheduled payment under the Swap Agreement. “Termination Payment” shall  
31 not include any amount representing an Administrative Expense.

32 “Unclaimed Payments” means money deposited with the Paying Agent/Registrar for  
33 the payment of principal, premium, if any, or interest, or money set aside for the payment of  
34 the Program Notes duly called for redemption prior to Stated Maturity and remaining  
35 unclaimed by the Program Note Purchasers for 90 days after the applicable payment or  
36 redemption date.

1 “Unused Fee” means, to the extent provided for in a Note Purchase Agreement, the  
2 amount payable from time to time by the City to the Program Note Purchasers under a Note  
3 Purchase Agreement as compensation to the Program Note Purchasers for their commitment  
4 to purchase Program Notes, the method of calculation and time for payment of which shall  
5 be specified in the applicable Note Purchase Agreement.

6 “Variable Rate” means an interest rate borne by the Revenue Bonds that is reset from  
7 time to time.

8 “Variable Rate Bonds” means Revenue Bonds which bear a Variable Rate.

9 Section 2.02 **INTERPRETATIONS.** The terms used in this Ordinance and not  
10 otherwise defined shall have the meanings given in the Revenue Bond Ordinances. All  
11 terms defined and all pronouns used in this Ordinance shall apply equally to singular and  
12 plural and to all genders. The titles and headings of the articles and sections of this Ordinance  
13 have been inserted for convenience of reference only and are not to be considered a part of  
14 this Ordinance and shall not in any way modify or restrict any of the terms or provisions of  
15 this Ordinance. References to any article or section shall refer to the article or section  
16 contained in this Ordinance. References to the form of Program Notes refer to the form of  
17 the Program Notes set forth in Exhibit A to this Ordinance. References to any constitutional,  
18 statutory or regulatory provision shall include the provision as it exists on the date this  
19 Ordinance is adopted and any future amendments to or successor provisions of the provision.  
20 References to an Authorized Officer or other City official means the Person acting in that  
21 capacity, whether on either an interim or a permanent basis. This Ordinance and all of its  
22 terms and provisions shall be liberally construed to effectuate the purposes set forth in this  
23 Ordinance and to sustain the validity of the Program Notes and the validity of the lien on  
24 and pledge of the Net Revenues to secure payment of the Program Notes and the Note  
25 Program Costs. A finding or determination made by an Authorized Officer acting under the  
26 authority delegated by this Ordinance with respect to all matters relating to the issuance and  
27 sale of the Program Notes shall have the same force and effect as a finding or determination  
28 made by council.

### 29 ***ARTICLE THREE***

### 30 ***AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE*** 31 ***PROGRAM NOTES***

#### 32 **Section 3.01 AUTHORIZATION.**

33  
34 (a) Pursuant to the authority conferred by and in accordance with Chapter 22 and  
35 Chapter 1371 and all other applicable law, and the Revenue Bond Ordinances, by this  
36 Ordinance the City establishes the Note Program and authorizes the issuance of Program  
37 Notes under the Note Program in an aggregate principal amount not to exceed \$150,000,000  
38 Outstanding at any one time for the purposes of (i) planning, acquiring, establishing,

1 constructing, improving or equipping the Airport System, or any project to become part of  
2 the Airport System, including the acquisition of land or an interest in land, and to reimburse  
3 advances made by the City for costs incurred for these purposes, in accordance with Chapter  
4 22 and Chapter 1371, (ii) refinancing, refunding or renewing any principal and/or interest  
5 payment relating to any obligations of the City secured by the Net Revenues, including  
6 Program Notes, (iii) the payment of any obligation of the City pursuant to any credit  
7 agreement as permitted by the provisions of Section 1371.051 of Chapter 1371, (iv) to fund  
8 any reserve or other fund or account established in connection with the issuance of Program  
9 Notes, and (v) paying the costs of issuance of the Program Notes and any other costs or  
10 expenses associated with the Note Program.

11 (b) Notwithstanding anything in this Ordinance to the contrary, no Program Notes  
12 shall be issued unless there is then in effect one or more Note Purchase Agreements;  
13 provided, however, that a Note Purchase Agreement may contain provisions for the term-  
14 out of any Program Notes not paid upon the expiration of a commitment under a Note  
15 Purchase Agreement. Program Notes shall never be issued in a principal amount that  
16 exceeds the amount that the Program Note Purchasers are obligated to purchase from time  
17 to time under the applicable Note Purchase Agreements.

18  
19 **Section 3.02 DATED DATE; MATURITY DATE; AUTHORIZED**  
20 **DENOMINATIONS.**

21 (a) The Program Notes shall be dated as of their Issuance Date.

22 (b) The Program Notes shall mature on a date that is not later than the earliest to  
23 occur of (i) the 364<sup>th</sup> day after the Issuance Date of the subject Program Note; (ii) the  
24 termination date of the then effective Note Purchase Agreement for the subject Program  
25 Note, subject to any term-out provisions contained in the Note Purchase Agreement; and  
26 (iii) the Maximum Maturity Date.

27 (c) The Program Notes shall be issued in Authorized Denominations and shall be  
28 numbered in ascending consecutive numerical order in the order of their issuance. A Note  
29 Purchase Agreement may specify a minimum principal amount for each issuance of Program  
30 Notes under such Note Purchase Agreement and limitations on the frequency of issuances  
31 under a Note Purchase Agreement.

32 **Section 3.03 DETERMINATION OF FEDERAL TAX TREATMENT;**  
33 **STYLE.**

34 (a) The Authorized Officer is hereby authorized to make the determination as to  
35 whether particular Program Notes are to be issued as (i) Tax-Exempt Program Notes, to be  
36 designated "City of Austin, Texas, Airport System Subordinate Lien Revolving Revenue  
37 Notes (Tax-Exempt – AMT)," or (ii) Taxable Program Notes, to be designated "City of  
38 Austin, Texas, Airport System Subordinate Lien Revolving Revenue Notes (Taxable)."

1 (b) The Authorized Officer is hereby authorized to add such series or subseries  
2 designations or other identifying designations to the Program Notes as the Authorized  
3 Officer may deem necessary or advisable for the identification of the Program Notes.  
4

5 **Section 3.04 INTEREST RATES; CALCULATION AND PAYMENT OF**  
6 **INTEREST; PLACE OF PAYMENT.**

7 (a) The Program Notes shall bear interest at such rate or rates (either fixed,  
8 variable, or floating) per annum as determined by an Authorized Officer pursuant to a Note  
9 Purchase Agreement, computed on the basis of 360-day year for actual days elapsed (or such  
10 other basis of computation set forth in a Note Purchase Agreement); provided, however, that  
11 in no event shall the interest rate on any Program Note, including any Default Rate, exceed  
12 the Maximum Rate. Program Notes issued without a fixed numerical rate of interest for the  
13 term of said Program Notes specified at their time of issuance shall bear interest in  
14 accordance with any clearly stated formula or method of calculation specified in a Note  
15 Purchase Agreement and may include provision for the payment of interest calculated at a  
16 Default Rate.

17 (b) Interest on Program Notes shall be payable at maturity and at such other  
18 intervals, if any, prior to maturity as may be specified in the applicable Note Purchase  
19 Agreement.

20 (c) The manner and place of payment of interest on the Program Notes shall be as  
21 specified in the applicable Note Purchase Agreement.

22 **Section 3.05 MEDIUM, METHOD AND PLACE OF PAYMENT.**

23 (a) Both principal of and interest on each Program Note shall be payable in lawful  
24 money of the United States of America, without exchange or collection charges to the  
25 Registered Owners.

26 (b) The principal of any Program Note is payable upon presentation and surrender  
27 thereof at the corporate office of the Paying Agent/Registrar. Interest on Program Notes  
28 shall be paid as described in Section 3.04 of this Ordinance.

29 (c) Except as may otherwise be provided in a Note Purchase Agreement, if the date  
30 for the payment of the principal of or interest on any Program Note is not a Business Day,  
31 then the date for such payment shall be the next succeeding Business Day, and payment on  
32 such shall have the same force and effect as if made on the original date any such payment  
33 on the Program Note was due.

34 (d) Unclaimed Payments shall be segregated in a special account and held in trust,  
35 uninvested by the Paying Agent/Registrar, for the account of the Registered Owners.  
36 Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the

1 Registered Owners entitled to those payments for three (3) years after the applicable  
2 payment or redemption date shall be applied to the next payment or payments on the  
3 Program Notes coming due and, to the extent any such money remains three (3) years after  
4 the retirement of all outstanding Program Notes, shall be paid to the City to be used for any  
5 lawful purpose, and none of the City, the Paying Agent/Registrar or any other person shall  
6 be liable or responsible to any Registered Owner for any further payment of such unclaimed  
7 moneys or on account of any such Notes, subject to Title 6, Texas Property Code.

8       Section 3.06 **MANNER OF EXECUTION AND AUTHENTICATION.** The  
9 Program Notes shall be executed on behalf of the City by the Mayor or Mayor Pro Tem  
10 under its seal impressed or reproduced by facsimile on the Program Notes and countersigned  
11 by the City Clerk. The signatures of the officers of the City on the Program Notes may be  
12 manual or facsimile. Program Notes bearing the manual or facsimile signatures of  
13 individuals who are or were the proper officers of the City shall be deemed to be executed  
14 on behalf of the City, notwithstanding that those individuals or either of them shall cease to  
15 hold the offices at the time of authentication of the Program Notes or at the time of delivery  
16 of the Program Notes to the Program Note Purchaser and with respect to Program Notes  
17 delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter  
18 1201, Texas Government Code.

19       Except as provided below, no Program Note shall be valid or obligatory for any  
20 purpose or be entitled to any security or benefit of this Ordinance unless and until there  
21 appears on the Program Note the Certificate of Paying Agent/Registrar substantially in the  
22 form provided in this Ordinance, duly authenticated by manual execution of the Paying  
23 Agent/Registrar.

24  
25       Section 3.07 **OWNERSHIP.** The City, the Paying Agent/Registrar and any other  
26 Person may treat the Person in whose name any Program Note is registered as the absolute  
27 owner of the Program Note for the purpose of making and receiving payment of the principal  
28 of and premium, if any, and the interest on, the Program Note and for all other purposes,  
29 whether the Program Note is overdue, and neither the City nor the Paying Agent/Registrar  
30 shall be bound by any notice or knowledge to the contrary. All payments made to the Person  
31 deemed to be the Owner of any Program Note in accordance with this section shall be valid  
32 and effectual and shall discharge the liability of the City and the Paying Agent/Registrar  
33 upon the Program Note to the extent of the sums paid.

