

NOT A NEW ISSUE

RATINGS: See "Ratings" herein

## SECONDARY MARKET INFORMATION CIRCULAR

relating to

**\$108,240,000**

**City of Austin, Texas**

**Hotel Occupancy Tax Subordinate Lien  
Variable Rate Revenue Refunding Bonds  
Series 2008**

consisting of

**Subseries**

**\$54,120,000 Subseries A**

**\$54,120,000 Subseries B**

**Bank**

**JPMorgan Chase Bank, National Association**

**JPMorgan Chase Bank, National Association**

This Secondary Market Information Circular ("Information Circular") has been prepared for use by the Remarketing Agents with respect to the above-referenced bonds (the "Series 2008 Bonds") and supplements the Final Official Statement dated August 7, 2008 (the "Official Statement") relating to the Series 2008 Bonds, which were issued on August 14, 2008. THIS INFORMATION CIRCULAR SUPERSEDES THE SECONDARY MARKET INFORMATION CIRCULAR DATED JULY 20, 2011, PREPARED IN CONNECTION WITH THE SERIES 2008 BONDS. All terms not otherwise defined herein have the meanings given such terms in the Official Statement.

The City of Austin, Texas (the "City") intends to substitute a letter of credit, constituting a Credit Facility and a Liquidity Facility, for the existing letter of credit issued in support of Subseries B of the Series 2008 Bonds, as further described below. Such substitution will take place on December \_\_, 2012 (the "Tender Date"). The Series 2008 Bonds will be subject to mandatory tender for purchase on the Tender Date.

This Information Circular describes the Amended and Restated Reimbursement Agreement dated as of \_\_\_\_\_, 2012 (the "Reimbursement Agreement") between the City and JPMorgan Chase Bank, National Association ("JPMorgan" or the "Bank") that will be executed and delivered on or before the Tender Date. JPMorgan will issue a letter of credit, with an initial stated amount of \$54,974,058 (the "Subseries B Letter of Credit"), that will be delivered on the Tender Date, with respect to Subseries B of the Series 2008 Bonds. The Reimbursement Agreement confirms that on July 27, 2011, JPMorgan issued a letter of credit, with an initial stated amount of \$59,692,360 (the "Subseries A Letter of Credit"), with respect to Subseries A of the Series 2008 Bonds. The current stated amount of the Subseries A Letter of Credit is \$54,974,058. The Subseries A Letter of Credit and the Subseries B Letter of Credit are individually referred to herein as a "Letter of Credit" and are collectively referred to herein as the "Letters of Credit". Each Letter of Credit is calculated on the basis of the currently outstanding principal amount of the Subseries of Series 2008 Bonds for which it is issued, plus forty-eight (48) days accrued interest thereon at the rate of twelve percent (12%) per annum calculated on the basis of a 365/366 day year. Each Letter of Credit will expire on July 25, 2014, unless extended or terminated sooner in accordance with the terms of the Reimbursement Agreement and the respective Letter of Credit. See "**REIMBURSEMENT AGREEMENT**" herein.

Payment of scheduled principal of and interest on the Series 2008 Bonds, together with the purchase price of Series 2008 Bonds subject to optional or mandatory tender for purchase which have not been remarketed, will be payable from amounts received under the Subseries A Letter of Credit, with respect to Subseries A of the Series 2008 Bonds, and from amounts received under the Subseries B Letter of Credit, with respect to Subseries B of the Series 2008 Bonds. Series 2008 Bonds tendered for purchase will be paid first, from the proceeds of remarketing, if any, and second, from a Liquidity Drawing on a Subseries A Letter of Credit or a Subseries B Letter of Credit, as applicable. The Bank is liable solely with respect to the scheduled principal and interest and purchase price of the Subseries of Series 2008 Bonds for which it is obligated and not for any other Series 2008 Bond. The City has no obligation to purchase tendered Series 2008 Bonds. See "**REIMBURSEMENT AGREEMENT**" herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of this transaction. Investors are advised to read the entire Information Circular (including without limitation the information described herein under "**THE CITY; DOCUMENTS INCORPORATED BY REFERENCE**") in conjunction

with the Official Statement to obtain information essential to making an informed investment decision with respect to the Series 2008 Bonds.

**Raymond James | Morgan Keegan,  
as Remarketing Agent for Subseries A  
of the Series 2008 Bonds**

**Merrill Lynch, Pierce, Fenner & Smith Incorporated,  
as Remarketing Agent for Subseries B  
of the Series 2008 Bonds**

*The date of this Information Circular to the Official Statement is December \_\_, 2012.*

**The summary information set forth below applies to the Series 2008 Bonds only during the Weekly Mode.** Such Interest Rate Mode and related information are subject to change. This information is qualified by reference to the Official Statement, and investors should review the Official Statement in its entirety before making any investment decisions with respect to the Series 2008 Bonds.

#### **REGARDING USE OF THIS INFORMATION CIRCULAR**

This Information Circular has been prepared with respect to the Series 2008 Bonds only. This Information Circular supersedes the Secondary Market Information Circular dated July 20, 2011, prepared in connection with the Series 2008 Bonds.

This Information Circular does not constitute a reoffering or a solicitation of a reoffering of the Series 2008 Bonds, nor shall there be any such reoffering, in any jurisdiction to any person to whom it is unlawful to do so. No dealer, salesman or any other person has been authorized to give any information other than that contained in this Information Circular or to make any representations and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the Remarketing Agents, the Bank or any other person.

Deutsche Bank Trust Company Americas, in each of its capacities as Paying Agent/Registrar and Tender Agent, has not participated in the preparation of this Information Circular and assumes no responsibility for its content.

The information contained in Appendix A to this Information Circular pertaining to the Bank has been provided by the Bank. Each Remarketing Agent has reviewed the information in this Information Circular in accordance with, and as part of, its responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Information Circular nor any remarketing of the Series 2008 Bonds by a Remarketing Agent shall, under any circumstances, create an implication that there has been no change in the affairs of the City, the Bank or any other person or in the other matters described herein.

