

ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS PUBLIC IMPROVEMENT AND REFUNDING BONDS, SERIES 2025; ESTABLISHING PARAMETERS FOR THE SALE OF THE BONDS; APPROVING RELATED DOCUMENTS; ENACTING OTHER PROVISIONS RELATED TO THE BONDS; AND DECLARING AN IMMEDIATE EFFECTIVE DATE.

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

PART 1. FINDINGS.

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

Council finds the refunding of the Refunded Obligations (defined below) for a debt service savings is a public purpose; and

Council finds that it is necessary and in the best interest of the City that it approve by this Ordinance the issuance and delivery of bonds in accordance with the Constitution and laws of the State of Texas, including specifically Chapters 1207, 1331 and 1371 of the Texas Government Code, and the Home Rule Charter of the City, for the purposes herein provided; and

Council desires to delegate to the Authorized Representative (defined below) the authority to effect the sale of the bonds authorized by this Ordinance, subject to the parameters prescribed by this Ordinance; and

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

PART 2. DEFINITIONS.

The terms used in this Ordinance have the following meanings:

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

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

“Authorized Representative” means the City Manager, the Chief Financial Officer or the Director of Financial Services the City.

“Bidding Instructions” means the bidding instructions prepared in connection with the sale of the Bonds pursuant to a competitive sale.

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

37 “Bond Purchase Agreement” shall mean the Bond Purchase Agreement among the City
38 and the Underwriters, pertaining to the purchase of the Bonds sold pursuant to a negotiated sale.

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

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

43 “Chapter 1204” means Chapter 1204 of the Texas Government Code.

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

45 “Chapter 1207” means Chapter 1207 of the Texas Government Code.

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

47 “Chapter 1371” means Chapter 1371 of the Texas Government Code.

48 “City” means the City of Austin, Texas.

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

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

51 “Council” means the City Council of the City.

52 “Defeasance Securities” means any securities permitted by Section 1207.062, Texas
53 Government Code (or any successor statute), including (i) direct, noncallable obligations of the
54 United States of America, including obligations that are unconditionally guaranteed by the United
55 States of America, (ii) noncallable obligations of an agency or instrumentality of the United States
56 of America, including obligations that are unconditionally guaranteed or insured by the agency or
57 instrumentality and that, on the date of approval of the proceedings authorizing the issuance of the
58 refunding bonds, are rated as to investment quality by a nationally recognized investment rating
59 firm not less than “AAA” or its equivalent, and (iii) noncallable obligations of a state or an agency
60 or a county, municipality, or other political subdivision of a state that have been refunded and that,
61 on the date of approval of the proceedings authorizing the issuance of the refunding bonds, are
62 rated as to investment quality by a nationally recognized investment rating firm not less than
63 “AAA” or its equivalent. Such Defeasance Securities may be restricted by an Authorized
64 Representative as deemed appropriate and may be reflected as such, if applicable, in the final
65 Official Statement.

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

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

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

73 “Escrow Agent” means the financial institution designated in the Escrow Agreement to act
74 as escrow agent for the payment of the Refunded Obligations.

75 “Escrow Agreement” means an escrow agreement or other similar instrument with respect
76 to the Refunded Obligations.

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

78 “Expiration Date” means the six-month anniversary of the date of adoption of this
79 Ordinance.

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

82 “Initial Bond” has the meaning described in PART 11 of this Ordinance.

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

85 “MSRB” means the Municipal Securities Rulemaking Board.

86 “Official Bid Form” means the bid form to be submitted by bidders seeking to purchase
87 the Bonds pursuant to a competitive sale.

88 “Paying Agent/Registrar” means U.S. Bank Trust Company, National Association, and its
89 successors and assigns as provided in the Paying Agent/Registrar Agreement and the Official
90 Statement.

91 “Paying Agent/Registrar Agreement” means the agreement between the City and the
92 Paying Agent/Registrar with respect to the Bonds in the form approved by an Authorized
93 Representative, and any successor agreement.

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

96 “Refunded Obligations” means the obligations selected by an Authorized Representative
97 from those obligations identified in Schedule II to this Ordinance as the obligations to be refunded
98 with proceeds of the Bonds and designated in the final Official Statement described in PART 12
99 of this Ordinance as the Refunded Obligations.

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

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

103 “Rule” means SEC Rule 15c2-12.

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

105 “Treasury Regulations” means all applicable temporary, proposed and final regulations and
106 procedures promulgated under the Code or promulgated under the Internal Revenue Code of 1954,
107 to the extent applicable to the Code.

109 “Underwriters” shall mean the investment banking firm or firms named in a Bond Purchase
110 Agreement, if any, relating to the sale of Bonds pursuant to a negotiated sale or the entity or entities
111 listed in the Official Bid Form, if any, accepted by the City as the best bid for the Bonds pursuant
112 to a competitive sale.

113 **PART 3. BONDS AUTHORIZED.**

115 The Bonds shall be issued in accordance with the Constitution, laws of the State of Texas,
116 and the Charter of the City, in one or more series, in the aggregate principal amount not to exceed
117 \$442,570,000 for the purposes of (a) financing the Projects described in Schedule I, (b) refunding
118 the Refunded Obligations, and (c) paying the costs of issuance associated with the sale of the
119 Bonds. The aggregate principal amount and the designation of Bonds issued pursuant to this
120 Ordinance shall be set forth in the Bidding Instructions and the Official Bid Form or the Bond
121 Purchase Agreement. The Bonds shall be numbered consecutively from R-1 upward, except the
122 Initial Bond shall be numbered T-1.

123 **PART 4. SALE PARAMETERS.**

124 (a) The Bonds shall be issued in any Authorized Denomination as fully registered
125 bonds, without interest coupons, payable to the respective initial registered owners of the Bonds,
126 or to the registered assignee or assignees of the Bonds, maturing not later than 40 years from their
127 issue date, payable serially or otherwise on the dates, in the years and in the principal amounts,
128 and dated and numbered, all as set forth in the Official Bid Form or Bond Purchase Agreement.