34       Section 3.08 **REGISTRATION, TRANSFER AND EXCHANGE.**

35       (a) The Program Notes shall be issued in registered form, without coupons, in the  
36 name of the Registered Owner. The Program Notes shall be registered in the name of the  
37 Program Note Purchaser unless otherwise provided in the applicable Note Purchase  
38 Agreement.

1 (b) So long as any Program Note remains Outstanding, the Paying Agent/Registrar  
2 shall maintain the Register in which the Paying Agent/Registrar shall provide for the  
3 registration and transfer of the Program Notes in accordance with the terms of this Ordinance  
4 and the Note Purchase Agreements, subject to reasonable regulations prescribed by the  
5 Paying Agent/Registrar.

6 (c) Subject to the conditions contained in a Note Purchase Agreement, the  
7 ownership of the Program Notes may be transferred only upon the presentation and  
8 surrender of the Program Notes at the Designated Payment/Transfer Office of the Paying  
9 Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the  
10 Paying Agent/Registrar. No transfer of a Program Note shall be effective until entered in  
11 the Register.

12 (d) The Program Notes shall be exchangeable upon the presentation and surrender  
13 thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for the  
14 Program Notes. The Paying Agent/Registrar is hereby authorized to authenticate and deliver  
15 the Program Notes exchanged for other Program Notes in accordance with this Section.

16 (e) Each exchange Program Note delivered by the Paying Agent/Registrar in  
17 accordance with this Section shall constitute an original contractual obligation of the City  
18 and shall be entitled to the benefits and security of this Ordinance to the same extent as the  
19 Program Note or Program Notes in lieu of which such exchange Program Note is delivered.

20 (f) Except as otherwise provided in a Note Purchase Agreement, no service charge  
21 shall be made to the Registered Owners for the initial registration, subsequent transfer, or  
22 exchange for any different denomination of the Program Notes. The Paying  
23 Agent/Registrar, however, may require a Program Note Purchaser to pay a sum sufficient to  
24 cover any tax or other governmental charge that is authorized to be imposed in connection  
25 with the registration, transfer or exchange of the Program Notes.

26 **Section 3.09 CANCELLATION.** Any portion of the Program Notes paid or  
27 redeemed before scheduled maturity in accordance with this Ordinance, and the Program  
28 Notes in lieu of or exchange or replacement for which any Program Note is authenticated  
29 and delivered in accordance with this Ordinance, shall be cancelled upon the making of  
30 proper records regarding such payment, redemption, exchange or replacement. The Paying  
31 Agent/Registrar shall destroy all cancelled Program Notes and furnish the City with an  
32 appropriate certificate or other evidence of cancellation or destruction.

33 **Section 3.10 REPLACEMENT PROGRAM NOTES.**

34 (a) Upon the presentation and surrender to the Paying Agent/Registrar, at the  
35 Designated Payment/Transfer Office, of a mutilated Program Note, the Paying  
36 Agent/Registrar shall authenticate and deliver a replacement Program Note of like maturity,  
37 interest rate, tenor and principal amount, bearing a number not contemporaneously

1 outstanding. The City or the Paying Agent/Registrar may require the Registered Owner of  
2 the Program Note to pay a sum sufficient to cover any tax or other governmental charge that  
3 is authorized to be imposed and any other expenses, including the fees and expenses of the  
4 Paying Agent/Registrar, to effect this replacement.

5 (b) In the event that the Program Note is lost, apparently destroyed or wrongfully  
6 taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and  
7 in the absence of notice or knowledge that the Program Note has been acquired by a bona  
8 fide purchaser, shall authenticate and deliver a replacement Program Note of like maturity,  
9 interest rate, tenor and principal amount, bearing a number not contemporaneously  
10 outstanding, provided that the Registered Owner:

11 (i) furnishes to the City and the Paying Agent/Registrar satisfactory  
12 evidence of his or her ownership of and the circumstances of the loss, destruction or  
13 theft of the Program Note;

14 (ii) furnishes such security or indemnity as may be required by the Paying  
15 Agent/Registrar and the city to save them harmless;

16 (iii) pays all expenses and charges, including, but not limited to, printing  
17 costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental  
18 charge that is authorized to be imposed, as a result of the loss, destruction or wrongful  
19 taking of the Program Note; and

20 (iv) satisfies any other reasonable requirements imposed by the City and the  
21 Paying Agent/Registrar.

22 (c) If, after the delivery of a replacement Program Note, a bona fide purchaser of  
23 the original Program Note in lieu of which such replacement Program Note was issued  
24 presents for payment the original Program Note, the City and the Paying Agent/Registrar  
25 shall be entitled to recover the replacement Program Note from the Person to whom it was  
26 delivered or any Person taking from the Person, except a bona fide purchaser, and shall be  
27 entitled to recover upon the security or indemnity provided to the extent of any loss, damage,  
28 cost or expense incurred by the City or the Paying Agent/Registrar.

29 (d) In the event that any such mutilated, lost, apparently destroyed or wrongfully  
30 taken Program Note has become or is about to become due and payable, the City, in its  
31 discretion may, instead of issuing a replacement Program Note, authorize the Paying  
32 Agent/Registrar to pay that Program Note.

33 (e) Each replacement Program Note delivered in accordance with this Section shall  
34 constitute an original contractual obligation of the City and shall be entitled to the benefits  
35 and security of this Ordinance to the same extent as the Program Note or Program Note in  
36 lieu of which the replacement Program Note is delivered.

1           Section 3.11   **REDEMPTION OF PROGRAM NOTES.**

2           (a)   Program Notes issued under this Ordinance shall be subject to redemption, at  
3 the direction of the Authorized Officer, in whole or from time to time in part, in the manner  
4 provided in the applicable Note Purchase Agreement. A Note Purchase Agreement may  
5 establish restrictions on the amount and frequency of optional redemptions and provide that  
6 the redemption of Program Notes may be subject to a prepayment premium or breakage fees  
7 as specified in the applicable Note Purchase Agreement.

8           (b)   Program Notes are redeemable as and when permitted by and upon the  
9 provision of notice in accordance with the terms of the applicable Note Purchase Agreement.  
10 A copy of any notice of redemption provided by the City pursuant to a Note Purchase  
11 Agreement shall be provided to the Paying Agent/Registrar. The notice shall contain the  
12 information required in a Note Purchase Agreement and identify the Program Notes or  
13 portions thereof to be redeemed.

14           (c)   Unless otherwise provided in a Note Purchase Agreement, the City reserves the  
15 right to give notice of its election or direction to redeem the Program Notes under this  
16 Section 3.11 conditioned upon the occurrence of subsequent events. The notice may state  
17 (i) that the redemption is conditioned upon the deposit of moneys and/or authorized  
18 securities, in an amount equal to the amount necessary to effect the redemption, with the  
19 Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the  
20 redemption date or (ii) that the City retains the right to rescind the notice at any time prior  
21 to the scheduled redemption date if the City rescinds the redemption notice, and the notice  
22 and redemption shall be of no effect if moneys and/or authorized securities are not so  
23 deposited or if the notice is rescinded. If the Program Notes (or a portion thereof) is subject  
24 to conditional redemption and redemption has been rescinded, the Program Notes (or the  
25 corresponding portion of the Program Note) shall remain Outstanding.

26           (d)   By the date fixed for any redemption of Program Notes under this Section 3.11,  
27 due provision shall be made by the City with the Paying Agent/Registrar (or an authorized  
28 escrow agent) for the payment of the required redemption price for the Program Notes or  
29 the portions which are to be so redeemed, plus accrued interest on the Program Notes to the  
30 date fixed for redemption. If written notice of redemption is given, and if due provision for  
31 payment is made, all as provided above, the Program Notes, or the portions which are to be  
32 so redeemed, automatically shall be redeemed prior to their scheduled maturities, shall not  
33 bear interest after the date fixed for their redemption, and shall not be regarded as being  
34 Outstanding except for the right of the Registered Owner to receive the redemption price  
35 plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar (or  
36 an authorized escrow agent) out of the funds provided for payment.

37           (e)   The Paying Agent/Registrar shall record in the Register all redemptions of  
38 principal of the Program Notes or any portion thereof. If a portion of any Program Notes  
39 shall be redeemed, a substitute Program Note or Program Notes having the same Stated

1 Maturity, bearing interest at the same interest rate (or calculated in the same manner, as  
2 applicable), in any Authorized Denomination, at the written request of the Registered Owner  
3 and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued  
4 to the Registered Owner upon the surrender of the Program Note for cancellation, at the  
5 expense of the City, all as provided in this Ordinance.

6 (f) If the City shall fail to make provision for payment of all sums due on a  
7 redemption date, then the Program Notes or portion of the Program Notes shall continue to  
8 bear interest at the rate stated on the Program Notes until due provision is made for the  
9 payment of same.

#### 10 ***ARTICLE FOUR***

#### 11 ***FORM OF PROGRAM NOTE AND FORM OF REGISTRATION*** 12 ***CERTIFICATE OF COMPTROLLER***

#### 13 **Section 4.01 FORM GENERALLY.**

14 (a) The Program Notes, including the Certificate of the Paying Agent/Registrar and  
15 the Assignment form to appear on each Program Note, and the form of the Registration  
16 Certificate of the Comptroller for the Note Purchase Program to be obtained prior to the  
17 initial issuance of Program Notes, shall be substantially in the form set forth in Exhibit A  
18 to this Ordinance, with appropriate insertions, omissions, substitutions, and other variations as  
19 are permitted or required by this Ordinance and the applicable Note Purchase Agreement,  
20 and may have such letters, numbers, or other marks of identification and legends and  
21 endorsements may be determined by the City or by the officers executing the Program Notes,  
22 as evidenced by their execution of the Program Notes.

23 (b) The Program Notes, shall be typed, printed, lithographed, photocopied or  
24 engraved, and may be produced by any combination of these methods or produced in any  
25 other similar manner, all as determined by the officers executing the Program Notes, as  
26 evidenced by their execution thereof.

#### 27 ***ARTICLE FIVE***

#### 28 ***FORM OF NOTE PURCHASE AGREEMENT***

29 **Section 5.01 FORM NOTE PURCHASE AGREEMENT; APPROVAL OF**  
30 **INITIAL NOTE PURCHASE AGREEMENT.** The Initial Note Purchase Agreement,  
31 substantially in the form attached as Exhibit B to this Ordinance, is approved, with any  
32 changes as may be approved by an Authorized Officer. The Authorized Officer is authorized  
33 and directed to negotiate, execute and deliver the Initial Note Purchase Agreement on the  
34 City's behalf and to select the Program Note Purchaser under the Initial Note Purchase  
35 Agreement. The Initial Note Purchase Agreement is a "credit agreement" as defined and  
36  
37

1 described in Chapter 1371. For the avoidance of doubt, neither the Initial Note Purchase  
2 Agreement nor any other Note Purchase Agreement shall constitute a Credit Agreement (as  
3 defined in this Ordinance and the Revenue Bond Ordinances).