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**Bank**

**JPMorgan Chase Bank, National Association**

**JPMorgan Chase Bank, National Association**

*Capitalized terms not otherwise defined herein shall have the meanings set forth in the Official Statement relating to the Series 2008 Bonds described below. Investors are advised to read this Information Circular in conjunction with the Official Statement referenced below to obtain information essential to making an informed investment decision with respect to the Series 2008 Bonds.*

### PURPOSE OF THIS INFORMATION CIRCULAR

This Information Circular has been prepared for use by the Remarketing Agents with respect to the above-referenced Series 2008 Bonds (the “Series 2008 Bonds”) and supplements the Official Statement dated August 7, 2008 (the “2008 Official Statement”) relating to the Series 2008 Bonds, which were issued on August 14, 2008.

The Series 2008 Bonds were issued by the City of Austin, Texas (the “City” or the “Issuer”) pursuant to an ordinance of the City adopted July 24, 2008 (the “Ordinance”).

The City intends to substitute a letter of credit, constituting a Credit Facility and a Liquidity Facility, for the existing letter of credit issued in support of Subseries B of the Series 2008 Bonds, as further described below. Such substitution will take place on December \_\_, 2012 (the “Tender Date”). The Series 2008 Bonds will be subject to mandatory tender for purchase on the Tender Date.

This Information Circular describes the Amended and Restated Reimbursement Agreement dated as of \_\_\_\_\_, 2012 (the “Reimbursement Agreement”) between the City and JPMorgan Chase Bank, National Association (“JPMorgan” or the “Bank”) that will be executed and delivered on or before the Tender Date. JPMorgan will issue a letter of credit, with an initial stated amount of \$54,974,058 (the “Subseries B Letter of Credit”), that will be delivered on the Tender Date, with respect to Subseries B of the Series 2008 Bonds. The Reimbursement Agreement confirms that on July 27, 2011, JPMorgan issued a letter of credit, with an initial stated amount of \$59,692,360 (the “Subseries A Letter of Credit”), with respect to Subseries A of the Series 2008 Bonds. The current stated amount of the Subseries A Letter of Credit is \$54,974,058. The Subseries A Letter of Credit and the Subseries B Letter of Credit are individually referred to herein as a “Letter of Credit” and are collectively referred to herein as the “Letters of Credit”. The Subseries A Letter of Credit and the Subseries B Letter of Credit each is calculated on the basis of the currently outstanding principal amount of the Subseries of Series 2008 Bonds for which it is issued, plus forty-eight (48) days accrued interest thereon at the rate of twelve percent (12%) per annum calculated on the basis of a 365/366 day year. Each Letter of Credit will expire on July 25, 2014, unless extended or terminated sooner in accordance with the terms of the Reimbursement Agreement and the respective Letter of Credit. See “**REIMBURSEMENT AGREEMENT**” herein.

Payment of scheduled principal of and interest on the Series 2008 Bonds, together with the purchase price of Series 2008 Bonds subject to optional or mandatory tender for purchase which have not been remarketed, will be payable from amounts received under the Subseries A Letter of Credit, with respect to Subseries A of the Series 2008 Bonds, and from amounts received under the Subseries B Letter of Credit, with respect to Subseries B of the Series 2008 Bonds. Series 2008 Bonds tendered for purchase will be paid first, from the proceeds of remarketing, if any, and second, from a Liquidity Drawing on a Subseries A Letter of Credit or a Subseries B Letter of Credit, as applicable. The Bank is severally liable solely with respect to the scheduled principal and interest and purchase price of the Subseries of Series

2008 Bonds for which it is obligated and not for any other Series 2008 Bonds. The City has no obligation to purchase tendered Series 2008 Bonds. See “**REIMBURSEMENT AGREEMENT**” herein.

## **REIMBURSEMENT AGREEMENT**

*The Subseries A Letter of Credit, issued by JPMorgan on July 27, 2011, provides credit and liquidity support only for Subseries A of the Series 2008 Bonds. The Subseries B Letter of Credit issued by JPMorgan under the terms of the Reimbursement Agreement provides credit and liquidity support only for Subseries B of the Series 2008 Bonds. The following summary of the Reimbursement Agreement and the Letters of Credit does not purport to be comprehensive or definitive and is subject to all the terms and provisions of the Reimbursement Agreement and the Letters of Credit, to which reference is made hereby. Investors are urged to obtain and review a copy of the Reimbursement Agreement and the Letters of Credit in order to understand all of the terms of those documents. Copies of the Reimbursement Agreement and the Letters of Credit may be obtained from the City or from the City's Financial Advisor, Public Financial Management, Inc., Austin, Texas. See “APPENDIX A - INFORMATION REGARDING THE BANK” for certain information regarding JPMorgan. Capitalized terms used in this section of the Information Circular have the meanings given said terms in “APPENDIX B - REIMBURSEMENT AGREEMENT DEFINED TERMS” or in the Reimbursement Agreement.*

### **General**

Upon compliance with the terms and conditions of the Letters of Credit, and subject to the terms and conditions set forth therein, the Bank is obligated to provide funds for the particular Subseries of the Series 2008 Bonds that are tendered for purchase and not remarketed, whether at the option of the owner of such Subseries of the Series 2008 Bonds or upon mandatory tender for purchase.

The Bank and the City have entered into the Reimbursement Agreement. With respect to Subseries A of the Series 2008 Bonds, JPMorgan issued the Subseries A Letter of Credit on July 27, 2011, with an initial stated amount of \$59,692,360, and currently has a stated amount of \$54,974,058. With respect to Subseries B of the Series 2008 Bonds, JPMorgan will issue the Subseries B Letter of Credit, with an initial stated amount of \$54,974,058 that will be delivered on the Tender Date. The Letters of Credit will expire on the Stated Expiration Date.