129 (b) In accordance with Chapter 1371, each Authorized Representative, acting for and
130 on behalf of the City, is authorized to seek competitive bids for the sale of the Bonds authorized
131 to be sold by this Ordinance, and is hereby authorized to prepare and distribute the Bidding
132 Instructions and the Official Bid Form with respect to seeking competitive bids for the sale of the
133 Bonds. Each Authorized Representative, acting for and on behalf of the City, is authorized to
134 negotiate with the Underwriters to complete a negotiated sale of the Bonds pursuant to the terms
135 and conditions of the Bond Purchase Agreement. The Bidding Instructions or Bond Purchase
136 Agreement shall contain the terms and conditions relating to the sale of the Bonds, including the
137 date bids for the purchase of the Bonds are to be received, the date of the Bonds, any additional
138 designation or title by which the Bonds shall be known, the aggregate principal amount of the
139 Bonds to be sold, the principal amount of the Bonds sold to finance projects described in Schedule
140 I, the principal amount of the Bonds sold to refund the Refunded Obligations, the price at which
141 the Bonds will be sold, the years in which the Bonds will mature, the rate or rates of interest to be
142 borne by each such maturity, the interest payment periods, and all other matters relating to the
143 issuance, sale and delivery of the Bonds so sold including, without limitation, the use of municipal
144 bond insurance for the Bonds. The Bonds shall bear interest at the rates per annum set forth in the
145 Official Bid Form accepted as the best bid or in the Bond Purchase Agreement. The interest on
146 the Bonds shall be payable to the Registered Owner of any Bond on the dates and in the manner
147 provided in Exhibit A. Interest on the Bonds shall be payable on the dates set forth in the Official
148 Bid Form or Bond Purchase Agreement, until maturity or prior redemption. Each Authorized
149 Representative, acting for and on behalf of the City, is hereby authorized to receive and accept

150 bids for the sale of Bonds in accordance with the Bidding Instructions on such date as determined
151 by an Authorized Representative or to negotiate the sale of the Bonds pursuant to the terms of the
152 Bond Purchase Agreement. The Bonds shall be sold at a competitive or negotiated sale at such
153 price as an Authorized Representative shall determine to be the most advantageous to the City,
154 which determination shall be evidenced by the execution of the Official Bid Form submitted by
155 the best and winning bidder or the Bond Purchase Agreement. One Bond in the principal amount
156 maturing on each maturity date as set forth in the Official Bid Form or Bond Purchase Agreement
157 shall be delivered to the Underwriters, and the Underwriters shall have the right to exchange such
158 Bonds as provided in PART 7 of this Ordinance without cost. Exhibit A shall be revised to reflect
159 the terms of the sale of the Bonds as reflected in the Official Bid Form accepted as the best bid for
160 the Bonds or the Bond Purchase Agreement. The Bonds shall initially be registered in the name
161 as set forth in the Official Bid Form or the Bond Purchase Agreement. In case any officer whose
162 signature shall appear on the Bonds shall cease to be such officer before the delivery of the Bonds,
163 the signature shall be valid and sufficient for all purposes the same as if the officer had remained
164 in office until delivery. An Authorized Representative shall not execute the Official Bid Form or
165 the Bond Purchase Agreement unless the applicable Underwriter has confirmed to an Authorized
166 Representative that either it has made disclosure filings to the Texas Ethics Commission in
167 accordance with Section 2252.908, Texas Government Code or is exempt from making such filings
168 under Section 2252.908(c)(4), Texas Government Code. Within thirty (30) days of receipt of any
169 disclosure filings from the best bidder for the Bonds, the City will acknowledge such disclosure
170 filings in accordance with the rules of the Texas Ethics Commission. Any finding or determination
171 made by an Authorized Representative relating to the issuance and sale of the Bonds shall have
172 the same force and effect as a finding or determination made by Council; *provided*, that (i) the
173 price to be paid for the Bonds shall not be less than 95% of the aggregate principal amount of the
174 Bonds sold, plus accrued interest, if any, (ii) the Bonds shall not bear interest at a rate greater than
175 the maximum rate allowed by Chapter 1204, (iii) the Bonds shall not have a final maturity beyond
176 September 1, 2045, and (iv) prior to the execution of the Official Bid Form or Bond Purchase
177 Agreement by an Authorized Representative, the Bonds shall be rated by a nationally recognized
178 rating agency for municipal securities in one of the four highest rating categories for long-term
179 debt instruments.

180 (c) An Authorized Representative may approve modifications to this Ordinance to
181 conform to the terms of the Bonds, as approved by the Authorized Representative, and execute
182 any instruments, agreements and other documents as the Authorized Representative shall deem
183 necessary or appropriate in connection with the issuance, sale and delivery of Bonds pursuant to
184 this Ordinance.

185 (d) It is in the best interests of the City for the Bonds to be sold through a competitive
186 or negotiated sale, and Council authorizes each Authorized Representative, individually but not
187 collectively, to execute the Official Bid Form or Bond Purchase Agreement to evidence the
188 acceptance by the City of the terms and conditions relating to the sale of the Bonds, at the price
189 the Authorized Representative executing the Official Bid Form or Bond Purchase Agreement
190 determines to be the most advantageous to the City. The conditions set forth in PART 12 of this
191 Ordinance must be met prior to any Authorized Representative executing the Official Bid Form to
192 evidence the acceptance by the City of the best and winning bid submitted or the Bond Purchase
193 Agreement.

194 (e) The authority of an Authorized Representative to execute the Official Bid Form or
195 Bond Purchase Agreement shall expire at 11:59 p.m. on the Expiration Date. Bonds sold pursuant

196 to the Bidding Instructions and an Official Bid Form or a Bond Purchase Agreement executed on
197 or before the Expiration Date may be delivered after the Expiration Date.

198 (f) In establishing the aggregate principal amount of the Bonds, the Authorized
199 Representative shall establish an amount which shall be sufficient (together with any premium
200 received from the sale of the Bonds) to provide for the purposes for which the Bonds are
201 authorized. The Bonds shall be sold at the price, with and subject to the terms, as set forth in the
202 Bidding Instructions and the Official Bid Form or the Bond Purchase Agreement.

203 (g) Any finding or determination made by an Authorized Representative relating to the
204 issuance and sale of the Bonds and the execution of the Official Bid Form or the Bond Purchase
205 Agreement shall have the same force and effect as a finding or determination made by Council.

206 **PART 5. REDEMPTION PROVISIONS.**

207 (a) The Bonds may be subject to redemption, at the option of the City, prior to their
208 stated maturities to the extent and in the manner provided in the Bidding Instructions and the
209 Official Bid Form or the Bond Purchase Agreement. The years of maturity of the Bonds called
210 for redemption at the option of the City prior to their stated maturity shall be selected by the City.
211 The Bonds or any portion redeemed within a maturity shall be selected by lot, or other customary
212 random selection method, by the Paying Agent/Registrar; provided, that during any period in
213 which ownership of the Bonds is determined only by a book entry at DTC, if fewer than all of the
214 Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular
215 Bonds of such maturity and bearing such interest rate shall be selected in accordance with the
216 arrangements between the City and DTC.

217 (b) The Bonds may be subject to mandatory sinking fund redemption prior to their
218 stated maturities, to the extent and in the manner provided in the Official Bid Form or Bond
219 Purchase Agreement.