4 Section 5.02 **AUTHORITY TO EXECUTE SUBSEQUENT NOTE**  
5 **PURCHASE AGREEMENTS.** The Authorized Officer is authorized to enter into any  
6 Note Purchase Agreement with any Program Note Purchaser that is in addition to,  
7 supplemental to, or in replacement of the Initial Note Purchase Agreement, which additional,  
8 replacement or supplemental Note Purchase Agreement shall have the terms and provisions  
9 consistent with this Ordinance and the form of Initial Note Purchase Agreement, with such  
10 changes as the Authorized Officer may deem appropriate.

## 11 ***ARTICLE SIX***

### 12 ***SECURITY AND SOURCE OF PAYMENT FOR PROGRAM NOTES***

#### 13 **Section 6.01 PLEDGE AND SOURCE OF PAYMENT.**

14 (a) The Program Notes and the Note Program Costs are declared to be Subordinate  
15 Obligations under the Revenue Bond Ordinances.

16 (b) The City covenants and agrees that Gross Revenues shall be deposited, paid  
17 and applied in the manner set forth in the Revenue Bond Ordinances, in order to provide for  
18 the payment when due of all amounts payable from Gross Revenues, including but not  
19 limited to, the payment of Operation and Maintenance Expenses of the Airport System and  
20 to provide for the payment of Revenue Bonds, Credit Agreement Obligations,  
21 Administrative Expenses and Subordinate Obligations. The Program Notes and the Note  
22 Program Costs shall constitute special obligations of the City that shall be payable from and  
23 secured solely by the funds pledged to their payment pursuant to Section 6.01(c). Net  
24 Revenues shall, in the manner provided in the Revenue Bond Ordinances and this  
25 Ordinance, be set aside in the Program Note Payment Fund for the payment of the Program  
26 Notes and the Note Program Costs.

27 (c) To provide security for the payment of the principal of, premium, if any, and  
28 interest on the Program Notes and the Note Program Costs as the same shall become due  
29 and payable, there is pledged by the City, subject to the provisions of the Revenue Bond  
30 Ordinances and this Ordinance permitting the application for the purposes and on the terms  
31 and conditions set forth in the Revenue Bond Ordinances and this Ordinance, (i) the  
32 proceeds from (A) the sale or exchange of other Program Notes issued for the purpose of  
33 refunding, refinancing, renewing, replacing, or redeeming Program Notes and (B) the sale  
34 of one or more series of Additional Revenue Bonds, Subordinate Obligations or other  
35 obligations issued by the City for the purpose of refunding, refinancing or redeeming  
36 Program Notes, (ii) the amounts held in the Program Note Payment Fund, and (iii) ratably  
37 with the other Subordinate Obligations outstanding from time to time, a lien on the Net  
38

1 Revenues that is junior and subordinate to the liens on Net Revenues securing payment of  
2 the Revenue Bonds and Administrative Expenses, and the City finds and declares that the  
3 principal of, premium, if any, and interest on the Program Notes and the Note Program Costs  
4 shall be, and are, equally and ratably secured by and payable from a lien on and pledge of  
5 the sources identified in clauses (i), (ii) and (iii) of this sentence subject and subordinate  
6 only to the exceptions noted in such clauses.

7 (d) The Owners of Program Notes shall never have the right to demand payment  
8 of either the principal of or interest on the Program Notes out of any funds raised or to be  
9 raised by taxation.

10 (e) Chapter 1208 applies to the authorization and issuance of the Program Notes  
11 and to the pledge of and lien on the Net Revenues granted by the City under this Ordinance,  
12 and the pledge of and lien on the Net Revenues are valid and effective in accordance with  
13 the terms of this Ordinance and are perfected from the date of adoption of this Ordinance  
14 without the filing of any document or other act. To the extent Texas law is amended at any  
15 time while the Program Notes are Outstanding and unpaid such that the pledge of and lien  
16 on the Net Revenues granted by the City under this Ordinance are to be subject to the filing  
17 requirements of Chapter 9, the City agrees to take all actions and make, or cause to be made,  
18 all filings as it determines are reasonable and necessary under Texas law to comply with the  
19 applicable provisions of Chapter 9.

20 Section 6.02 **RATE COVENANT.** So long as any Program Note remains  
21 Outstanding, the City covenants that it will at all times fix, charge, impose and collect  
22 rentals, rates, fees and other charges for the use of the Airport System, and, to the extent it  
23 legally may do so, revise the same as may be necessary or appropriate, in order to comply  
24 with Section 5.03 of the Revenue Bond Ordinances.

25 Section 6.03 **CONFIRMATION OF SPECIAL FUNDS.** The following special  
26 funds and accounts, which have been previously established in the Revenue Bond  
27 Ordinances, are confirmed and shall be maintained and accounted for, and the funds on  
28 deposit in or credited to said funds and accounts shall be applied, in accordance with the  
29 terms of the Revenue Bond Ordinances so long as any Program Note remains Outstanding:  
30 the Revenue Fund, the Operation and Maintenance Reserve Fund, the Debt Service Fund,  
31 the Debt Service Reserve Fund, the Administrative Expense Fund, the Renewal and  
32 Replacement Fund, the Capital Fund (including the Capital Improvement Account) and the  
33 Construction Fund (including the Capitalized Interest Account and any project account  
34 established within said fund). The funds and accounts may include additional accounts and  
35 subaccounts as may from time to time be designated by the City as permitted by the Revenue  
36 Bond Ordinances.

37 Section 6.04 **FLOW OF FUNDS.** Gross Revenues shall be deposited as received  
38 by the City into the Revenue Fund. In addition, the City may deposit into the Revenue Fund  
39 any Federal Payments not restricted for capital purposes, provided that, so long as the

1 Federal Payments are excluded from the definition of Gross Revenues, the Federal Payments  
2 shall be applied solely to the payment of Operation and Maintenance Expenses or capital  
3 expenditures and never constitute Net Revenues. Other Available Funds may also be  
4 deposited into the Revenue Fund. Moneys from time to time credited to the Revenue Fund  
5 shall be applied as follows in the following order of priority:

6 (a) First, to provide for all payments of Operation and Maintenance Expenses  
7 required by the Revenue Bond Ordinances.

8 (b) Second, to transfer all amounts to the Debt Service Fund required by the  
9 Revenue Bond Ordinances necessary to pay Debt Service on the Revenue Bonds and any  
10 related Credit Agreement Obligations.

11 (c) Third, to transfer all amounts to the Administrative Expense Fund required to  
12 pay Administrative Expenses to the Persons entitled to payment when due.

13 (d) Fourth, to transfer all amounts to the Debt Service Reserve Fund required by  
14 the Revenue Bond Ordinances.

15 (e) Fifth, to transfer all amounts necessary to provide for the payment of  
16 Subordinate Obligations, or to provide reserves for payment, as may be required by this  
17 Ordinance and any other ordinance authorizing Subordinate Obligations and related credit  
18 agreement obligations.

19 (f) Sixth, to transfer all amounts necessary to provide for the payment of principal  
20 of and interest on General Obligation Airport Bonds.

21 (g) Seventh, to transfer all amounts to the Operation and Maintenance Reserve  
22 Fund required by the Revenue Bond Ordinances.

23 (h) Eighth, to transfer all amounts to the Renewal and Replacement Fund required  
24 by the Revenue Bond Ordinances.

25 (i) Ninth, the balance shall be transferred to the Capital Fund.

26 Section 6.05 **PROGRAM NOTE PAYMENT FUND.**

27 (a) Pursuant to Sections 5.04 and 5.08 of the Revenue Bond Ordinances, the City  
28 establishes the "Airport System Subordinate Lien Program Note Payment Fund" (the  
29 "Program Note Payment Fund") in order to provide for the payment of debt service on  
30 Program Notes and the payment of Note Program Costs. The Program Note Payment Fund  
31 shall be maintained as a separate fund on the books of the City and shall be maintained at  
32 an official depository bank of the City or in a trustee bank designated by the City (which  
33 may be the Paying Agent/Registrar) separate and apart from all other funds and accounts of  
34 the City. Amounts credited to the Program Note Payment Fund shall constitute trust funds

1 which shall be held in trust for the Owners of the Program Notes and the Persons entitled to  
2 payment of the Note Program Costs.

3 (b) On or before the last Business Day of each month, so long as any Program Note  
4 remains Outstanding or Note Program Costs remain unpaid, after making all required  
5 transfers to the Debt Service Fund, the Debt Service Reserve Fund and the Administrative  
6 Expense Fund, the City shall transfer from the Revenue Fund into the Program Note  
7 Payment Fund the amount necessary to cause the balance in the Program Note Payment  
8 Fund to equal the principal of and interest on all Outstanding Program Notes and the amount  
9 of Note Program Costs due and payable through the end of the current month.

10 (c) Moneys credited to the Program Note Payment Fund shall be used solely for  
11 the purpose of paying the principal of and interest on the Program Notes and the Note  
12 Program Costs.

13 (d) Pending the expenditure of money in the Program Note Payment Fund for  
14 authorized purposes, money deposited in said fund may be invested as provided in Section  
15 5.17 of the Revenue Bond Ordinances. Any income received from investments in the  
16 Program Note Payment Fund shall be retained in the Program Note Payment Fund. So long  
17 as any Program Note remains Outstanding, all uninvested moneys on deposit in, or credited  
18 to, the Program Note Payment Fund shall be secured by the pledge of security, as provided  
19 by Texas law. Amounts remaining in the Program Note Payment Fund not necessary for the  
20 purposes specified in Section 6.05(c) may be transferred to the Revenue Fund upon request  
21 of the Authorized Officer.

22 (e) The Program Notes are Subordinate Obligations. Notwithstanding any other  
23 provision of this Ordinance to the contrary, to the extent the City intends that a Program  
24 Note shall be refunded, renewed, replaced or refinanced with a subsequent issuance of  
25 Program Notes that are required to be purchased under a Note Purchase Agreement or with  
26 a subsequent issuance of Additional Revenue Bonds, Additional Subordinate Obligations or  
27 other obligations of the City, it shall not be necessary to make any deposits into the Program  
28 Note Payment Fund for the payment of the principal of such Program Note unless otherwise  
29 provided in any instructions issued by the Authorized Officer in connection with the  
30 refunding, renewing, replacing or refinancing.

31 (f) The City may from time to time establish additional accounts or subaccounts  
32 within the Program Note Payment Fund, including specifically rebate accounts or  
33 subaccounts for accumulating rebatable arbitrage payable to the federal government and  
34 other accounts in order to facilitate the entry into additional Note Purchase Agreements.