The Paying Agent/Registrar is authorized to make drawings for the scheduled payment of principal of and interest on the Series 2008 Bonds of either Subseries (an “Interest Drawing”, a “Redemption Drawing” and a “Stated Maturity Drawing”, as the case may be) under the applicable Letter of Credit. The Paying Agent/Registrar is authorized to make a drawing on the applicable Letter of Credit for the payment of the purchase price of the Series 2008 Bonds bearing interest at the Weekly Rate that have been tendered and not remarketed (a “Liquidity Drawing”), subject to certain conditions set forth in the Letters of Credit and in the Reimbursement Agreement. As provided in the Reimbursement Agreement, a Liquidity Drawing shall constitute a Liquidity Advance, and shall immediately, on a Term Loan Commencement Date, convert into a Term Loan. No Drawing shall be made under any Letter of Credit for the payment of principal or interest on Ineligible Bonds.

Series 2008 Bonds of a Subseries purchased with the proceeds of a Liquidity Drawing are Liquidity Provider Bonds, and the Paying Agent/Registrar shall deliver to the Bank and register such Liquidity Provider Bonds as provided in the Reimbursement Agreement. Liquidity Provider Bonds shall bear a CUSIP Number which will be unique to Liquidity Provider Bonds, and which will be different from the CUSIP Number for Series 2008 Bonds that are not Liquidity Provider Bonds. The payment of principal of and interest on Liquidity Provider Bonds shall be made in the manner set forth in the Reimbursement Agreement.

### **Events of Default**

The following constitute Events of Default under the Reimbursement Agreement:

- (a) Any representation or warranty made by the City in any of the Ordinance, the Reimbursement Agreement, or in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to or in connection therewith shall prove to have been false, inaccurate, incomplete or misleading in any material adverse respect either on the date of the Reimbursement Agreement or on the date when made.
- (b) (i) Any “event of default” under the Ordinance or any other Related Documents shall occur and be continuing; or (ii) the City shall fail to make any payment in respect of principal or interest on any

Indebtedness of the City secured by Pledged Revenues when due (*i.e.*, whether upon the scheduled maturity, required prepayment, acceleration, upon demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness.

- (c) The City shall fail to pay or cause to be paid when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise in accordance with its terms) (i) any amounts with respect to the principal of, interest on or premium, if any, on any Series 2008 Bonds (including Liquidity Provider Bonds), (ii) any amounts payable under the Reimbursement Agreement with respect to the issuance of the Letters of Credit (other than amounts described in clause (i) of this paragraph (c)), or (iii) any other amount payable pursuant to the Reimbursement Agreement, the Fee Letter or the Series 2008 Bonds (including Liquidity Provider Bonds) (other than amounts described in clauses (i) and (ii) of this paragraph (c)).
- (d) Default in the due observance or performance of covenants set forth in the Reimbursement Agreement relating to notices under the Reimbursement Agreement of any Potential Default or Event of Default, any matter that has resulted or could result in a Material Adverse Effect; compliance with Laws by the City; defending the Security against claims and demands; amendments to the Reimbursement Agreement or any Related Document; enter into transactions with any Affiliate of the City other than on fair and reasonable terms to the City; use of proceeds advanced under the Letters of Credit; appointment of a successor Paying Agent/Registrar or Remarketing Agent; effecting a redemption of Series 2008 Bonds; rights of inspection of records by the Bank; maintaining the tax-exempt status of obligations issued by the City, including the Series 2008 Bonds; maintaining specified financial covenants; not permitting any lien on funds or accounts created under the Ordinance except those specifically permitted under the Ordinance and the Reimbursement Agreement; the waiver of sovereign immunity as a defense; the payment of any swap termination payment; or cause a Rating Agency to issue a rating on Liquidity Provider Bonds.
- (e) (i) Default in the due observance or performance of any covenant set forth in the Reimbursement Agreement with respect to maintaining records designating, identifying or describing the Security or the delivery of instruments to carry out the intention or to facilitate performance of the Reimbursement Agreement and the Fee Letter, and such default has not been rendered within three (3) days after the earlier of (x) the date of written notice thereof from the Bank or (y) the date on which such default shall first become known to any officer of the City or (ii) default in the due observance or performance of any other term, covenant or agreement set forth in the Reimbursement Agreement and such default has not been remedied within fifteen (15) days after the earlier of (x) the date of written notice thereof from the Bank or (y) the date on which such default shall first become known to any officer of the City.
- (f) The City makes an assignment for the benefit of creditors, files a petition in bankruptcy, is unable generally to pay its debts as they come due, is adjudicated insolvent or bankrupt or there is entered any order or decree granting relief in any involuntary case commenced against the City under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or if the City petitions or applies to any tribunal for any receiver, trustee, liquidator, assignee, custodian, sequestrator or other similar official for the City or of any substantial part of its Properties, or commences any proceeding in a court of law for a reorganization, readjustment of debt, dissolution, liquidation or other similar procedure under the law or statutes of any jurisdiction, whether now or hereafter in effect, or if there is commenced against the City any such proceeding in a court of law which remains undismissed or shall not be discharged, vacated or stayed, or such jurisdiction shall not be relinquished, within sixty (60) days after commencement, or the City by any act, indicates its consent to, approval of, or acquiescence in any such proceeding in a court of law, or to an order for relief in an involuntary case commenced against the City under any such law, or to the appointment of any receiver, trustee, liquidator, assignee, custodian, sequestrator or other similar official for the City or a substantial part of its Properties, or if the City suffers any such receivership, trusteeship, liquidation, assignment, custodianship, sequestration or other similar procedure to continue undischarged for a period of sixty (60) days after commencement or if the City takes any action for the purposes of effecting the foregoing.