220 (c) At least thirty (30) days before the date fixed for redemption, the City shall cause a
221 written notice of the redemption to be deposited in the United States mail, first-class postage
222 prepaid, addressed to each Registered Owner at the address shown on the Registration Books. By
223 the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the
224 payment of the required redemption price for the Bonds which are to be redeemed, plus accrued
225 interest to the date fixed for redemption. If the notice of redemption is given, and if provision for
226 payment is made, all as provided above, the Bonds, or the portions of the Bonds, which are to be
227 redeemed, automatically shall be redeemed prior to their scheduled maturities, and shall not bear
228 interest after the date fixed for their redemption, and shall not be regarded as outstanding except
229 for the right of the Registered Owner to receive the redemption price plus accrued interest to the
230 date fixed for redemption from the Paying Agent/Registrar out of the funds provided for payment.
231 The Paying Agent/Registrar shall record in the Registration Books all redemptions of principal of
232 the Bonds or any portion of the principal. If a portion of any Bond shall be redeemed, one or more
233 substitute Bonds having the same maturity date, bearing interest at the same rate, in any Authorized
234 Denomination, at the written request of the Registered Owner, and in an aggregate principal
235 amount equal to the unredeemed portion of the Bonds, will be issued to the Registered Owner
236 upon the surrender for cancellation, at the expense of the City, all as provided in this Ordinance.
237 In addition, the City shall cause the Paying Agent/Registrar to give notice of any redemption in
238 the manner set forth in PART 5. The failure to cause notice to be given, however, or any defect in

239 the notice, shall not affect the validity or effectiveness of the redemption. Unless the Paying
240 Agent/Registrar has received funds sufficient to pay the redemption price of the Bonds to be
241 redeemed before giving of a notice of redemption, the notice of redemption may state the City may
242 condition redemption on the receipt by the Paying Agent/Registrar of sufficient funds on or before
243 the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the
244 notice of redemption. If a notice of conditional redemption is given and such prerequisites to the
245 redemption and sufficient funds are not received, the notice shall be of no force and effect, the City
246 shall not redeem the Bonds and the Paying Agent/Registrar shall give notice, in the manner in
247 which the notice of redemption was given, that the Bonds have not been redeemed.
248

249 (d) If a notice of redemption is given and sufficient funds are not received for the
250 payment of the required redemption price for the Bonds which are to be redeemed, the notice shall
251 be of no force and effect, the City shall not redeem the Bonds, and the Paying Agent/Registrar
252 shall give notice, in the manner in which the notice of redemption was given, that the Bonds have
253 not been redeemed.

254 (e) Each redemption notice required by this Ordinance shall contain a description of
255 the Bonds to be redeemed, including the complete name of the Bonds, the series, the date of issue,
256 the interest rate, the maturity date, the CUSIP number, the amounts of the Bonds called for
257 redemption, the date of redemption, the redemption price, the name of the Paying Agent/Registrar
258 and the address at which the Bond may be redeemed, including a contact person and telephone
259 number. This notice may also state that the redemption is conditioned upon receipt of sufficient
260 funds for the payment of the required redemption price for the Bonds which are to be redeemed
261 by the date fixed for redemption. All redemption payments made by the Paying Agent/Registrar
262 to the Registered Owners of the Bonds shall include CUSIP numbers relating to each amount paid
263 to such Registered Owner.

264 **PART 6. INTEREST.**

265 The Bonds shall bear interest at the rates per annum set forth in the Official Bid Form or
266 Bond Purchase Agreement. The interest shall be payable to the Registered Owner of any Bond in
267 the manner provided and on the dates stated in the Official Bid Form or Bond Purchase Agreement.
268 Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

269 **PART 7. ADDITIONAL CHARACTERISTICS OF THE BONDS.**

270 (a) The City shall keep, or cause to be kept, at the Designated Payment/Transfer Office,
271 the Registration Books, and the Paying Agent/Registrar shall act as the registrar and transfer agent
272 for the City to keep books or records and make the transfers and registrations under the reasonable
273 regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying
274 Agent/Registrar shall make transfers and registrations as provided in this Ordinance. It shall be the
275 duty of the Paying Agent/Registrar to obtain from the Registered Owner and record in the
276 Registration Books the address of the Registered Owner to which payments with respect to the
277 Bonds shall be mailed, as provided in this Ordinance. The City, or its designee, shall have the
278 right to inspect the Registration Books during regular business hours of the Paying
279 Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books
280 confidential and, unless otherwise required by law, shall not permit their inspection by any other
281 entity. Ownership of each Bond may be transferred in the Registration Books only upon
282 presentation and surrender of the Bond to the Paying Agent/Registrar for transfer of registration

283 and cancellation, together with proper written instruments of assignment, in form and with
284 guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of
285 the Bond, or any portion of the Bond, in any Authorized Denomination, to the assignee or
286 assignees, and the right of the assignee or assignees to have the Bond or any portion of the Bond
287 registered in the name of the assignee or assignees. Upon the assignment and transfer of any Bond,
288 a new substitute obligation or obligations shall be issued in exchange for the Bond in the manner
289 provided in this Ordinance.

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

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

302 (d) Each Bond may be exchanged for fully registered obligations as set forth in this
303 Ordinance. Each Bond issued and delivered pursuant to this Ordinance, to the extent of the
304 unredeemed principal amount, may, upon surrender at the Designated Payment/Transfer Office,
305 together with a written request duly executed by the Registered Owner or its assignee or assignees,
306 or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory
307 to the Paying Agent/Registrar, at the option of the Registered Owner or its assignee or assignees,
308 as appropriate, be exchanged for fully registered obligations, without interest coupons, in the form
309 prescribed in the Form of Bond, in any Authorized Denomination (subject to the requirement stated
310 below that each substitute Bond shall have a single stated maturity date), as requested in writing
311 by the Registered Owner or its assignee or assignees, in an aggregate principal amount equal to
312 the unredeemed principal amount of any Bond or Bonds so surrendered, and payable to the
313 appropriate Registered Owner, assignee, or assignees. If a portion of any Bond is assigned and
314 transferred, each Bond issued in exchange shall have the same maturity date and bear interest at
315 the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter
316 and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange
317 or replace Bonds as provided in this Ordinance, and each fully registered Bond delivered in
318 exchange for or replacement of any Bond or portion of a Bond as permitted or required by any
319 provision of this Ordinance shall constitute one of the Bonds for all purposes of this Ordinance
320 and may again be exchanged or replaced. Any Bond delivered in exchange for or replacement of
321 another Bond before the first scheduled interest payment date on the Bonds (as stated on the face
322 of the Bond) shall be dated the same date, but each substitute Bond delivered on or after the first
323 scheduled interest payment date shall be dated the interest payment date preceding the date on
324 which the substitute Bond is delivered, unless the substitute Bond is delivered on an interest
325 payment date, in which case it shall be dated as of the date of delivery; however, if at the time of
326 delivery of any substitute Bond the interest on the Bond for which it is being exchanged has not
327 been paid, then the substitute Bond shall be dated the date to which interest has been paid in full.
328 On each substitute Bond issued in exchange for or replacement of any Bond issued under this