35 **Section 6.06 PROGRAM NOTE PROJECT FUND.**

36 (a) Pursuant to Section 5.04 of the Revenue Bond Ordinances, the City establishes  
37 the "Airport System Subordinate Lien Program Note Project Fund" (the "Program Note

1 Project Fund”) in order to provide for the efficient administration of the proceeds of Program  
2 Notes. The Program Note Project Fund shall be maintained as a separate fund on the books  
3 of the City and shall be maintained at an official depository bank of the City. Money  
4 deposited in the Program Note Project Fund shall remain in said fund until expended from  
5 time to time for the purposes specified in Section 3.01 of this Ordinance.

6 (b) Pending the expenditure of money in the Program Note Project Fund for  
7 authorized purposes, money deposited in said fund may be invested as provided in Section  
8 5.17 of the Revenue Bond Ordinances. Any income received from investments in the  
9 Program Note Project Fund shall be retained in the Program Note Project Fund. So long as  
10 any Program Note remains Outstanding, all uninvested moneys on deposit in, or credited to,  
11 the Program Note Project Fund shall be secured by the pledge of security, as provided by  
12 Texas law. Amounts remaining in the Program Note Project Fund determined by the  
13 Authorized Officer not to be necessary for the purposes specified in Section 3.01 of this  
14 Ordinance shall be transferred to the Program Note Payment Fund.

15 (c) In the event the City issues both Tax-Exempt Program Notes and Taxable  
16 Program Notes, the City shall establish additional accounts within the Program Note Project  
17 Fund to segregate the proceeds of Tax-Exempt Program Notes and Taxable Program Notes.  
18 Further, the City may from time to time establish additional accounts or subaccounts within  
19 the Program Note Project Fund as determined to be necessary by the City, including  
20 specifically to facilitate the entry into additional Note Purchase Agreements.

21 Section 6.07 **DEFICIENCIES IN FUNDS OR ACCOUNTS.** If in any month the  
22 City does not transfer into any fund or account maintained pursuant to Sections 5.06 through  
23 5.12 of the Revenue Bond Ordinances, including the Program Note Payment Fund  
24 maintained pursuant to Section 6.05 of this Ordinance, inclusive, the full amounts required  
25 by the Revenue Bond Ordinances and this Ordinance, the City shall set apart amounts  
26 equivalent to the deficiency and shall transfer those amounts to the deficient fund or account,  
27 subject to the priority set forth in Section 5.05 of the Revenue Bond Ordinances, from the  
28 first available and unallocated moneys in the Revenue Fund, and this transfer shall be in  
29 addition to the amounts otherwise required to be transferred to the fund or account during  
30 any succeeding month or months.

31 ***ARTICLE SEVEN***

32 ***ADDITIONAL OBLIGATIONS***

33  
34 Section 7.01 **ADDITIONAL REVENUE BONDS, COMPLETION BONDS,**  
35 **SPECIAL FACILITIES BONDS AND CREDIT AGREEMENTS FOR REVENUE**  
36 **BONDS.** The City reserves the right to issue Additional Revenue Bonds, Completion Bonds  
37 and Special Facilities Bonds, and to enter into Credit Agreements with respect to Revenue  
38 Bonds, on the terms set forth in the Revenue Bond Ordinances.

1 Section 7.02 **ADDITIONAL SUBORDINATE OBLIGATIONS.** Except as may  
2 otherwise be provided in a Note Purchase Agreement, the City reserves the right to issue or  
3 incur, for any lawful Airport System purpose, Additional Subordinate Obligations and credit  
4 agreement obligations related to any Subordinate Obligation, on the terms set forth in the  
5 Revenue Bond Ordinances, except as may otherwise be provided in a Note Purchase  
6 Agreement. The Additional Subordinate Obligations may be further secured by any other  
7 source of payment lawfully available.

## 8 ***ARTICLE EIGHT***

### 9 ***COVENANTS OF THE CITY***

10  
11 Section 8.01 **PUNCTUAL PAYMENT OF PROGRAM NOTES.** The City  
12 covenants that it will punctually pay, or cause to be paid, the interest on and principal of the  
13 Program Notes and the Note Program Costs according to the terms of the Program Notes,  
14 the Note Purchase Agreements, this Ordinance and the related agreements, and will  
15 faithfully do and perform, and at all times fully observe, any and all covenants, undertakings,  
16 stipulations and provisions contained in this Ordinance and the Note Purchase Agreements.

17 Section 8.02 **MAINTENANCE OF AIRPORT SYSTEM.** Except as provided in  
18 Section 8.04, the City covenants that it will at all times maintain and operate the Airport  
19 System, or within the limits of its authority cause the Airport System to be maintained and  
20 operated, in good and serviceable condition.

21 Section 8.03 **LIMITATION ON CITY CHARGES FOR OPERATION AND**  
22 **MAINTENANCE EXPENSES.** The City covenants that it will not charge the Airport  
23 System any amounts for overhead expenses relating to the administration, operation, and  
24 maintenance of the Airport System except to the extent that the amounts charged are  
25 reasonably allocable to the Airport System based upon a stated policy of allocation,  
26 reasonably applied to the Airport System. All charges imposed by the City upon the Airport  
27 System shall be consistent with all applicable federal laws, regulations, and other  
28 requirements applicable to the Airport System or imposed upon the Airport System in  
29 connection with the acceptance by the Airport System of any federal grants or aid.

30 Section 8.04 **SALE OR ENCUMBRANCE OF AIRPORT SYSTEM.** Except for  
31 the use of the Airport System or services pertaining to the Airport System in the normal  
32 course of business, the City covenants that neither all nor a substantial part of the Airport  
33 System will be sold, leased, mortgaged, pledged, encumbered, alienated, or otherwise  
34 disposed of until all Revenue Bonds, Credit Agreement Obligations, Administrative  
35 Expenses, Program Notes and Note Program Costs have been paid in full, or unless provision  
36 for payment has been made, and the City shall not dispose of its title to the Airport System  
37 or to any useful part of the Airport System, including, without limitation, any property  
38 necessary to the operation and use of the Airport System, except for the execution of leases,  
39 licenses, easements, or other agreements in connection with the operation of the Airport

1 System by the City, or in connection with any Special Facilities, except for any pledges of  
2 and liens on revenues derived from the operation and use of all or any part of the Airport  
3 System, or any Special Facilities, for the payment of Revenue Bonds, Credit Agreement  
4 Obligations, Administrative Expenses, Special Facilities Bonds, Subordinate Obligations  
5 and any other obligations pertaining to the Airport System, and except as otherwise provided  
6 in the next two paragraphs.

7 The City may sell, exchange, lease, or otherwise dispose of, or exclude from the  
8 Airport System, any property constituting a part of the Airport System which the Aviation  
9 Director certifies: (i) to be no longer useful in the construction or operation of the Airport  
10 System; (ii) to be no longer necessary for the efficient operation of the Airport System; or  
11 (iii) to have been replaced by other property of at least equal value. The net proceeds of the  
12 sale or disposition of any Airport System property (or the fair market value of any property  
13 so excluded) pursuant to this paragraph shall be used for the purpose of replacing properties  
14 at the Airport System, shall be paid into the Capital Fund - Capital Improvement Account  
15 or shall be applied to retire or pay principal of or interest on Revenue Bonds.

16 Nothing in this Ordinance prevents any transfer of all or a substantial part of the  
17 Airport System to another body corporate and politic (including, but not necessarily limited  
18 to, a joint action agency or an airport authority) which assumes the City's obligations under  
19 the Revenue Bond Ordinances and this Ordinance, in whole or in part, if: (i) in the written  
20 opinion of the Airport Consultant, the ability to meet the rate covenant and other covenants  
21 under the Revenue Bond Ordinances and this Ordinance, are not materially and adversely  
22 affected; and (ii) in the written opinion of nationally recognized bond counsel, the transfer  
23 and assumption will not cause the interest on any Revenue Bonds or Subordinate Obligations  
24 that were issued as "tax-exempt bonds" within the meaning of the regulations promulgated  
25 under the Code to be includable in gross income of the owners of said Revenue Bonds or  
26 Subordinate Obligations for federal income tax purposes. Following the transfer and  
27 assumption, all references to the City, City officials, City ordinances, City budgetary  
28 procedures and any other officials, actions, powers or characteristics of the City will be  
29 references to the transferee entity and comparable officials, actions, powers or  
30 characteristics of the entity. In the event of any transfer and assumption, nothing in this  
31 Ordinance shall prevent the retention by the City of any facility of the Airport System if, in  
32 the written opinion of the Airport Consultant, the retention will not materially and adversely  
33 affect nor unreasonably restrict the transferee entity's ability to comply with the  
34 requirements of the rate covenant and the other covenants of the Revenue Bond Ordinances  
35 and this Ordinance.

36 Section 8.05 **INSURANCE.** The City covenants and agrees that it will keep the  
37 Airport System insured with insurers of good standing against risks, accidents or casualties  
38 against which and to the extent customarily insured against by political subdivisions of the  
39 State of Texas operating similar properties, to the extent that the insurance is available;  
40 provided, however, that if any insurance is not commercially available or not available on

1 more favorable economic terms, the City may elect to be self-insured in whole or in part  
2 against the risk or loss that would otherwise be covered by insurance, in which case the City  
3 will establish reserves for the risk or loss in amounts the City determines to be appropriate.  
4 All net proceeds of property or casualty insurance shall be applied to repair or replace the  
5 insured property that is damaged or destroyed or to make other capital improvements to the  
6 Airport System or to redeem Revenue Bonds. Proceeds of business interruption insurance  
7 may be credited to the Revenue Fund.

8       Section 8.06 **ACCOUNTS, RECORDS, AND AUDITS.** The City covenants and  
9 agrees that it will maintain a proper and complete system of records and accounts pertaining  
10 to the Gross Revenues and the operation of the Airport System in which full, true and proper  
11 entries will be made of all dealings, transactions, business and affairs which in any way  
12 affect or pertain to the Gross Revenues and the Airport System. After the close of each  
13 Fiscal Year, the City shall cause an audit report of the records and accounts described in the  
14 preceding sentence to be prepared by an independent certified public accountant or  
15 independent firm of certified public accountants, which may be part of an overall audit report  
16 of the City and/or other of its enterprise funds. All expenses of obtaining these reports shall  
17 constitute Operation and Maintenance Expenses of the Airport System.