- (g) Any material provision of any of the Related Documents shall cease to be valid and binding, or the City or any Governmental Authority shall contest any such provision or the City or any agent or trustee on behalf of the City, shall deny that it has any or further liability under any of the Related Documents.
- (h) Default shall occur in the payment when due of any Indebtedness of the City not otherwise described in this section which exceeds in the aggregate \$10,000,000 issued, assumed or guaranteed by the City and shall continue beyond any applicable period of grace, or default shall occur under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness.
- (i) (1) Judgment for the payment of money in excess of an aggregate of \$10,000,000 (or its equivalent in another currency or currencies) and not fully covered by insurance shall be rendered against the City and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed or for the payment of which a surety bond or other adequate security has not been obtained in the judgment of the Bank, or (2) judgment for the payment of money payable from the Pledged Revenues and not fully covered by insurance shall be rendered against the City and the same shall remain undischarged for a period of thirty (30) consecutive days during which execution shall not be effectively stayed or for the payment of which a surety bond or other adequate security has not been obtained in the judgment of the Bank.
- (j) The Security shall not be subject to a security interest for the benefit of the Owners and the Bank, subject only to the Lien in favor of the Prior Lien Bonds.
- (k) (i) The City shall impose a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Indebtedness of the City or (ii) any Governmental Authority having appropriate jurisdiction over the City shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Obligations, any Series 2008 Bonds or on any Indebtedness of the City.
- (l) The long-term, unenhanced debt rating assigned to the Parity Obligations shall be withdrawn, suspended or lowered below “BBB” (or its equivalent) by Fitch or S&P or “Baa2” (or its equivalent) by Moody’s.

## **Rights and Remedies**

Upon the occurrence and during the continuance of any Event of Default, the Bank shall, with notice to the Paying Agent/Registrar, exercise any one or more of the following rights and remedies, in addition to any other remedies provided in the Reimbursement Agreement or by law:

- (a) by notice to the City, declare all Obligations to be, and such amounts shall thereupon become, immediately and automatically due and payable without further presentment, demand, protest or other notice of any kind, all of which are waived by the City; *provided*, that upon the occurrence of an Event of Default under clause (f) above described in “Events of Default” such acceleration shall automatically occur (unless such automatic acceleration is waived by the Banks in writing);
- (b) give notice of the occurrence of an Event of Default to the Paying Agent/Registrar, directing the Paying Agent/Registrar to cause a mandatory tender of the Series 2008 Bonds, thereby causing the Letters of Credit to expire 15 days thereafter;
- (c) direct the Paying Agent/Registrar to exercise its rights under the Ordinance and the Related Documents; and
- (d) pursue any other action available at law or in equity;

*provided, however*, that the failure of the Bank to give notice of the exercise of any such right or remedy shall not affect the validity or enforceability thereof.



## THE INTEREST RATE MANAGEMENT AGREEMENT

Under the Ordinance, payments made under a Credit Agreement may be treated as an obligation payable solely from and equally and ratably secured by a lien on the Pledged Revenues on a parity with the Series 2008 Bonds.

In addition to the payment obligations of the City under the terms of the Reimbursement Agreement, in conjunction with the delivery of the Series 2008 Bonds, the City entered into an ISDA Master Agreement dated as of August 7, 2008, a schedule attached thereto and a confirmation, dated as of August 7, 2008, all between the City and Morgan Keegan Financial Products, Inc. ("MKFP"), a Replacement Transaction Agreement, dated as of August 7, 2008, between the City, MKFP and Deutsche Bank AG, New York Bank ("Deutsche Bank") and a Credit Support Annex, dated as of August 7, 2008, between the City and Deutsche Bank (collectively, the "Series 2008 Interest Rate Management Agreement"). Under the terms of the Series 2008 Interest Rate Management Agreement, the City is obligated to make payments to MKFP calculated on a notional amount equal to the scheduled outstanding principal amount of the Series 2008 Bonds and a fixed interest rate of 3.2505% per annum, and MKFP is obligated to make reciprocal payments to the City calculated on a notional amount equal to the scheduled outstanding principal amount of the Series 2008 Bonds and a variable rate equal to 67% of the one-month London Interbank Borrowing Rate ("LIBOR") for U.S. deposits. Payments under the Series 2008 Interest Rate Management Agreement will be made on a net basis on the fifteenth day of each month, commencing in September 2008 and ending in November 2029. Interest on the Series 2008 Bonds is calculated on the basis of an index that differs from the LIBOR index used to calculate amounts payable to the City under the terms of the Series 2008 Interest Rate Management Agreement. The City entered into the Series 2008 Interest Rate Management Agreement in conjunction with the issuance of the Series 2008 Bonds in order to effect and quantify a debt service savings on outstanding bonds that were refunded with the proceeds of variable rate bonds. On the effective date of the Series 2008 Interest Rate Management Agreement, MKFP, as a result of the Credit Support Agreement with Deutsche Bank, was rated Aa1 by Moody's, and AA by S&P. Payments to be made by the City, if any, under the terms of the Series 2008 Interest Rate Management Agreement (other than a "termination payment" as discussed below) are payable solely from and equally and ratably secured by a lien on the Pledged Revenues of equal rank and dignity with the lien and pledge securing the payment of the Series 2008 Bonds. As of September 15, 2012, the net aggregate monthly payments the City has made under the Series 2008 Interest Rate Management Agreement equal (\$2,596,021.50).

If any party to the Series 2008 Interest Rate Management Agreement commits an event of default, suffers a reduction in credit worthiness, or merges with a materially weaker entity, or in certain other circumstances, the Series 2008 Interest Rate Management Agreement may be terminated at the option of the other party. Accordingly, no assurance can be given that the Series 2008 Interest Rate Management Agreement will continue in existence until November 2029. If the Series 2008 Interest Rate Management Agreement is terminated, then current market conditions will determine whether the City will owe a termination payment to MKFP or be entitled to receive a termination payment from MKFP. Such termination payment generally would be based on the market value of the Series 2008 Interest Rate Management Agreement on the date of termination and could be substantial. In addition, a partial termination of the Series 2008 Interest Rate Management Agreement could occur to the extent any Series 2008 Bonds are redeemed pursuant to the City exercising its right to effect an optional redemption of Series 2008 Bonds. If such optional redemption were to occur, termination payments related to the portion of the Series 2008 Interest Rate Management Agreement to be terminated will be owed by either the City or Deutsche Bank, depending on the existing market conditions. The obligation of the City to pay a termination payment to Deutsche Bank could result in the City issuing Parity Bonds or Junior Subordinate Lien Bonds to enable the City to make such a termination payment.