329 Ordinance there shall be printed on the Bond the Authentication Certificate. An authorized
330 representative of the Paying Agent/Registrar shall, before the delivery of any substitute Bond, date
331 the substitute Bond in the manner set forth above, and manually sign and date the Authentication
332 Certificate, and no substitute Bond shall be considered to be issued or outstanding unless the
333 Authentication Certificate is executed. The Paying Agent/Registrar promptly shall cancel all
334 Bonds surrendered for exchange or replacement. No additional ordinances, orders, or resolutions
335 need be passed or adopted by Council or any other body or person to accomplish the exchange or
336 replacement of any Bond, and the Paying Agent/Registrar shall provide for the printing, execution,
337 and delivery of the substitute Bonds in the manner prescribed in this Ordinance. Pursuant to
338 Chapter 1206, the duty of exchange or replacement of any Bond is imposed on the Paying
339 Agent/Registrar, and, upon the execution of the Authentication Certificate, the exchanged or
340 replaced obligation shall be valid, incontestable, and enforceable in the same manner and with the
341 same effect as the Initial Bond. Neither the City nor the Paying Agent/Registrar shall be required
342 to transfer or exchange any Bond selected for redemption, in whole or in part, within 45 calendar
343 days of the date fixed for redemption; provided, however; the limitation of transfer shall not be
344 applicable to an exchange by the Registered Owner of the uncalled principal of a Bond.

345 (e) All Bonds issued in exchange or replacement of any other Bond or portion of a
346 Bond (i) shall be issued in fully registered form, without interest coupons, with the principal of
347 and interest on the Bonds to be payable only to the Registered Owners, (ii) may be redeemed prior
348 to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for
349 other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the
350 principal of and interest on the Bonds shall be payable, all as provided, and in the manner required
351 or indicated in this Ordinance and the Official Bid Form or Bond Purchase Agreement.

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

366 (g) An Authorized Representative is authorized to execute and deliver the Paying
367 Agent/Registrar Agreement. The City covenants with the Registered Owners of the Bonds that at
368 all times while the Bonds are outstanding the City will provide a competent and legally qualified
369 bank, trust company, or other entity duly qualified and legally authorized to act as and perform the
370 services of Paying Agent/Registrar for the Bonds under this Ordinance, and that the Paying
371 Agent/Registrar will be one entity. The City reserves the right to, and may, at its option, change
372 the Paying Agent/Registrar upon not less than 60 days' written notice to the Paying
373 Agent/Registrar. In the event that the entity at any time acting as Paying Agent/Registrar (or its
374 successor by merger, acquisition, or other method) should resign or otherwise stop acting as such,

375 the City covenants that it will promptly appoint a competent and legally qualified national or state
376 banking institution organized and doing business under the laws of the United States of America
377 or of any state, authorized under the laws to exercise trust powers, subject to supervision or
378 examination by federal or state authority, and whose qualifications substantially are similar to the
379 previous Paying Agent/Registrar to act as Paying Agent/Registrar under this Ordinance. Upon any
380 change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer
381 and deliver the Registration Books (or a copy of these Registration Books), along with all other
382 pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated
383 and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly
384 will cause a written notice to be sent by the new Paying Agent/Registrar to each Registered Owner
385 of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the
386 address of the new Paying Agent/Registrar. By accepting the position and performing as such,
387 each Paying Agent/Registrar shall be considered to have agreed to the provisions of this Ordinance,
388 and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

389 **PART 8. FORM OF BONDS.**

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

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

398 (a) The Interest and Sinking Fund (which may include the designation or title by which
399 a series of Bonds shall be known, as determined pursuant to PART 4(b) of this Ordinance) is
400 created and it shall be established and maintained at an official depository of the City. The Interest
401 and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City,
402 and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes
403 levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit
404 of the Interest and Sinking Fund. During each year while any Bond is outstanding and unpaid,
405 Council shall compute and ascertain the rate and amount of ad valorem tax, based on the latest
406 approved tax rolls of the City, with full allowances being made for tax delinquencies and costs of
407 tax collections, which will be sufficient to raise and produce the money required to pay the interest
408 on the Bonds as the interest comes due, and to provide a sinking fund to pay the principal
409 (including mandatory sinking fund redemption payments, if any) of the Bonds as the principal
410 matures, but never less than 2% of the outstanding principal amount of the Bonds as a sinking fund
411 each year. The rate and amount of ad valorem tax needed to fund this obligation is ordered to be
412 and is hereby levied against all taxable property in the City for each year while any Bond is
413 outstanding and unpaid, and the ad valorem tax shall be assessed and collected each year and
414 deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes necessary to pay
415 the interest on and principal of the Bonds, as the interest comes due, and the principal matures or
416 comes due through operation of the mandatory sinking fund redemption, if any, as provided in the
417 Official Bid Form or Bond Purchase Agreement, are pledged for this purpose, within the limit set
418 by law. The City appropriates from current funds on hand and directs the transfer for deposit into
419 the Interest and Sinking Fund, moneys as may be necessary to pay debt service on the Bonds

420 scheduled to occur prior to receipt of taxes levied to pay such debt service. Money in the Interest
421 and Sinking Fund, at the option of the City, may be invested in the securities or obligations as
422 permitted under applicable law and the City's investment policy. Any securities or obligations in
423 which money is invested shall be kept and held in trust for the benefit of the owners of the Bonds
424 and shall be sold and the proceeds of sale shall be timely applied to the making of all payments
425 required to be made from the Interest and Sinking Fund. Interest and income derived from the
426 investment of money in the Interest and Sinking Fund shall be credited to the Interest and Sinking
427 Fund.

428 (b) Should more than one series of Bonds be sold under authority of this Ordinance, a
429 separate interest and sinking fund will be created and maintained at an official depository of the
430 City to secure each series of Bonds.

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

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

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

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

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

458 (d) Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall
459 charge the owner of the Bond with all legal, printing, and other expenses in connection with the
460 replacement. Every replacement Bond issued pursuant to the provisions of this Ordinance by
461 virtue of the fact that any Bond is damaged, mutilated, lost, stolen, or destroyed shall constitute a

462 contractual obligation of the City whether the damaged, mutilated, lost, stolen, or destroyed Bond
463 shall be found, or be enforceable by anyone, and shall be entitled to all the benefits of this
464 Ordinance equally and proportionately with any and all other Bonds duly issued under this
465 Ordinance.