18       Section 8.07 **PLEDGE AND ENCUMBRANCE OF REVENUES.** The City  
19 covenants and represents that it has the lawful power to create a lien on and to pledge the  
20 Net Revenues to secure the payment of the Revenue Bonds, the Credit Agreement  
21 Obligations, Administrative Expenses and Subordinate Obligations, and has lawfully  
22 exercised this power under the Constitution and laws of the State of Texas, including  
23 specifically the Act.

24       Section 8.08 **BONDHOLDERS REMEDIES.** This Ordinance is a contract  
25 between the City and the Owners of the Program Notes and the Persons entitled to the  
26 payment of Note Program Costs from time to time outstanding and this Ordinance shall be  
27 and remain irrevocable until the Program Notes and Note Program Costs shall be fully paid  
28 or discharged or provision for their payment shall have been made as provided in this  
29 Ordinance. In the event of a default in the payment of the interest on or principal of the  
30 Program Notes or the payment of Note Program Costs or a default in the performance of any  
31 duty or covenant provided by law or in this Ordinance, the Owner or Owners of any of the  
32 Program Notes and the Persons to whom Note Program Costs are owed may pursue all legal  
33 remedies afforded by the Constitution and laws of the State of Texas to compel the City to  
34 remedy such default and to prevent further default or defaults. Without in any way limiting  
35 the generality of the foregoing, it is expressly provided that any Owner of any of the Program  
36 Notes or Person to whom Note Program Costs are owed, may at law or in equity, by suit,  
37 action, mandamus, or other proceedings, enforce and compel performance of all duties  
38 required to be performed by the City under this Ordinance, including the making of  
39 reasonably required rates and charges for the use and services of the Airport System, the

1 deposit of the Gross Revenues into the special funds provided in this Ordinance, and the  
2 application of such Gross Revenues in the manner required in this Ordinance.

3 Notwithstanding the provisions of the foregoing paragraph, acceleration as a remedy  
4 is expressly denied.

5 Section 8.09 **DISCHARGE BY DEPOSIT.** The City may discharge its obligation  
6 to the Owners of any or all of the Program Notes to pay all or any portion of the principal of  
7 and interest on the Program Notes, by depositing with the Paying Agent/Registrar cash in  
8 an amount equal to the principal of and interest on the Program Notes to the date of maturity  
9 or redemption, or any portion of the Program Notes to be discharged, or by depositing either  
10 with the Paying Agent/Registrar or with any other eligible bank or trust company then  
11 authorized by State law, pursuant to an escrow or trust agreement, cash and/or Defeasance  
12 Obligations in principal amounts and maturities and bearing interest at rates sufficient to  
13 provide for the timely payment of principal of and interest on the Program Notes to the date  
14 of maturity or redemption or any portion thereof to be discharged. Upon such deposit, the  
15 Program Notes, or any portion thereof, shall no longer be regarded to be Outstanding or  
16 unpaid. In case any Program Notes are to be redeemed on any date prior to their maturity,  
17 the City shall give to the Paying Agent/Registrar instructions to give notice of redemption  
18 of Program Notes to be so redeemed in the manner required in this Ordinance. Any  
19 determination not to redeem Program Notes that is made in conjunction with the payment  
20 arrangements described above shall not be irrevocable, provided that: (1) in the proceedings  
21 providing for the payment arrangements, the City expressly reserves the right to call the  
22 Program Notes for redemption; (2) the City gives notice of the reservation of that right to  
23 the owners of the Program Notes immediately following the making of the payment  
24 arrangements; and (3) the City directs that notice of the reservation be included in any  
25 redemption notices that it authorizes.

26 Section 8.10 **LEGAL HOLIDAYS.** If any date on which a payment of principal of  
27 or interest on the Program Notes is due is not a Business Day, then such payment need not  
28 be made on such date but may be made on the next succeeding Business Day with the same  
29 force and effect as if made on the date of scheduled payment of such amounts, except as  
30 may otherwise be provided in a Note Purchase Agreement. Any other action required to be  
31 taken by this Ordinance on a date which is not a Business Day shall be taken on the next  
32 succeeding Business Day and have the same effect as if taken on the date so required.

## 33 ***ARTICLE NINE***

### 34 ***PAYING AGENT/REGISTRAR***

35  
36 Section 9.01 **APPOINTMENT OF INITIAL PAYING AGENT/REGISTRAR.**  
37 U.S. Bank Trust Company, National Association, is appointed to serve as the initial Paying  
38 Agent/Registrar for the Program Notes issued under the Initial Note Purchase Agreement.

1           Section 9.02 **QUALIFICATIONS.** Each Paying Agent/Registrar shall be a  
2 commercial bank or a trust company organized under the laws of the State of Texas or the  
3 United States of America, or any other entity duly qualified and legally authorized to serve  
4 as and perform the duties and services of paying agent and registrar for the Program Notes.

5           Section 9.03 **MAINTAINING PAYING AGENT/REGISTRAR.** At all times  
6 while any Program Note is Outstanding, the City will maintain a Paying Agent/Registrar  
7 that is qualified under Section 9.02. An Authorized Officer is authorized and directed to  
8 execute an agreement with the Paying Agent/Registrar specifying the duties and  
9 responsibilities of the City and the Paying Agent/Registrar in substantially the form of  
10 paying agent agreements previously executed in connection with the issuance of public  
11 securities by the City, with any changes as may be approved by an Authorized Officer. If  
12 the Paying Agent/Registrar resigns or otherwise ceases to serve in this capacity, the City  
13 will promptly appoint a replacement.

14           Section 9.04 **TERMINATION.** The City may terminate the appointment of any  
15 Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated  
16 written notice, at least 15 days before termination, of such termination; provided, that no  
17 termination shall be effective until a successor Paying Agent/Registrar has been appointed  
18 and has accepted the duties of Paying Agent/Registrar for the Program Notes.

19           Section 9.05 **NOTICE OF CHANGE TO OWNERS.** Promptly upon each change  
20 in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to  
21 be sent to each Owner by first class United States mail, postage prepaid, at the address in  
22 the Register, stating the effective date of the change and the name and mailing address of  
23 the replacement Paying Agent/Registrar.

24           Section 9.06 **AGREEMENT TO PERFORM DUTIES AND FUNCTIONS.** By  
25 accepting the appointment as Paying Agent/Registrar and executing the Paying  
26 Agent/Registrar Agreement, the Paying Agent/Registrar is deemed to have agreed to the  
27 provisions of this Ordinance and that it will perform the prescribed duties and functions of  
28 Paying Agent/Registrar.

29           Section 9.07 **DELIVERY OF RECORDS TO SUCCESSOR.** If a Paying  
30 Agent/Registrar is replaced, the Paying Agent/Registrar, promptly upon the appointment of  
31 the successor, will deliver the Register (or a copy) and all other pertinent books and records  
32 relating to the Program Notes to the successor Paying Agent/Registrar.

33           Section 9.08 **TRUST FUNDS.** All money transferred to the Paying Agent/Registrar  
34 under this Ordinance (except sums representing Paying Agent/Registrar's fees) shall be held  
35 in trust for the benefit of the City, shall be the property of the City, and shall be disbursed in  
36 accordance with this Ordinance.

1 Section 9.09 **PROGRAM NOTES PRESENTED.** Subject to the provisions of  
2 Section 3.05(d), all matured or redeemed Program Notes presented to the Paying  
3 Agent/Registrar for payment shall be paid without the necessity of further instructions from  
4 the City. The Program Notes shall be cancelled as provided in this Ordinance.

5  
6 **ARTICLE TEN**

7  
8 **ALTERATION OF RIGHTS AND AMENDMENT OF ORDINANCE**

9 Section 10.01 **ALTERATION OF RIGHTS AND DUTIES.** The rights, duties,  
10 and obligations of the City, the Owners of the Program Notes, the Program Note Purchasers  
11 and the Persons to whom Note Program Costs are owed, are subject in all respects to all  
12 applicable federal and state laws including, without limitation, the provisions of federal law  
13 regarding the composition of indebtedness of political subdivisions, as the same now exist  
14 or as may be amended in the future.

15 Section 10.02 **AMENDMENT OF ORDINANCE WITHOUT CONSENT.** The  
16 City may, without the consent of or notice to any of the Owners of the Program Notes, amend  
17 this Ordinance for any one or more of the following purposes:

18 (a) to cure any ambiguity, defect, omission or inconsistent provision in Ordinance  
19 or in the Program Notes; or to comply with any applicable provision of law or regulation of  
20 federal agencies; or to obtain or maintain a rating on the Program Notes from any securities  
21 rating agency; provided, however, that such action shall not adversely affect the interests of  
22 the Owners of the Program Notes;

23 (b) to obtain the approving opinion of the Attorney General of the State of Texas  
24 as required by law;

25 (c) to change the terms or provisions of this Ordinance to the extent necessary to  
26 prevent the interest on the Tax-Exempt Program Notes from being includable within the  
27 gross income of the Owners for federal income tax purposes;

28 (d) to grant to or confer upon the Owners of the Program Notes any additional  
29 rights, remedies, powers or authority that may lawfully be granted to or conferred upon the  
30 Owners of Program Notes;

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

35 (f) to amend any provisions of this Ordinance relating to the issuance of Revenue  
36 Bonds or Subordinate Obligations, or the incurrence of and security for reimbursement

1 obligations in connection with the issuance of Revenue Bonds or Subordinate Obligations,  
2 so long as to do so does not cause any reduction in any rating assigned to the Outstanding  
3 Program Notes by any nationally recognized rating agency then rating any Program Notes;

4 (g) to subject to the lien and pledge of this Ordinance additional revenues, which  
5 may include properties or other collateral;

6 (h) to extend the Maximum Maturity Date or to increase the aggregate principal  
7 amount of Program Notes that may be Outstanding at any one time under this Ordinance;

8 (i) to comply with applicable federal or state securities laws; and

9 (j) to make any other revisions to this Ordinance that shall only become effective  
10 when no Program Notes are then Outstanding.

11 **Section 10.03 AMENDMENTS OF ORDINANCE REQUIRING CONSENT.**

12 The City may at any time adopt one or more ordinances amending, modifying, adding to or  
13 eliminating any of the provisions of this Ordinance but, if the amendment is not of the  
14 character described in Section 10.02, only with the consent given in accordance with Section  
15 10.04 of the Owner or Owners of not less than a majority of the aggregate unpaid principal  
16 amount of the Program Notes then Outstanding and affected by the amendment,  
17 modification, addition, or elimination; provided, however, that nothing in this Section shall  
18 permit (a) an extension of the maturity of the principal of or interest on any Program Note  
19 issued under this Ordinance, or (b) a reduction in the principal amount of any Program Note  
20 or the rate of interest on any Program Note, or (c) a privilege or priority of any Program  
21 Note or Program Notes over any other Program Note or Program Notes, or (d) a reduction  
22 in the percentage of aggregate principal amount of the Program Notes required for consent  
23 to the amendment, unless the Owners holding 100% in the aggregate principal amount of  
24 the Program Notes then Outstanding shall consent to the changes described in clauses (a)  
25 through (d).