## THE REMARKETING AGENTS

**Each Remarketing Agent is Paid by the City.** Each Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Series 2008 Bonds that are optionally or mandatorily tendered to it or the Tender Agent by the beneficial owners thereof (subject, in each case, to the terms of the Remarketing Agreement). Each Remarketing Agent is appointed by the City and is paid by the City for its services. As a result, the interests of each Remarketing Agent may differ from those of beneficial owners and potential purchasers of Series 2008 Bonds.

**Determination of Interest Rates by the Remarketing Agents.** On each Rate Determination Date, each Remarketing Agent is required to determine the interest rate that will be effective with respect to the Subseries of Series 2008 Bonds on the Effective Date. That rate is required by the Ordinance to be the lowest rate necessary in the judgment of the Remarketing Agent to remarket the Subseries of Series 2008 Bonds at par, plus accrued interest on the Effective Date. For example, while a Subseries of the Series 2008 Bonds bear interest at a Weekly Interest Rate, by 10 a.m. on

Wednesday (the Rate Determination Date), the Remarketing Agent for that Subseries of Series 2008 Bonds will determine the interest rate that will be effective on such date.

**Each Remarketing Agent Routinely Purchases Series 2008 Bonds for its Own Account.** The Remarketing Agents act as remarketing agent for a variety of variable rate demand obligations issued by many issuers and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agents are permitted, but not obligated, to purchase tendered Series 2008 Bonds for their own account and, in their sole discretion, routinely acquire such tendered Series 2008 Bonds in order to achieve a successful remarketing of the Series 2008 Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2008 Bonds) or for other reasons. However, a Remarketing Agent is not obligated to purchase Series 2008 Bonds, and may cease doing so at any time without notice. If a Remarketing Agent ceases to purchase Series 2008 Bonds, it may be necessary for the Paying Agent to draw on a Letter of Credit to pay tendering bondholders.

Each Remarketing Agent may also make a secondary market in the Series 2008 Bonds by routinely purchasing and selling Series 2008 Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales must be at fair market value, which may be at, above, or below par. No notice period is required for such purchases. However, a Remarketing Agent is not required to make a secondary market in the Series 2008 Bonds. Thus, investors who purchase the Series 2008 Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2008 Bonds other than by tendering the Series 2008 Bonds in accordance with the tender process.

Each Remarketing Agent may also sell any Series 2008 Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2008 Bonds. The purchase of Series 2008 Bonds by a Remarketing Agent may create the appearance that there is greater third party demand for the Series 2008 Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2008 Bonds being tendered in a remarketing.

**Series 2008 Bonds May be Offered at Prices Other Than Par.** Pursuant to the Remarketing Agreement, on each Rate Determination Date, the Remarketing Agent is required to determine the interest rate that will be effective with respect to the Series 2008 Bonds on the Effective Date. That rate is required by the Ordinance to be the lowest rate necessary in the judgment of the Remarketing Agent to remarket the Series 2008 Bonds at par, plus accrued interest, if any, on the Effective Date. The interest rate will reflect, among other factors, the level of market demand for the Series 2008 Bonds (including whether a Remarketing Agent is willing to purchase Series 2008 Bonds for its own account). There may or may not be Series 2008 Bonds tendered and remarketed on an Effective Date, and the Remarketing Agents may or may not be able to remarket any Series 2008 Bonds tendered for purchase on such date at par. The Remarketing Agents are not obligated to advise purchasers in a remarketing if they do not have third-party buyers for all of the Series 2008 Bonds at the remarketing price.

**Under Certain Circumstances, the Remarketing Agent May Be Removed, Resign or Cease Remarketing the Series 2008 Bonds, Without a Successor Being Named.** Under certain circumstances a Remarketing Agent may be removed or have the ability to resign or cease its remarketing efforts, without a successor having been named, subject to the terms of the Remarketing Agreement. In the event there is no Remarketing Agent, bondholders may tender their Series 2008 Bonds to the Paying Agent. In that event, the Series 2008 Bonds will bear interest at the rate set in accordance with the terms of the Ordinance, the remarketing of the particular Subseries of Series 2008 Bonds will cease until a successor remarketing agent for such Subseries has been appointed. In this case, tendering bondholders will be paid from draws on the applicable Letter of Credit.

**Raymond James Financial, Inc. Acquisition of Morgan Keegan & Company, Inc.** On April 2, 2012, Raymond James Financial, Inc. (“RJF”), the parent company of Raymond James & Associates, Inc. (“Raymond James”), acquired all of the stock of Morgan Keegan & Company, Inc. (“Morgan Keegan”) from Regions Financial Corporation. Morgan Keegan and Raymond James are each registered broker-dealers. Both Morgan Keegan and Raymond James are wholly owned subsidiaries of RJF and, as such, are affiliated broker-dealer companies under the common control of RJF, utilizing “Raymond James | Morgan Keegan” as their trade name. It is anticipated that the businesses of Raymond James and Morgan Keegan will be combined.

Morgan Keegan has entered into a distribution arrangement with Raymond James for the distribution of obligations such as the Series 2008 Bonds at the original issue prices. Such arrangement generally provides that Morgan Keegan will share a portion of its underwriting compensation or selling concession with Raymond James.

## **RATINGS**

Moody's Investors Service ("Moody's") has assigned to Subseries A of the Series 2008 Bonds the rating of VMIG-1, based on the ratings assigned to JPMorgan, and is expected to assign to Subseries B of the Series 2008 Bonds a rating of VMIG-1, based on the ratings assigned to JPMorgan. Standard & Poor's Investors Services, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned to the Subseries B of the Series 2008 Bonds the rating of A1+, based on the ratings assigned to JPMorgan, and is expected to assign to Subseries B of the Series 2008 Bonds a rating of A1+, based on the ratings assigned to JPMorgan. Moody's has issued an "Aa1" long-term rating on the Series 2008 Bonds. S&P has issued an "AAA" long-term rating on the Series 2008 Bonds. The Series 2008 Bonds have received an underlying long-term rating of "A1" from Moody's and "A-" from S&P.