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

472 **PART 11. SUBMISSION OF PROCEEDINGS TO ATTORNEY GENERAL.**

473 The Mayor, or his designee, and each Authorized Representative, is authorized to have
474 control of the Bonds and all necessary records and proceedings pertaining to the Bonds pending
475 their delivery and their investigation, examination and approval by the Texas Attorney General
476 and their registration by the Comptroller. The City shall submit a single bond to the Texas
477 Attorney General, in the aggregate principal amount of the Bonds sold and containing the interest
478 rates and schedule of principal payment dates, all as set forth in the Official Bid Form or Bond
479 Purchase Agreement (the "Initial Bond"). Upon registration of the Initial Bond, the Comptroller
480 (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's
481 Registration Certificate accompanying the Initial Bond, and the seal of the Comptroller shall be
482 impressed, or placed in facsimile, on the Initial Bond. The Initial Bond shall be numbered T-1.
483 After registration by the Comptroller, delivery of the Bonds shall be made to the Underwriters,
484 under and subject to the general supervision and direction of the Mayor or an Authorized
485 Representative, against receipt by the City of all amounts due to the City under the terms of sale,
486 and the Initial Bond shall be cancelled. Council authorizes the payment of the fee of the Office of
487 the Attorney General of the State of Texas for the examination of the proceedings relating to the
488 issuance of the Bonds, in the amount determined in accordance with the provisions of Section
489 1202.004, Texas Government Code.

490 **PART 12. SALE OF BONDS; OFFICIAL STATEMENT.**

492 (a) The Bonds shall be sold to the Underwriters at the price set forth in the Official Bid
493 Form or Bond Purchase Agreement, and delivery of the Bonds to the Underwriters shall be made
494 upon receipt of payment in accordance with the terms of the Official Bid Form or Bond Purchase
495 Agreement. An Authorized Representative is authorized and directed to execute the Official Bid
496 Form or Bond Purchase Agreement on behalf of the City, and the Mayor, Mayor Pro Tem, City
497 Manager, Chief Financial Officer, Director of Financial Services, City Clerk, and all other
498 officials, agents and representatives of the City are authorized to execute and deliver any
499 agreements, certificates, instruments and other documents, and do any and all things necessary or
500 desirable to satisfy the conditions set out in the documents, to provide for the issuance and delivery
501 of the Bonds.

502 (b) Council ratifies, authorizes and approves, in connection with the sale of the Bonds,
503 the preparation and distribution of the Preliminary Official Statement and a final Official
504 Statement, substantially in the form of the Preliminary Official Statement, containing additional
505 information and amendments as may be necessary to conform to the terms of the Bonds, this

506 Ordinance, and the Official Bid Form or Bond Purchase Agreement, and the Preliminary Official
507 Statement is deemed final as of its date within the meaning and for the purposes of paragraph
508 (b)(1) of the Rule. An Authorized Representative is authorized to approve amendments and
509 supplements to the Official Statement as either of them shall deem necessary or appropriate. The
510 Mayor and City Clerk are authorized to execute the final Official Statement by manual, facsimile
511 or electronic signature and/or to deliver a certificate pertaining to the final Official Statement as
512 prescribed in the Official Statement or in the Official Bid Form or Bond Purchase Agreement,
513 dated as of the date of payment for and delivery of the Bonds.

514 (c) The Mayor, Mayor Pro Tem, City Manager, City Clerk, Chief Financial Officer,
515 Director of Financial Services and all other officials, agents and representatives of the City are
516 authorized to take actions as any officer, official, agent or representative shall approve in seeking
517 ratings on the Bonds from one or more nationally recognized statistical ratings organizations, or
518 any confirmation of ratings issued by a rating agency, and these actions are ratified and confirmed.

519 (d) Proceeds from the sale of the Bonds shall be disbursed in the amounts and for the
520 purposes set forth in the closing letter of instructions. An Authorized Representative may provide
521 for the establishment of any fund, account or subaccount as deemed necessary or appropriate for
522 the safekeeping and administration of proceeds from the sale of the Bonds pending their
523 disbursement for authorized purposes.

524 (e) An Authorized Representative shall not execute the Official Bid Form or the Bond
525 Purchase Agreement unless each of the Underwriters has confirmed to an Authorized
526 Representative that either it has made disclosure filings to the Texas Ethics Commission in
527 accordance with Section 2252.908, Texas Government Code or is exempt from making filings
528 under Section 2252.908(c)(4), Texas Government Code. Within thirty (30) days of receipt of the
529 execution of the Official Bid Form or Bond Purchase Agreement, disclosure filings received from
530 any of the Underwriters will be acknowledged by the City in accordance with the rules of the Texas
531 Ethics Commission.

532 (f) An Authorized Representative shall not execute the Official Bid Form or Bond
533 Purchase Agreement for the purpose of refunding the Refunded Obligations unless the refunding
534 results in a net present value savings of at least 4.25%. The Authorized Representative shall
535 execute a certificate setting forth the savings generated from the refunding of the Refunded
536 Obligations and stating that the minimum savings threshold established by this Ordinance has been
537 met.

538 (g) An Authorized Representative is authorized and directed to select the Escrow Agent
539 and execute the Escrow Agreement on behalf of the City. Escrow Agent is not a depository bank
540 of the City and is named Escrow Agent in accordance with Section 1207.061(a)(3), Texas
541 Government Code. An Authorized Representative shall not execute the Escrow Agreement unless
542 the Escrow Agent has confirmed to an Authorized Representative that either it has made disclosure
543 filings to the Texas Ethics Commission in accordance with Section 2252.908, Texas Government
544 Code or is exempt from making filings under Section 2252.908(c)(4), Texas Government Code.
545 Within thirty (30) days of receipt of the execution of the Escrow Agreement, disclosure filings
546 received from the Escrow Agent will be acknowledged by the City in accordance with the rules of
547 the Texas Ethics Commission.

548

PART 13. COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

549 The City covenants to refrain from any action which would adversely affect, or to take any
550 action to assure, the treatment of the Bonds as obligations described in section 103 of the Code,
551 the interest on which is not includable in the "gross income" of the holder for purposes of federal
552 income taxation. The City covenants as follows:

553

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

562

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

569

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

574

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

577

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

580

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

586

587 (1) proceeds of the Bonds invested for a reasonable temporary period,
588 until such proceeds are needed for the purpose for which the Bonds are issued,

589

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

592

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

(g) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(h) to refrain from using the proceeds of the Bonds or the proceeds of any prior bonds to pay debt service on another issue more than ninety (90) days after the issuance of the Bonds in contravention of section 149(d) of the Code (relating to advance refundings); and

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

The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer, any Deputy Chief Financial Officer, the Director of Financial Services and the City Treasurer may execute any certificates or other reports required by the Code and make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (i), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

The City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used to finance the Projects described in Schedule I by allocating proceeds to expenditures within eighteen (18) months of the later of the date that (a) the expenditure on a Project is made or (b) each Project is completed. The

641 City shall not expend such proceeds or investment earnings more than 60 days after the later of (a)
642 the fifth anniversary of the date of delivery of the Bonds or (b) the date the Bonds are retired,
643 unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect
644 that the expenditure will not adversely affect the tax-exempt status of the Bonds. The City shall
645 not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized
646 bond counsel to the effect that the failure to comply will not adversely affect the excludability for
647 federal income tax purposes from gross income of the interest.
648