26 **Section 10.04 CONSENT OF OWNERS.**

27 Any consent required by Section 10.03  
28 by any Owner must be in writing, may be in any number of concurrent writings of similar  
29 tenor, and may be signed by the Owner or its duly authorized attorney. Proof of the execution  
30 of any consent or of the writing appointing any attorney and of the ownership of Program  
31 Notes, if made in the following manner, shall be sufficient for any of the purposes of this  
32 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 the instrument, namely:

33 (a) The fact and date of the execution by any Person of any writing may be proved  
34 by the certificate of any officer in any jurisdiction who by law has power to take  
35 acknowledgments within that jurisdiction that the Person signing the writing acknowledged  
36 its execution before him or her, or by affidavit of any witness to the execution; and

1 (b) The fact of the ownership by any Person of any Revenue Bond and the date of  
2 the ownership may be proved by a certificate executed by an appropriate officer of the  
3 Paying Agent/Registrar, stating that on that date the Program Note was registered in the  
4 name of that Person in the Register.

5 In lieu of the foregoing the City may accept any other proof as it finds appropriate.

6 Consents required pursuant to Section 10.03 shall be valid only if given following the  
7 giving of notice by or on behalf of the City requesting the consent and setting forth the  
8 substance of the amendment of this Ordinance in respect of which such consent is sought  
9 and stating that copies thereof are available at the office of the City Clerk for inspection.  
10 Such notice shall be given by certified mail to each Registered Owner of the Program Notes  
11 affected at the address shown on the Register.

12 Section 10.05 **NO REVOCATION OF CONSENT.** Any consent by any Owner  
13 pursuant to the provisions of this Article shall be irrevocable and shall be conclusive and  
14 binding upon all future Owners of the same Program Note and any Program Note delivered  
15 on transfer thereof or in exchange for or replacement of the Program Note.

## 16 *ARTICLE ELEVEN*

### 17 *ISSUANCE AND SALE OF PROGRAM NOTES; APPLICATION OF PROCEEDS*

18  
19 Section 11.01 **DELEGATION OF AUTHORITY TO AUTHORIZED**  
20 **OFFICER.** As authorized by Chapter 1371 and Chapter 1207, each Authorized Officer is  
21 appointed and designated as an officer of the City, authorized to act on behalf of the City,  
22 from time to time, in connection with entering into Note Purchase Agreements, selling and  
23 delivering, from time to time, Program Notes under the Note Program, and carrying out the  
24 duties and procedures specified in this Ordinance, including approval (subject only to the  
25 limitations specified within this Ordinance) of the following terms and provisions for each  
26 Program Note:

- 27 (1) the principal amount;
- 28 (2) the Issuance Date;
- 29 (3) the rate of interest or the method of calculating the interest to be borne on the  
30 principal amount of each Program Note;
- 31 (4) the maturity date and the redemption terms;
- 32 (5) the date, dates, or intervals on which interest on each Program Note shall be  
33 paid;

1 (6) whether the subject Program Note shall be issued as a Tax-Exempt Program  
2 Note or Taxable Program Note;

3 (7) the establishment of a replacement rate for a benchmark interest rate or index  
4 rate utilized in the Note Purchase Agreements;

5 (8) whether to renew or extend the term of a Note Purchase Agreement and whether  
6 to enter into any other amendments to a Note Purchase Agreement that are consistent with  
7 the purposes and limitations of this Ordinance;

8 (9) the identity and amount of any Outstanding Program Notes to be refunded,  
9 refinanced or replaced with a Program Note; and

10 (10) such other matters as delegated to the Authorized Officer or as may be found  
11 by the Authorized Officer to be necessary to facilitate the issuance and sale of Program  
12 Notes and the payment of any commitment fees or other Note Program Costs as  
13 contemplated by this Ordinance.

14 These characteristics, as finally determined by the Authorized Officer consistent with  
15 the provisions of this Ordinance, shall be evidenced in a pricing certificate, request for  
16 purchase/conversion and/or written instructions consistent with the applicable Note  
17 Purchase Agreement and (to the extent applicable) in each definitive Program Note.

18 All officers and officials of the City are authorized to take such actions and to execute  
19 such documents, certificates and receipts to satisfy the conditions for the issuance of the  
20 Program Notes as set forth in this Ordinance and the Note Purchase Agreements and to pay  
21 costs and expenses required to facilitate the issuance of Program Notes, and to take any  
22 required action with respect to the tax-exempt status of the Tax-Exempt Program Notes, as  
23 they may deem necessary and appropriate in order to consummate the delivery of the  
24 Program Notes.

25 **Section 11.02 ISSUANCE AND SALE OF PROGRAM NOTES.** The Program  
26 Notes shall be completed and delivered by the Paying Agent/Registrar in accordance with  
27 written instructions, which may include electronic mail, of any Authorized Officer and in  
28 the manner specified in the Note Purchase Agreements.

29 **Section 11.03 APPROVAL OF THE ATTORNEY GENERAL.** No Program  
30 Note authorized to be issued by this Ordinance shall be sold or delivered by an Authorized  
31 Officer until the Attorney General of the State of Texas shall have approved this Ordinance  
32 and the establishment of the Note Program and other agreements and proceedings as may  
33 be required by Chapter 1371. Further, in connection with the submission of the record of  
34 proceedings for the Note Program to the Attorney General of the State of Texas for  
35 examination and approval of the proceedings authorizing the Note Program, the appropriate  
36 officer of the City is authorized and directed to issue a check of the City payable to the

1 Attorney General of the State of Texas as a nonrefundable examination fee in the amount  
2 required by law.

3  
4  
5  
6 Section 11.04 **APPLICATION OF PROCEEDS OF THE PROGRAM NOTES.**

7 (a) The proceeds of the sale of any Program Notes (net of all expenses and costs  
8 of sale and issuance) shall be applied for any or all of the following purposes, as directed by  
9 an Authorized Officer:

10 (i) proceeds designated for the payment and redemption of the outstanding  
11 Program Notes at or before Stated Maturity shall be used to pay the redemption price  
12 of the Program Note being refunded or defeased; provided, that no proceeds of Tax-  
13 Exempt Program Notes shall be used for the payment and redemption of Outstanding  
14 Taxable Program Notes unless the use of Program Note proceeds for such purpose  
15 shall be accompanied by an opinion of Bond Counsel regarding the excludability of  
16 the interest on such Tax-Exempt Program Notes from gross income for federal income  
17 tax purposes under section 103 of the Code; and

18 (ii) proceeds not used to refund or defease Program Notes as provided in  
19 subparagraph (i) above shall be deposited to the Program Note Project Fund and used  
20 and applied to pay costs of improvements to the Airport System consistent with, or to  
21 otherwise accomplish, the purposes specified in Section 3.01 of this Ordinance.

22 (b) Maturing Program Notes may be replaced with replacement Program Notes,  
23 which replacement Program Notes shall have the characteristics determined by an  
24 Authorized Officer and the Program Note Purchasers pursuant to the terms of the then-  
25 effective and applicable Note Purchase Agreement, but at all times subject to the limitations  
26 on the issuance of Program Notes specified in this Ordinance; provided, that no Tax-Exempt  
27 Program Note shall replace any maturing Taxable Program Note unless the delivery of such  
28 replacement Program Notes shall be accompanied at their time of delivery by an opinion of  
29 Bond Counsel regarding the excludability of the interest on such Tax-Exempt Program  
30 Notes from gross income for federal income tax purposes under section 103 of the Code.

31 Section 11.05 **USE OF PASSENGER FACILITY CHARGES.** Consistent with  
32 the definitions of Debt Service Requirements and Gross Revenues, the City acknowledges  
33 and agrees that debt service with respect to the Revenue Bonds paid from passenger facility  
34 charges is not included in the calculation of Debt Service Requirements. The City covenants  
35 and agrees, for the benefit of the owners of the Revenue Bonds and the Registered Owners  
36 of the Program Notes, that during each Fiscal Year the City will set aside from any passenger  
37 facility charges imposed by the City on enplaned passengers the lesser of (i) such passenger  
38 facility charges imposed and collected by the City or (ii) \$4.50 derived from each passenger

1 facility charge so imposed and collected by the City for the payment of debt service on the  
2 Revenue Bonds in the following Fiscal Year, unless the City receives a report from an  
3 Airport Consultant showing that an alternative use of all or a portion of the passenger facility  
4 charges will not reduce the forecast coverage of Debt Service Requirements with respect to  
5 the Revenue Bonds by forecast Net Revenues during the following Fiscal Year (or such  
6 longer forecast period as may be covered in the Airport Consultant's Report) to less than  
7 125%.

## 8 *ARTICLE TWELVE*

### 9 *FEDERAL INCOME TAX COVENANTS*

10  
11 Section 12.01 **GENERAL TAX COVENANTS.** The City covenants not to take  
12 any action or omit to take any action that, if taken or omitted, would cause the interest on  
13 the Tax-Exempt Program Notes to be includable in gross income for federal income tax  
14 purposes. In furtherance thereof, the City covenants to comply with sections 103 and 142  
15 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed  
16 by the City in connection with each issue of Tax-Exempt Program Notes.

17 Section 12.02 **USE OF PROCEEDS.** The City represents, covenants and agrees  
18 that its use of the Net Proceeds of the Tax-Exempt Program Notes at all times will satisfy  
19 the following requirements:

20 (a) At least 95 percent of the Net Proceeds of each issue of Tax-Exempt Program  
21 Notes actually expended will be allocated to expenditures that are Qualified Project Costs.

22 (b) Tax-Exempt Projects will be owned for all federal income tax purposes by the  
23 City. Any leases, management contracts or similar operating or use agreements entered into  
24 with any person with respect to all or any portion of a Tax-Exempt Project comply or, in the  
25 case of future agreements, will comply with the requirements of section 142(b)(1)(B)(i)-(iii)  
26 of the Code.

27 (c) The Tax-Exempt Projects will not include (i) any lodging facilities, (ii) any  
28 retail facilities (including food and beverage facilities) in excess of the size necessary to  
29 serve passengers and employees at the airport, (iii) any retail facility (other than parking)  
30 for passengers or the general public located outside of an airport terminal, (iv) any office  
31 building for individuals who are not employees of the City, or (v) any industrial park or  
32 manufacturing facility.

33 (d) The Tax-Exempt Projects will not include any airplane, skybox or other private  
34 luxury box, health club facility, facility primarily used for gambling, or store the principal  
35 business of which is the sale of alcoholic beverages for consumption off premises.