The Bank has furnished certain information and material to the rating agencies concerning the Bank and the Letters of Credit, which is not included in this Information Circular.

The ratings described above reflect only the views of Moody's and S&P, and any explanation of the significance of the ratings may be obtained only from such organizations. There is no assurance that any of the ratings will continue for any given period of time or that any rating may not be lowered or withdrawn if, in the judgment of a rating agency, circumstances so warrant. Any such downward change in or withdrawal of the rating may have an adverse effect on the secondary market prices of the Series 2008 Bonds.

## **THE CITY; DOCUMENTS INCORPORATED BY REFERENCE**

### **General**

The 2008 Official Statement, other than Appendices A, B, D, E and F to the 2008 Official Statement, is attached hereto as Appendix C, and is incorporated herein by reference.

The City files periodic reports and other information regarding the Series 2008 Bonds with the Municipal Securities Rulemaking Board (the "MSRB"). These reports and information are available free of charge from the MSRB via the Electronic Municipal Market Access system ("EMMA") at [www.emma.msrb.org](http://www.emma.msrb.org).

This Information Circular "incorporates by reference" the information regarding the Series 2008 Bonds the City files with the MSRB, which means that important information is disclosed to you by referring you to those documents. The information regarding the Pledged Revenues incorporated by reference is an important part of this Information Circular. The information incorporated by reference includes the City's annual report for the fiscal year ended September 30, 2011, including the consolidated financial statements and consolidating schedules and Management Discussion and Analysis of Financial Condition and Results of Operations that are a part thereof, as well as any filing made by the City in the future. Certain information relating to the current operations and management of the Convention Center is set forth below under "– The Convention Center".

Any statement incorporated or deemed to be incorporated by reference will be deemed to be modified or superseded for purposes of this Information Circular to the extent that a statement contained in this Information Circular modifies or supersedes that statement.

### **The Convention Center**

The Convention Center is located at 500 East Caesar Chavez Street on six city blocks on the east side of the City's central business district. The construction of the Austin Convention Center commenced in late 1989 and the Convention Center opened for business in July 1992. In June 1992 the City acquired a 10-story, 1,100 space parking garage as a part of the Austin Convention Center located at 201 East 2nd Street, approximately two blocks from the Austin Convention Center. An expansion of the Convention Center was completed in June of 2002 that approximately doubled the size of the facility. Five exhibit halls, two ballrooms, fifty-four meeting rooms and show offices are contained in the Austin Convention Center's 881,400 square feet of enclosed space. In 2005, the Convention Center

Department constructed a 685 space parking garage located at 601 East 5th Street. The City has entered into a management contract with Aramark Sports and Entertainment Services of Texas, Inc. to provide catering and beverage services at the Austin Convention Center that expires September 30, 2012. In addition, the City owns and operates the new Palmer Events Center and parking garage as a part of the City's Convention Center Department. The Palmer Events Center and parking garage are located at 900 Barton Springs Road next to Lady Bird Lake (formerly Town Lake) and are utilized for arts and craft shows, concerts, trade shows and small conventions. The Palmer Events Center has approximately 70,000 square feet of exhibit space and five meeting rooms. The parking garage has 1,200 parking spaces. On January 5, 2004, a new Hilton Hotel adjacent to the Convention Center opened for business. This hotel is owned by Austin Convention Enterprises, Inc., a non-profit public facilities corporation created by the City to act on its behalf in connection with the development of such hotel.

The Convention Center is operated by the City as a City Department and a separate enterprise fund of the City. The Convention Center Department was created by the City Council in 1989 and initially included the Austin Convention and Visitor's Bureau which is now a separate non-profit corporation. In January 2008, the City of Austin named Mark Tester as the new director for the Austin Convention Center Department. Mr. Tester was formerly the senior director of convention sales at Chicago's McCormick Place, the largest convention center in the Western hemisphere. Mr. Tester, a seasoned veteran in the meeting business industry for 20 years, brings an impressive resume to his new position. He was with the Chicago Convention and Tourism Bureau for ten years, holding several high-level positions, including vice president of convention sales and senior director of new business development.

#### **MISCELLANEOUS**

This Information Circular has been prepared for use by Morgan Keegan, as Remarketing Agent for Subseries A of the Series 2008 Bonds and for use by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Remarketing Agent for Subseries B of the Series 2008 Bonds, for the sole purpose of providing information with respect to the Series 2008 Bonds in connection with the substitution of the Subseries B Letter of Credit for the existing letter of credit issued in support of Subseries B of the Series 2008 Bonds. Except with respect to such matters, the Official Statement has not been updated since its date.

## **APPENDIX A**

### **INFORMATION REGARDING THE BANK**

*The information contained in this Appendix A relates to and has been obtained from the Bank. The delivery of this Secondary Market Information Circular shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this Appendix A is correct as of any time subsequent to its date.*

## **APPENDIX A**

### **JPMORGAN CHASE BANK, NATIONAL ASSOCIATION**

JPMorgan Chase Bank, National Association (“the Bank”) is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of June 30, 2012, JPMorgan Chase Bank, National Association, had total assets of \$1,812.8 billion, total net loans of \$594.3 billion, total deposits of \$1,163.0 billion, and total stockholder’s equity of \$136.4 billion. These figures are extracted from the Bank’s unaudited Consolidated Reports of Condition and Income (the “Call Report”) as of June 30, 2012, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles, which are filed with the Federal Deposit Insurance Corporation. The Call Report, including any update to the above quarterly figures, can be found at [www.fdic.gov](http://www.fdic.gov).

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2011, of JPMorgan Chase & Co., the 2011 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the “SEC”) by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Information Circular is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC’s website at [www.sec.gov](http://www.sec.gov).