649 The City covenants that the property financed or refinanced with the proceeds of the Bonds
650 will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash
651 or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel
652 substantially to the effect that such sale or other disposition will not adversely affect the tax-exempt
653 status of the Bonds. The portion of the property comprising personal property and disposed of in
654 the ordinary course of business shall not be treated as a transaction resulting in the receipt of cash
655 or other compensation. The City shall not be obligated to comply with this covenant if it obtains
656 an opinion of nationally-recognized bond counsel to the effect that the failure to comply will not
657 adversely affect the excludability for federal income tax purposes from gross income of the
658 interest.
659

660 **PART 14. CONTINUING DISCLOSURE OBLIGATION.**

661 (a) *Annual Reports.*

662 (i) The City shall provide annually to the MSRB, (A) within six months after
663 the end of each fiscal year of the City, financial information and operating data with respect
664 to the City of the general type included in the final Official Statement authorized by
665 PART 12 of this Ordinance, being information of the type described and referenced in the
666 final Official Statement, including financial statements of the City if audited financial
667 statements of the City are then available, and (B) if not provided as part of the financial
668 information and operating data, audited financial statements of the City, when and if
669 available. Any financial statements to be provided shall be (x) prepared in accordance with
670 the accounting principles described in the final Official Statement, or other accounting
671 principles as the City may be required to employ from time to time pursuant to state law or
672 regulation, and in substantially the form included in the final Official Statement, and
673 (y) audited, if the City commissions an audit of its financial statements and the audit is
674 completed within the period during which they must be provided. If the audit of financial
675 statements is not complete within 12 months after any fiscal year end, then the City shall
676 file unaudited financial statements within the 12-month period and audited financial
677 statements for the applicable fiscal year, when and if the audit report on the financial
678 statements becomes available.

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

682 The financial information and operating data to be provided pursuant to this PART
683 may be set forth in full in one or more documents or may be included by specific reference
684 to any document (including an official statement or other offering document) available to

685 the public on the MSRB's website or filed with the SEC. Filings shall be made
686 electronically, accompanied by identifying information as prescribed by the MSRB.

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

- 690 (i) Principal and interest payment delinquencies;
- 691 (ii) Non-payment related defaults, if material;
- 692 (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 693 (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 694 (v) Substitution of credit or liquidity providers, or their failure to perform;
- 695 (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- 700 (vii) Modifications to rights of holders of the Bonds, if material;
- 701 (viii) Bond calls, if material, and tender offers;
- 702 (ix) Defeasances;
- 703 (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- 704 (xi) Rating changes;
- 705 (xii) Bankruptcy, insolvency, receivership or similar event of the City;
- 706 (xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- 712 (xiv) Appointment of a successor trustee or change in the name of the trustee, if material;
- 714 (xv) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and
- 718 (xvi) Default, event of acceleration, termination event, modification of terms, or other similar event under the terms of a Financial Obligation of the Obligated Person, and which reflect financial difficulties.

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

724 As used in clause (xii) above, the phrase "bankruptcy, insolvency, receivership or similar
725 event" means the appointment of a receiver, fiscal agent or similar officer for the City in a
726 proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law
727 in which a court or governmental authority has assumed jurisdiction over substantially all of the
728 assets or business of the City, or if jurisdiction has been assumed by leaving Council and officials
729 or officers of the City in possession but subject to the supervision and orders of a court or

730 governmental authority, or the entry of an order confirming a plan of reorganization, arrangement
731 or liquidation by a court or governmental authority having supervision or jurisdiction over
732 substantially all of the assets or business of the City.

733 As used in clauses (xv) and (xvi) above, the term "Financial Obligation" means: (i) a debt
734 obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a
735 source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii);
736 however, the term Financial Obligation shall not include Municipal Securities as to which a final
737 official statement has been provided to the MSRB consistent with the Rule; the term "Municipal
738 Securities" means securities which are direct obligations of, or obligations guaranteed as to
739 principal or interest by, a state or any political subdivision thereof, or any agency or instrumentality
740 of a state or any political subdivision thereof, or any municipal corporate instrumentality of one or
741 more states and any other Municipal Securities described by Section 3(a)(29) of the Securities
742 Exchange Act of 1934, as the same may be amended from time to time; and the term "Obligated
743 Person" means the City.

744
745 (c) *Limitations, Disclaimers, and Amendments.* The City shall be obligated to observe
746 and perform the covenants named in this PART for only so long as the City remains an "obligated
747 person" with respect to the Bonds within the meaning of the Rule, except that the City will give
748 written notice of any deposit made in accordance with this Ordinance, or applicable law, that
749 causes any Bond no longer to be outstanding.

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

760 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER
761 OR BENEFICIAL OWNER OF ANY OBLIGATION OR ANY OTHER PERSON, IN
762 CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM
763 ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS
764 PART, OF ANY COVENANT SPECIFIED IN THIS PART, BUT EVERY RIGHT AND
765 REMEDY OF ANY PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY
766 BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC
767 PERFORMANCE.

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

772 The provisions of this PART may be amended by the City from time to time to adapt to
773 changed circumstances that arise from a change in legal requirements, a change in law, or a change

774 in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this
775 PART, as amended, would have permitted an underwriter to purchase or sell Bonds in the primary
776 offering of the Bonds in compliance with the Rule, taking into account any amendments or
777 interpretations of the Rule since the offering as well as the changed circumstances and (2) either
778 (a) the holders of a majority in aggregate principal amount (or any greater amount required by any
779 other provision of this Ordinance that authorizes an amendment) of the outstanding Bonds consent
780 to the amendment or (b) a person that is unaffiliated with the City (such as nationally-recognized
781 bond counsel) determines that the amendment will not materially impair the interest of the holders
782 and beneficial owners of the Bonds. If the City amends the provisions of this PART, it shall include
783 with the next financial information and operating data provided in accordance with subsection (a)
784 of this PART an explanation, in narrative form, of the reason for the amendment and of the impact
785 of any change in the type of financial information or operating data so provided. The City may
786 also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or
787 repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that the
788 provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence
789 would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary
790 offering of the Bonds. Should the Rule be amended to obligate the City to make filings with or
791 provide notices to entities other than the MSRB, the City agrees to undertake such obligation in
792 accordance with the Rule as amended.