1 (e) Less than 25 percent of the Net Proceeds of each issue of Tax-Exempt Program  
2 Notes will be used, directly or indirectly, for the acquisition of land or an interest in land;  
3 provided that land acquired for noise abatement purposes or for future use as an airport is  
4 not taken into account, if there is no significant other use of such land. Notwithstanding the  
5 immediately preceding sentence, no portion of the Net Proceeds of the Tax-Exempt Program  
6 Notes will be used, directly or indirectly, for the acquisition of land or an interest in land to  
7 be used for farming purposes.

8 (f) No portion of the Net Proceeds of the Tax-Exempt Program Notes will be used  
9 for the acquisition of any existing property or an interest in such property unless (i) the first  
10 use of such property was pursuant to such acquisition or (ii) the rehabilitation expenditures  
11 with respect to any building and the equipment therefor equal or exceed 15 percent of the  
12 cost of acquiring such building financed with the Net Proceeds of the Tax-Exempt Program  
13 Notes (with respect to structures other than buildings, this clause shall be applied by  
14 substituting 100 percent for 15 percent). For purposes of the preceding sentence, the term  
15 “rehabilitation expenditures” has the meaning set forth in section 147(d)(3) of the Code.

16 (g) The Issuance Costs financed with the Net Proceeds of an issue of Tax-Exempt  
17 Program Notes will not exceed 2 percent of the Proceeds of such issue of Tax-Exempt  
18 Program Notes.

19 (h) The City will not take any action, or knowingly omit to take any action that  
20 causes the Tax-Exempt Program Notes to fail to meet any requirement of the Code regarding  
21 the use of Gross Proceeds after the issue date of an issue of the Tax-Exempt Program Notes  
22 unless an appropriate remedial action is permitted by section 1.142-2 of the Regulations, the  
23 City has taken such remedial action and the City has received an opinion of Bond Counsel  
24 that such remedial action cures any failure to meet the requirements with respect to the use  
25 of Gross Proceeds of such issue of the Tax-Exempt Program Notes.

26 Section 12.03 **LIMITATION ON MATURITY.** The City covenants and agrees  
27 that the average maturity of an issue of the Tax-Exempt Program Notes, taking into account  
28 the issue price of the various maturities of the Tax-Exempt Program Notes, will not exceed  
29 120 percent of the reasonably expected economic life of the Tax-Exempt Projects financed  
30 by such Notes, taking into account the respective cost of each component of the Tax-Exempt  
31 Projects. For purposes of the preceding sentence, the reasonably expected economic life of  
32 each component of the Tax-Exempt Projects is determined as of the later of (i) the date on  
33 which the Tax-Exempt Program Notes are issued or (ii) the respective dates on which each  
34 component of the Tax-Exempt Projects is expected to be placed in service. In addition, land  
35 is not to be taken into account in determining the reasonably expected economic life of the  
36 Tax-Exempt Projects. The City will not make any changes to the facilities that would, at  
37 the time made, decrease the average reasonably expected economic life of the Tax-Exempt  
38 Projects, unless the City receives a Favorable Opinion of Bond Counsel.

1 Section 12.04 **PUBLIC APPROVAL.** For purposes of complying with section  
2 147(f) of the Code, the City held a public hearing providing a reasonable opportunity for  
3 interested individuals to express their views on the plan of finance relating to the Tax-  
4 Exempt Program Notes and the location and nature of the Tax-Exempt Projects. A public  
5 notice designed to inform residents of the City regarding the issuance of the Tax-Exempt  
6 Program Notes and providing information relevant to the hearing was published no less than  
7 7 days prior to the hearing by electronic posting on the City’s primary public website in an  
8 area of the website used to inform its residents about events affecting the residents. All  
9 actions taken by the City, its officers and its employees with respect to the electronic posting  
10 of the notice of such public hearing and the conducting of such public hearing are ratified  
11 and approved. The Mayor is authorized to execute a certificate with respect to such hearing  
12 of the kind required by such section 147(f) of the Code with respect to the Tax-Exempt  
13 Program Notes and the Tax-Exempt Projects. The City acknowledges that any public  
14 approval received will remain timely only for the period ending on the third anniversary of  
15 the first Issuance Date of Tax-Exempt Program Notes issued pursuant to such approval.  
16 After such time, the City will not issue additional Tax-Exempt Program Notes until such  
17 time that it has held an additional public hearing and received additional approval by an  
18 applicable elected representative as is required to comply with section 147(f) of the Code.

19 Section 12.05 **NO FEDERAL GUARANTEE.** The City covenants not to take any  
20 action, or knowingly omit to take any action, that, if taken or omitted, would cause an issue  
21 of Tax-Exempt Program Notes to be “federally guaranteed” within the meaning of  
22 section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

23 Section 12.06 **NO HEDGE BONDS.** The City covenants that it will not take any  
24 action or omit to take any action that, if taken or omitted, respectively, would cause an issue  
25 of Tax-Exempt Program Notes to be “hedge bonds” within the meaning of section 149(g) of  
26 the Code.

27 Section 12.07 **NO-ARBITRAGE.** The City covenants that it will make such use of  
28 the Proceeds of an issue of Tax-Exempt Program Notes (including investment income) and  
29 regulate the investment of such Proceeds of the Tax-Exempt Program Notes so that the Tax-  
30 Exempt Program Notes will not be “arbitrage bonds” within the meaning of section 148(a)  
31 of the Code.

32 Section 12.08 **ARBITRAGE REBATE.** The City covenants that, if the City does  
33 not qualify for an exception to the requirements of section 148(f) of the Code, the City will  
34 comply with the requirement that certain amounts earned by the City on the investment of  
35 the Gross Proceeds of an issue of Tax-Exempt Program Notes, be rebated to the United  
36 States.

37 Section 12.09 **INFORMATION REPORTING.** The City covenants to file or  
38 cause to be filed with the Secretary of the Treasury an information statement concerning  
39 each issue of Tax-Exempt Program Notes in accordance with section 149(e) of the Code.

1 Section 12.10 **RECORD RETENTION.** The City covenants to retain all material  
2 records relating to the expenditure of the proceeds (including investment income) of the  
3 Tax-Exempt Program Notes and the use of the property financed, directly or indirectly, by  
4 such proceeds until three years after the last Tax-Exempt Program Note is redeemed or paid  
5 at maturity (or such other period as provided by subsequent guidance issued by the  
6 Department of the Treasury) in a manner that ensures their complete access throughout such  
7 retention period.

8 Section 12.11 **REGISTRATION.** The Tax-Exempt Program Notes will be issued  
9 in registered form.

10 Section 12.12 **FAVORABLE OPINION OF BOND COUNSEL.**  
11 Notwithstanding the foregoing, the City will not be required to comply with any of the  
12 federal tax covenants set forth above if the City has received a Favorable Opinion of Bond  
13 Counsel.

14 Section 12.13 **OFFICIAL INTENT.** For purposes of section 1.150-2(d) of the  
15 Regulations, to the extent that an official intent to reimburse has not previously been adopted  
16 by the City, this Ordinance serves as the City's official declaration of intent to use Proceeds  
17 of the Tax-Exempt Program Notes issued in the maximum amount authorized by this  
18 Ordinance to reimburse itself for certain expenditures paid in connection with the projects  
19 set forth in this Ordinance. Any such reimbursement will only be made (i) for an original  
20 expenditure paid no earlier than 60 days prior to the date hereof and (ii) not later than 18  
21 months after the later of (A) the date the original expenditure is paid or (B) the date on which  
22 the project to which such expenditure relates is placed in service or abandoned, but in no  
23 event more than three years after the original expenditure is paid.

24 Section 12.14 **CONTINUING OBLIGATION.** Notwithstanding any other  
25 provision of this Ordinance, the obligations of the City under the covenants and provisions  
26 of this Article Twelve will survive the defeasance and discharge of the Tax-Exempt Program  
27 Notes for as long as such matters are relevant to the excludability of interest on the Tax-  
28 Exempt Program Notes from gross income for federal income tax purposes.

29 Section 12.15 **TAXABLE PROGRAM NOTES.**

30 (a) The provisions of Sections 12.01 through 12.14 of this Ordinance do not apply  
31 to Program Notes designated as Taxable Program Notes.

32 (b) It is the intention of the City that the interest on the Taxable Program Notes  
33 will not be excludable from gross income for federal income tax purposes under section 103  
34 of the Code.

35 (c) The City covenants and agrees to cause the Paying Agent/Registrar to  
36 undertake to report, to the extent required by the Code, interest payments on the Taxable

1 Program Notes to the Internal Revenue Service. Such information shall be filed by the  
2 Paying Agent/Registrar on the form published by the Internal Revenue Service for this  
3 purpose and contain the information required by the Code.

## 4 ***ARTICLE THIRTEEN***

### 5 ***MISCELLANEOUS***

6  
7 Section 13.01 **FURTHER PROCEDURES.** The Mayor, the City Manager, the  
8 Aviation Director, the Chief Financial Officer, the City Treasurer and the City Clerk, and  
9 other appropriate officials of the City, are authorized and directed to do any and all things  
10 necessary and/or convenient to carry out the terms of this Ordinance and the Note Purchase  
11 Agreements, including but not limited to, applying amounts held in the funds and accounts  
12 established pursuant to the terms of this Ordinance and the Revenue Bond Ordinances, and  
13 any other lawfully available funds of the City or Airport System, to carry out the terms of  
14 this Ordinance, and executing and delivering any agreements, consents, certificates, notices,  
15 or other instrument on behalf of the City that are authorized under this Ordinance, including  
16 the Paying Agent/Registrar Agreement, the Note Purchase Agreements, the Program Notes  
17 and any certificate, notice, or other instrument required in connection with the establishment  
18 of the Note Program, the issuance of the Program Notes or to otherwise effectuate the  
19 purposes of this Ordinance. In case any officer or employee of the City whose signature  
20 shall appear on any certificate shall cease to be such officer or employee before the delivery  
21 of such certificate, such signature shall nevertheless be valid and sufficient for all purposes  
22 the same as if such officer or employee had remained in office until such delivery. Council  
23 authorizes the City Clerk to designate a person or persons to carry out her duties under this  
24 Ordinance should the City Clerk be absent and unable to fulfill all or part of her duties under  
25 this Ordinance.

26 In addition, the Authorized Officer is authorized to approve, subsequent to the date of  
27 adoption of this Ordinance, but prior to initial issuance of Program Notes pursuant to the  
28 Note Program, any technical amendments to this ordinance as may be required by any  
29 securities rating agency as a condition to granting a rating on the Program Notes and as may  
30 be required by the office of the Attorney General of the State of Texas as a condition to the  
31 approval of the proceedings authorizing the Note Program.