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The information contained in this Appendix relates to and has been obtained from the Bank. The delivery of the Information Circular shall not create any implication that there has been no change in the affairs of the Bank since the date hereof, or that the information contained or referred to in this Appendix is correct as of any time subsequent to its date.

## APPENDIX B

### REIMBURSEMENT AGREEMENT DEFINED TERMS

This Appendix B includes definitions of certain terms used in this Information Circular and the Reimbursement Agreement.

*“Authorized Denominations”* has the meaning assigned to such term in the Ordinance.

*“Bank Bondowner”* means the Bank (but only in its capacity as owner (which as used herein shall mean beneficial owner if at the relevant time Liquidity Provider Bonds are “Book Entry Bonds”, as defined in the Reimbursement Agreement) of Liquidity Provider Bonds pursuant to the Reimbursement Agreement), as applicable, and any other Person to whom the Bank has sold Liquidity Provider Bonds pursuant to the Reimbursement Agreement.

*“Bond Documents”* means the Ordinance, the Tender Agent Agreement, the Paying Agent/Registrar Agreement, the Pricing Certificate, the Series 2008 Bonds and the Remarketing Agreements.

*“Business Day”* means, with respect to a Subseries of Series 2008 Bonds, the meaning given said term in the applicable Letter of Credit.

*“City Bonds”* means (i) Series 2008 Bonds owned by the City or held by the Tender Agent, or its agents, for the account of the City or (ii) Series 2008 Bonds which the City has notified the Tender Agent, or which the Tender Agent knows, were purchased by another Person for the account of the City with funds furnished by the City.

*“Closing Date”* means the date of the issuance of the Letters of Credit.

*“Downgrade”* means, with respect to the Bank, that (i) the short-term unenhanced rating of the Bank falls below “P-1” (or its equivalent) by Moody’s, “F1” (or its equivalent) by Fitch or “A-1” (or its equivalent) by S&P or (ii) the senior unsecured long-term rating of the Bank falls below “A3” (or its equivalent) by Moody’s, “A-” (or its equivalent) by S&P or “A-” (or its equivalent) by Fitch.

*“Drawing”* means any Interest Drawing, Liquidity Drawing, Redemption Drawing or Stated Maturity Drawing.

*“Fee Letter”* means that certain Amended and Restated Fee Letter Agreement dated the Closing Date between the Bank and the City.

*“Fitch”* means Fitch Inc., or any successor thereto.

*“GAAP”* means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board and all relevant pronouncements of the Governmental Accounting Standards Board or such other principles as may be approved by a significant segment of the accounting profession in the United States, that are applicable to the circumstances as of the date of determination, consistently applied. If any pronouncements of the Financial Accounting Standards Board or the Accounting Principles Board conflicts with or contradicts Governmental Accounting Standards Board pronouncements, Governmental Accounting Standards Board pronouncements shall prevail.

*“Governmental Authority”* means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind a party at law.

*“Indebtedness”* means and includes, as of any date as of which the amount thereof is to be determined, (i) all items (other than capital items such as surplus and fund balances, as well as reserves for taxes in respect of income deferred to the future and other deferred credits and reserves) which in accordance with generally accepted accounting principles (including, without limitation, capitalized leases) would be included in determining total liabilities on the balance sheet of a Person as of such date, (ii) all obligations which are secured by any lien existing on Property owned by such Person, whether or not the obligations secured thereby shall have been assumed by any other Person, (iii) all obligations of such Person to purchase any materials, supplies or other Property, or to obtain the services of any other Person, if the relevant contract or other related document requires that payment for such materials, supplies or other Property, or for such services, shall be made regardless of whether or not delivery of such materials, supplies or other Property is ever made or tendered or such services are ever performed or tendered, (iv) all obligations of such Person

under any Swap Contract, and (v) all guarantees by such Person for the payment of Indebtedness of others of the character described in (i) through (iv) above.

*“Ineligible Bonds”* means, as to a specific subseries of Series 2008 Bonds, Liquidity Provider Bonds, City Bonds, or Series 2008 Bonds bearing interest at a rate other than a Weekly Rate.

*“Interest Drawing”* means a drawing under a Letter of Credit pursuant to an Interest Drawing, as defined in such Letter of Credit, to pay scheduled and unpaid interest accrued on the Series 2008 Bonds when due.

*“Laws”* means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

*“Lien”* means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vender or lessor under any conditional sale, capitalized lease or other title retention arrangement.

*“Liquidity Advance”* means each Liquidity Drawing paid under the applicable Letter of Credit.

*“Liquidity Drawing”* means a drawing under a Letter of Credit pursuant to a Liquidity Drawing, as defined in such Letter of Credit, to pay the purchase price and accrued interest of Bonds tendered for purchase that have not been successfully remarketed or for which the purchase price has not been received by the Paying Agent/Registrar.

*“Liquidity Provider Bonds”* means Series 2008 Bonds purchased with funds provided pursuant to a Drawing on each Letter of Credit until remarketed or deemed to be remarketed in accordance with the Reimbursement Agreement.

*“Material Adverse Effect”* means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of the City relating to the enterprise funds of the City known as “Convention Center Hotel Occupancy Tax Fund” and “Convention Center/Waller Creek Venue Project Special Hotel Occupancy Tax Account”; (b) a material impairment of the ability of the City to perform its obligations under any Related Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the City of any Related Document to which it is a party; (d) a material adverse effect on the ability to remarket any of the Series 2008 Bonds not resulting from a Downgrade; or (e) a material adverse effect upon the collectability or enforceability of a material portion of the Security.

*“Moody’s”* means Moody’s Investors Service, Inc., or any successor thereto.

*“Obligations”* means Liquidity Provider Bonds, the Liquidity Advances, the Term Loans, the Letter of Credit Fees, any and all Reimbursement Obligations and all other obligations of the City to the Bank arising under or in relation to this Agreement or any other Related Document.