793

794 **PART 15. DTC REGISTRATION.**

795 The Bonds initially shall be issued and delivered in the manner that no physical distribution
796 of the Bonds will be made to the public, and DTC initially will act as depository for the Bonds.
797 DTC has represented that it is a limited purpose trust company incorporated under the laws of the
798 State of New York, a member of the Federal Reserve System, a “clearing corporation” within the
799 meaning of the New York Uniform Commercial Code, and a “clearing agency” registered under
800 Section 17A of the Securities Exchange Act of 1934, as amended, and the City accepts, but in no
801 way verifies, the representations of DTC. The Bonds initially authorized by this Ordinance
802 intended to be held by DTC shall be delivered to and registered in the name of Cede & Co., the
803 nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the Underwriters and
804 their participants. So long as each Bond is registered in the name of Cede & Co., the Paying
805 Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and
806 beneficial owner. It is expected that DTC will maintain a book-entry system, which will identify
807 ownership of the Bonds in Authorized Denominations, with transfers of ownership being effected
808 on the records of DTC and its participants pursuant to rules and regulations established by them,
809 and that the Bonds initially deposited with DTC shall be immobilized and not be further exchanged
810 for substitute Bonds except as set forth in this Ordinance. The City and the Paying Agent/Registrar
811 are not responsible or liable for any functions of DTC, will not be responsible for paying any fees
812 or charges with respect to its services, will not be responsible or liable for maintaining, supervising,
813 or reviewing the records of DTC or its participants, or protecting any interests or rights of the
814 beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the
815 Official Statement, to make all arrangements with DTC to establish this book-entry system, the
816 beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The
817 City does not represent, nor does it in any way covenant that the initial book-entry system
818 established with DTC will be maintained in the future. Notwithstanding the initial establishment
819 of the foregoing book-entry system with DTC, if for any reason any of the originally delivered
820 Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and

821 substitution, as provided for in this Ordinance, substitute Bonds will be duly delivered as provided
822 in this Ordinance, and there will be no assurance or representation that any book-entry system will
823 be maintained for the Bonds. In connection with the initial establishment of the foregoing book-
824 entry system with DTC, the City has executed a "Blanket Letter of Representations" prepared by
825 DTC in order to implement the book-entry system described above.

826 **PART 16. DEFEASANCE.**

827 (a) *Defeased Bonds.* Any Bond will be treated as a Defeased Bond, except to the extent
828 provided in subsection (d) of this PART, when payment of the principal of the Bond, plus interest
829 to the due date (whether the due date be by reason of maturity, redemption or otherwise) either (i)
830 shall have been made or caused to be made in accordance with the terms of this Ordinance, or (ii)
831 shall have been provided for on or before the due date by irrevocably depositing with or making
832 available to the Paying Agent/Registrar or any commercial bank or trust company authorized to
833 serve as escrow agent for the Bonds in accordance with a Future Escrow Agreement for the
834 payment of the Bond (1) lawful money of the United States of America sufficient to make the
835 payment or (2) Defeasance Securities to mature as to principal and interest in the amounts and at
836 the time as will ensure the availability, without reinvestment, of sufficient money to provide for
837 the payment, and when proper arrangements have been made by the City with the Paying
838 Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due
839 and payable. There shall be delivered to the Paying Agent/Registrar a certificate of a qualified
840 financial professional or a report from a firm of certified public accountants evidencing the
841 sufficiency of the deposit made pursuant to clause (ii) above. At the time a Bond shall be
842 considered to be a Defeased Bond, the Bond and the interest on that Bond shall no longer be
843 secured by, payable from, or entitled to the benefits of the ad valorem taxes levied and pledged as
844 provided in this Ordinance, and the principal and interest shall be payable solely from the money
845 or Defeasance Securities.

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

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

PART 17. DEFAULT AND REMEDIES.

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

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

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

(b) *Remedies for Default.*

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

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

(c) *Remedies Not Exclusive.*

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

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

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

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

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

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

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

927 (c) Any duty, responsibility, privilege, power or authority conferred by this Ordinance
928 upon an officer shall extend to an individual who occupies such office in an interim, acting or
929 provisional capacity.

930 **PART 19. RULES OF CONSTRUCTION.**

931 For all purposes of this Ordinance, unless the context requires otherwise, all references to
932 designated PARTS and other subdivisions are to the PARTS and other subdivisions of this
933 Ordinance. Except where the context otherwise requires, terms defined in this Ordinance to impart
934 the singular number shall be considered to include the plural number and vice versa. References
935 to any office, position or title shall include the person holding the office in an interim, acting or
936 permanent capacity. References to any named person shall mean that party and his or her
937 successors and assigns. Any duty, responsibility, privilege, power or authority conferred by this
938 Ordinance upon an official or officer shall extend to an individual who occupies such office in an
939 interim, acting or provisional capacity. References to any constitutional, statutory or regulatory
940 provision means the provision as it exists on the date this Ordinance is adopted by the City. Any
941 reference to the payment of principal in this Ordinance shall include the payment of any mandatory
942 sinking fund redemption payments as described in this Ordinance. Any reference to "Form of
943 Bond" refers to the form of the Bonds in Exhibit A to this Ordinance. The titles and headings of
944 the PARTS and subsections of this Ordinance have been inserted for convenience of reference

945 only and are not a part of this Ordinance and shall not in any way modify or restrict any of its terms
946 or provisions.

947 **PART 20. CONFLICTING ORDINANCES REPEALED.**

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

949 **PART 21. IMMEDIATE EFFECT.**

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

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PASSED AND APPROVED AND EFFECTIVE JULY 24, 2025.

Kirk Watson,
Mayor, City of Austin, Texas

ATTEST:

Erika Brady,
City Clerk, City of Austin, Texas

(SEAL)

APPROVED:

Deborah Thomas,
City Attorney, City of Austin, Texas

EXHIBIT A

Form of Bond

NO. R-__ \$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS
PUBLIC IMPROVEMENT AND [REFUNDING BOND,] SERIES 2025

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP No.</u>
_____	_____ %	October 2, 2025	

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

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

_____ DOLLARS

and to pay interest thereon, from the Dated Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on March 1, 2026, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than March 1, 2026, such interest is payable semiannually on each September 1 and March 1 following such date.

INTEREST ON THIS BOND shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity or redemption prior to maturity at the designated corporate trust office in Dallas, Texas (the "Designated Payment/Transfer Office") of U.S. Bank Trust Company, National Association, which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the record date, which is the 15th day of the month next preceding such interest payment date by check, dated as of such interest payment date, regardless of whether such day is a business day, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the City required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or upon redemption of this Bond prior to maturity as provided herein shall be paid to the registered

owner upon presentation and surrender of this Bond for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The City covenants with the registered owner of this Bond that no later than each principal payment and/or interest payment date for this Bond it will make available to the Paying Agent/Registrar from the Interest and Sinking Fund as defined by the ordinance authorizing the Bonds (the "Ordinance") the amounts required to provide for the payment, in immediately available funds, of all principal of, premium, if any, and interest on the Bonds, when due.

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

IF THE DATE for the payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the City and the securities depository.

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

ON SEPTEMBER 1, 20___, or on any date thereafter, the Bonds of this series maturing on September 1, 20___, and thereafter may be redeemed prior to their scheduled maturities, at the option of the City, in whole, or in part, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. The years of maturity of the Bonds called for redemption at the option of the City prior to stated maturity shall be selected by the City. The Bonds or portions thereof redeemed within a maturity shall be selected by lot or other customary random selection method by the Paying Agent/Registrar; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the City and the securities depository.