32  
33 Section 13.02 **COMPLIANCE WITH SECTION 2252.908, GOVERNMENT**  
34 **CODE.** The Chief Financial Officer shall confirm that, to the extent required by Section  
35 2252.908, Texas Government Code, each contracting party in connection with the issuance  
36 of Program Notes has made disclosure filings to the Texas Ethics Commission in accordance  
37 with Section 2252.908, Texas Government Code. Within 30 days of receipt of the disclosure  
38 filings from the contracting party, the City will submit a copy of the disclosure filings with  
39 the Texas Ethics Commission.

1 Section 13.03 **SEVERABILITY.** If any article, section, paragraph, clause or  
2 provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the  
3 invalidity or unenforceability of the article, section, paragraph, clause or provision shall not  
4 affect any of the remaining provisions of this Ordinance.

5 Section 13.04 **EFFECTIVE IMMEDIATELY.** Notwithstanding the provisions of  
6 the City Charter, this Ordinance is effective immediately upon its adoption at this meeting  
7 pursuant to Section 1201.028, Texas Government Code.

8 Section 13.05 **REPEALER.** All orders, resolutions and ordinances, or parts  
9 inconsistent with this Ordinance are repealed to the extent of such inconsistency.

10 PASSED AND APPROVED this 30th day of January, 2025.

11  
12  
13  
14 \_\_\_\_\_  
Kirk Watson, Mayor

15  
16  
17 ATTEST:

18  
19  
20 \_\_\_\_\_ (SEAL)  
21 Myrna Rios, City Clerk

22  
23  
24 APPROVED:

25  
26  
27 \_\_\_\_\_  
28 Deborah Thomas, Acting City Attorney

## EXHIBIT A

### FORM OF PROGRAM NOTES

Form of Program Notes. The Form of Program Note, including the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Program Notes, shall be substantially as follows:

- (a) Form of Tax-Exempt Program Note Style:

UNITED STATES OF AMERICA  
STATE OF TEXAS

CITY OF AUSTIN, TEXAS,  
AIRPORT SYSTEM SUBORDINATE LIEN  
REVOLVING REVENUE NOTES (TAX-EXEMPT – AMT)

- (b) Form of Taxable Program Note Style:

UNITED STATES OF AMERICA  
STATE OF TEXAS

CITY OF AUSTIN, TEXAS,  
AIRPORT SYSTEM SUBORDINATE LIEN  
REVOLVING REVENUE NOTES (TAXABLE)

(c) Form of Program Note:

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

[Insert Program Note Style]

ISSUANCE  
DATE

MATURITY  
DATE

INTEREST  
RATE

1

1

[As described below]  
[\_\_\_\_\_%]<sup>1</sup>

THE CITY OF AUSTIN, TEXAS (the “City”), in Travis, Williamson and Hays Counties, Texas, for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, on the Maturity Date, as specified above, the sum of

\_\_\_\_\_ DOLLARS

and to pay interest, if any, on said principal amount at the [interest rate or rates determined as provided in the Note Purchase Agreement referred to herein]<sup>1</sup> [per annum interest rate set forth above]<sup>1</sup>, on the dates, and calculated in the manner specified in the Note Purchase Agreement referred to herein for a Program Note of the type specified above. This Program Note is issued to evidence obligations of the City under a Note Purchase Agreement, dated as of \_\_\_\_\_, 20\_\_ (the “Note Purchase Agreement”), between the City and \_\_\_\_\_ (the “Bank”). Both principal of and premium, if any, and interest on this Program Note (and on past due interest hereon, if and to the extent provided in such Note Purchase Agreement) are payable in lawful money of the United States of America at the designated office of the Paying Agent/Registrar. No interest will accrue on the principal amount hereof after said Maturity Date, if then paid or due provision therefor is made in accordance with the Ordinance defined below.

Capitalized terms appearing herein that are defined terms in the ordinance adopted by the city council of the City on January 30, 2025, authorizing the issuance of the Program Notes (the “Ordinance”), have the meanings assigned to them in the

<sup>1</sup> To be inserted, modified, or deleted, as applicable, at the direction of the Authorized Officer.

Ordinance. The Ordinance and its terms and provisions are incorporated herein for all purposes. In the event of any conflict or inconsistency between the terms of this Program Note and the terms of the Ordinance, the terms of the Ordinance will govern and control, unless inconsistent with the Note Purchase Agreement. In the event of any conflict or inconsistency between the terms of this Program Note and the terms of the Note Purchase Agreement, the Note Purchase Agreement shall govern and control. [All references herein to the “Note Purchase Agreement” shall include each request for purchase, request for conversion or similar instrument delivered by the City to the Bank pursuant to the terms of the Note Purchase Agreement in connection with the City’s request for the Bank to purchase this Program Note or to convert the interest rate hereon.]<sup>2</sup>

This Program Note is one of a series of notes authorized under the “City of Austin, Texas, Airport System Subordinate Lien Revolving Revenue Note Program” (the “Note Program”), in an aggregate principal amount at any one time outstanding not to exceed ONE HUNDRED FIFTY MILLION DOLLARS (\$150,000,000) (such notes, the “Program Notes”).

To provide security for the payment of the principal of, premium, if any, and interest on this Program Note as the same shall become due and payable, the City has pledged, subject to the provisions of the Revenue Bond Ordinances and the Ordinance permitting the application for the purposes and on the terms and conditions set forth in the Revenue Bond Ordinances and the Ordinance, (i) the proceeds from (A) the sale or exchange of other Program Notes issued for the purpose of refunding, refinancing, renewing, replacing, or redeeming this Program Note and (B) the sale of one or more series of Additional Revenue Bonds, Subordinate Obligations or other obligations issued by the City for the purpose of refunding, refinancing or redeeming the Program Note, (ii) the amounts held in the Program Notes Payment Fund, and (iii) ratably with the other Subordinate Obligations outstanding from time to time, a lien on the Net Revenues that is junior and subordinate to the liens on Net Revenues securing payment of the Revenue Bonds and Administrative Expenses. This Program Note is a Subordinate Obligation under the Revenue Bond Ordinances.

This Program Note is subject to redemption prior to maturity on the terms, on the conditions, at the price, and in the manner described in the Ordinance and the Note Purchase Agreement.

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<sup>2</sup> To be inserted, modified, or deleted, as applicable, at the direction of the Authorized Officer.

The Program Notes do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the City except as otherwise described above, and the Owner hereof shall never have the right to demand payment of this obligation from any sources or properties of the City except as identified above. THE OWNERS OF THE PROGRAM NOTES SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT THEREOF OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION.

The City has reserved the right, subject to the restrictions contained in the Revenue Bond Ordinances and the Ordinance, to issue Additional Revenue Bonds and Credit Agreement Obligations secured by a pledge and lien on Net Revenues senior to the lien on Net Revenues securing the Program Notes, and to issue Additional Subordinate Obligations and related credit agreement obligations secured by a lien on parity with the lien on the Net Revenues securing the Program Notes.

The Ordinance contains provisions permitting the City to defease Program Notes and to amend the Ordinance, subject to the terms of the Note Purchase Agreement.

[The interest rate or rates at which interest on this Note shall accrue shall be subject to conversion or adjustment, as applicable, as determined in accordance with the applicable provisions of the Note Purchase Agreement.]<sup>3</sup> [Insert additional provisions, if any, deemed necessary by the Authorized Officer based on final terms of the Note Purchase Agreement, as determined within the limitations in the Ordinance.]<sup>3</sup>

It is hereby certified and recited that all acts, conditions, and things required by law and the Ordinance to exist, to have happened, and to have been performed precedent to and in the issuance of this Program Note do exist, have happened, and have been performed in regular and due time, form, and manner as required by law and that the issuance of this Program Note, together with all other Outstanding Program Notes, is not in excess of the principal amount of Program Notes permitted to be issued under the Ordinance.

This Program Note has all the qualities and incidents of a negotiable instrument under the laws of the State of Texas. This Program Note may be transferred only on the registration books maintained by the Paying Agent/Registrar. Upon surrender hereof at the designated office of the Paying Agent/Registrar, this Program Note may be exchanged for a like aggregate principal amount of fully

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<sup>3</sup> To be inserted, modified, or deleted, as applicable, at the direction of the Authorized Officer.

registered Program Notes of authorized denominations of like interest rate provisions and maturity, but only in the manner, subject to the limitations and upon payment of the charges provided in the Ordinance and upon surrender and cancellation of this Program Note.

This Program Note shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this Program Note shall have been authenticated by the execution by the Paying Agent/Registrar of the Paying Agent/Registrar Certificate hereon.

IN WITNESS WHEREOF, the City has caused the official seal of the City to be impressed or placed in facsimile hereon and this Bond to be signed by the Mayor and attested by the City Clerk by their manual, lithographed, or printed facsimile signatures.

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Myrna Rios, City Clerk

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Kirk Watson, Mayor

[SEAL]

(d) Form of Certificate of Paying Agent/Registrar

**CERTIFICATE OF PAYING AGENT/REGISTRAR**

It is hereby certified that this Program Note is one of the Program Notes delivered pursuant to the Ordinance described in the text of this Program Note in accordance with the authorizing procedures approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

U.S. Bank Trust Company, National Association,  
as Paying Agent/Registrar

By: \_\_\_\_\_

Dated: \_\_\_\_\_

DRAFT

(e) Form of Assignment:

ASSIGNMENT

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

\_\_\_\_\_

(Social Security or other identifying number: \_\_\_\_\_) the within Program Note and all rights hereunder and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration hereof, with full power of substitution in the premises.

Signature Guaranteed By:

\_\_\_\_\_  
Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Program Note in every particular and must be guaranteed in a manner satisfactory to the Paying Agent/Registrar.

**FORM OF COMPTROLLER’S REGISTRATION CERTIFICATE**

The following Registration Certificate of Comptroller of Public Accounts shall be obtained in connection with the approval of the Note Program:

**REGISTRATION CERTIFICATE OF  
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER §  
OF PUBLIC ACCOUNTS § REGISTER NO.\_\_\_\_\_  
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office the opinion of the Attorney General of the State of Texas approving the proceedings relating to the City of Austin, Texas, Airport System Subordinate Lien Revolving Revenue Note Program, and that the Proceedings have this day been registered by me

WITNESS MY SIGNATURE AND SEAL OF OFFICE this  
\_\_\_\_\_.

[SEAL]

\_\_\_\_\_  
Comptroller of Public Accounts  
of the State of Texas

**EXHIBIT B**

**FORM OF INITIAL NOTE PURCHASE AGREEMENT**

DRAFT