*“Ordinance”* means that certain ordinance authorizing the issuance of the Series 2008 Bonds by the City dated July 24, 2008, as amended by Ordinance No. 20110623-084, including any supplement thereto or amendment thereof entered into in accordance with the provisions thereof.

*“Outstanding”* has the meaning assigned to such term in the Ordinance.

*“Parity Bonds”* has the meaning assigned to such term in the Ordinance.

*“Paying Agent/Registrar Agreement”* means that certain Paying Agent/Registrar Agreement dated as of July 24, 2008, as amended by a first amendment thereto dated July 27, 2011, each between the City and the Paying Agent/Registrar, including any supplement thereto or amendment thereof entered into in accordance the provisions thereof and of the Reimbursement Agreement.

*“Person”* means an individual, a corporation, a partnership, a limited partnership, an association, a limited liability company, a trust or any other entity or organization, including a governmental or political subdivision or any agency or instrumentality thereof.

*“Pledged Revenues”* has the meaning assigned to such term in the Ordinance.

*“Potential Default”* means an event which but for the lapse of time or the giving of notice, or both, would constitute an Event of Default.



*“Pricing Certificate”* means that certain Pricing Certificate dated August 7, 2008, relating to the Series 2008 Bonds.

*“Prior Lien Bonds”* has the meaning assigned to such term in the Ordinance.

*“Property”* means any and all right, title and interest of a Person in and to any and all property whether real or personal, tangible or intangible, and wherever situated.

*“Rating Agency”* means and includes any of Fitch, S&P or Moody’s.

*“Redemption Drawing”* means a drawing under a Letter of Credit pursuant to a Redemption Drawing, as defined in such Letter of Credit, to pay the principal amount of and accrued interest on the Series 2008 Bonds in respect to any redemption thereof.

*“Reimbursement Obligations”* means, collectively, any and all obligations of the City to reimburse the Banks (or any of them) for any drawings under the Letters of Credit and all obligations to repay the Banks (or any of them) for any Liquidity Advance or Term Loan, relating to any Letter of Credit, including in each instance all interest accrued thereon.

*“Related Documents”* means the Reimbursement Agreement, the Letters of Credit, the Fee Letter, the Series 2008 Bonds, the Bond Documents and any other agreement or instrument relating thereto.

*“Remarketing Agent”* means, with respect to Subseries A of the Series 2008 Bonds, Morgan Keegan & Company, Inc., and with respect to Subseries B of the Series 2008 Bonds, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

*“Remarketing Agreement”* means each Remarketing Agreement, dated as of August 1, 2008, and any similar agreement between the applicable Remarketing Agent and the City, as amended by a first amendment thereto dated July 27, 2011, and a second amendment thereto dated \_\_\_\_\_, 2012, including, any supplement thereto or amendment thereof entered into in accordance with the provisions thereof and of the Reimbursement Agreement.

*“Reoffering Document”* means this Information Circular (including the cover page and all summary statements, appendices and other materials included or incorporated by reference or attached thereto), as amended or supplemented and any other preliminary or final official statement of the City or prospectus used with respect to the remarketing of the Series 2008 Bonds or supplement to the Reoffering Document.

*“S&P”* means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business, and any successor thereto.

*“Sale Date”* means the Business Day the purchaser of Liquidity Provider Bonds purchases the Liquidity Provider Bonds at the Sale Price.

*“Sale Price”* means an amount equal to the principal amount of Liquidity Provider Bonds plus unpaid accrued interest thereon to be paid on the Sale Date at the interest rate then applicable to the Series 2008 Bonds.

*“Security”* means the Pledged Revenues and all other security pledged in favor of the Series 2008 Bonds and Parity Bonds pursuant to the terms of the Ordinance.

*“Stated Expiration Date”* means, with respect to each Letter of Credit, the close of business on the earliest of (i) July 25, 2014 (as extended from time to time); (ii) the earlier of (A) the date which is fifteen (15) days following the date on which all of the applicable Subseries of Series 2008 Bonds bear interest at a rate other than a Weekly Rate, as such date is specified in a certificate delivered to the Bank (the “Conversion Date”) or (B) the date on which the Bank honors a drawing under the Letter of Credit on or after the Conversion Date; (iii) the date of receipt from the Paying Agent/Registrar of a certificate with respect to the termination of the Letter of Credit; (iv) the date on which a Stated Maturity Drawing is honored; and (v) the date which is ten (10) days following receipt by the Paying Agent/Registrar of a written notice from the Bank specifying the occurrence of an Event of Default under the Reimbursement Agreement, directing the Paying Agent/Registrar to cause a mandatory tender of the applicable Subseries of the Series 2008 Bonds.

*“Stated Maturity Drawing”* means a drawing under a Letter of Credit pursuant to a Stated Maturity Drawing, as defined in such Letter of Credit, to pay the principal of and interest on the Series 2008 Bonds maturity on November 15, 2029.

*“Swap Contract”* means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts,

or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “*Master Agreement*”), including any such obligations or liabilities under any Master Agreement.

“*Tender Agent*” and “*Paying Agent/Registrar*” means Deutsche Bank Trust Company Americas or any successor tender agent and paying agent/registrar which may be substituted in its place as provided in the Ordinance.

“*Tender Agent Agreement*” means that certain Tender Agent Agreement dated as of July 24, 2008, between the City and the Tender Agent, as amended by a first amendment thereto dated July 27, 2011, and a second amendment thereto dated \_\_\_\_\_, 2012, including any supplement thereto or amendment thereof entered into in accordance the provisions thereof and of the Reimbursement Agreement.

“*Term Loan*” means a Liquidity Advance that has been outstanding on the Term Loan Commencement Date, and in accordance with the terms of the Reimbursement Agreement, immediately converts into a term loan.

“*Term Loan Commencement Date*” means the earlier to occur of the ninety-first (91st) cumulative day that any Liquidity Advance has been outstanding under the Reimbursement Agreement and the Termination Date of a Letter of Credit.

**APPENDIX C**

**2008 OFFICIAL STATEMENT**