THE BONDS of this Series maturing on September 1, 20__ (the "Term Bonds") are subject to mandatory redemption prior to maturity, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds Maturing September 1, 20</u>	
<u>Redemption Date</u>	<u>Principal</u>
<u>(September 1)</u>	<u>Amount (\$)</u>
20__	
20__	
20__	
20__	
20__*	

*Stated Maturity

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Bond of the same maturity which, at least 45 days prior to a mandatory redemption date shall have been (1) acquired by the City at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) purchased and canceled by the Paying Agent/Registrar at the request of City at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of purchase, or (3) redeemed pursuant to the related optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST thirty (30) days prior to the date fixed for any redemption, a written notice of redemption shall be given to the registered owner of each Bond or a portion thereof being called for redemption by depositing such notice in the United States mail, first class postage prepaid, addressed to each such registered owner at his address shown on the Registration Books of the Paying Agent/Registrar. By the date fixed for any redemption due provision shall be made by the City with the Paying Agent/Registrar for the payment of the required redemption price for this Bond or the portion hereof which is to be so redeemed, plus accrued interest thereon to the date fixed for redemption. If notice of redemption is given, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for payment. The Paying Agent/Registrar shall record in the Registration Books all redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the City, all as provided in the Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION of the Bonds, unless certain prerequisites to such optional redemption required by the Ordinance have been met and money sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a notice of conditional redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the City will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds will not be redeemed.

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

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

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

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond, and the series of which it is a part, is duly authorized by law; that the bonds issued for the public improvements heretofore described were approved by a vote of the resident, qualified electors of the City, voting at elections held for that purpose by the City on November 6, 2012, November 8, 2016, November 6, 2018 and November 3, 2020 that all acts, conditions and things required to be done precedent to and in the issuance of this series of bonds, and of this Bond, have been properly done and performed and have happened in regular and due time, form and manner as required by law; that sufficient and proper provision for the levy and collection of ad valorem taxes has been made, which, when collected, shall be appropriated exclusively to the payment of this Bond and the series of which it is a part; and that the total indebtedness of the City, including the entire series of bonds of which this is one, does not exceed any constitutional or statutory limitation.

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

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

Erika Brady,
City Clerk, City of Austin, Texas

Kirk Watson,
Mayor, City of Austin, Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated: _____

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

By: _____
Authorized Representative

* * * * *

FORM OF COMPTROLLER'S CERTIFICATE
(ATTACHED TO THE INITIAL BOND):

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

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

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

Comptroller of Public Accounts of the
State of Texas

(SEAL)

* * * * *

FORM OF ASSIGNMENT:
ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Please insert Social Security or Taxpayer Identification Number of Transferee

/_____/

(please print or typewrite name and address, including zip code of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

The Initial Bond shall be in the form set forth above, except that the form of the single fully registered Initial Bond shall be modified as follows:

- (i) immediately under the name of the note the headings "Maturity Date", "Interest Rate", "Dated Date" and "Cusip" shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner:

Principal Amount:

Dated Date: October 2, 2025

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF AUSTIN, TEXAS (the "City"), in the Counties of Travis, Williamson and Hays, promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on September 1 in each of the years and in principal installments in accordance with the following schedule:

<u>Maturity(9/1)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		

and to pay interest thereon, from the Dated Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on March 1, 2026, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Bond is dated later than March 1, 2026, such interest is payable semiannually on each September 1 and March 1 following such date.

SCHEDULE I

	Authorized	Previously Issued	PIB 2025 Issued	Unissued Balance
10/22/83 Election				
Brackenridge 2000	\$ 50,000,000	\$ 40,785,000	\$ -	\$ 9,215,000
09/08/84 Election				
Park Improvements	\$ 9,975,000	\$ 9,648,000	\$ -	\$ 327,000
1/19/85 Election				
Cultural Arts	\$ 20,285,000	\$ 14,890,000	\$ -	\$ 5,395,000
11/7/06 Election				
Cultural Facilities	\$ 31,500,000	\$ 27,500,000	\$ -	\$ 4,000,000
11/6/12 Election				
Transportation and Mobility	\$ 143,299,000	\$ 137,515,000	\$ 1,000,000	\$ 4,784,000
Park Improvements	\$ 77,680,000	\$ 76,180,000	\$ -	\$ 1,500,000
Public Safety Improvements	\$ 31,079,000	\$ 31,075,000	\$ -	\$ 4,000
Health and Human Services	\$ 11,148,000	\$ 11,145,000	\$ -	\$ 3,000
Library, Museum and Cultural Arts	\$ 13,442,000	\$ 13,440,000	\$ -	\$ 2,000
11/8/16 Election				
Transportation and Mobility	\$ 720,000,000	\$ 401,095,000	\$ 80,000,000	\$ 238,905,000
11/6/18 Election				
Affordable Housing	\$ 250,000,000	\$ 225,295,000	\$ 10,000,000	\$ 14,705,000
Library, Museum and Cultural Arts	\$ 128,000,000	\$ 32,600,000	\$ 18,000,000	\$ 77,400,000
Park Improvements	\$ 149,000,000	\$ 88,275,000	\$ 20,000,000	\$ 40,725,000
Flood Mitigation and Water Quality	\$ 184,000,000	\$ 97,185,000	\$ 55,000,000	\$ 31,815,000
Dove Springs Public Health	\$ 16,000,000	\$ 11,490,000	\$ 4,100,000	\$ 410,000
Public Safety Improvements	\$ 38,000,000	\$ 20,850,000	\$ 15,000,000	\$ 2,150,000
Transportation and Mobility	\$ 160,000,000	\$ 104,895,000	\$ 5,000,000	\$ 50,105,000
11/3/20 Election				
Transportation and Mobility	\$ 460,000,000	\$ 100,000,000	\$ 75,000,000	\$ 285,000,000
11/8/22 Election				
Affordable Housing	\$ 350,000,000	\$ 7,000,000	\$ 75,000,000	\$ 268,000,000
TOTAL	\$ 2,843,408,000	\$ 1,450,863,000	\$ 358,100,000	\$ 1,034,445,000
	PIB, Tax-Exempt Series 2025	\$ 273,100,000		
	PIB, Taxable Series 2025	\$ 85,000,000		
	Total 2025 PIB New Money Projects	\$ 358,100,000		

SCHEDULE II
SUMMARY OF OBLIGATIONS ELIGIBLE TO BE REFUNDED

City of Austin, Texas Public Improvement Bonds, Series 2012A

City of Austin, Texas Certificates of Obligation, Series 2012

City of Austin, Texas Public Improvement Bonds, Series 2015

City of Austin, Texas Certificates of Obligation, Series 2015