

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF AUSTIN, TEXAS SPECIAL ASSESSMENT REVENUE BONDS, SERIES 2013 (ESTANCIA HILL COUNTRY PUBLIC IMPROVEMENT DISTRICT); AND APPROVING AND AUTHORIZING RELATED AGREEMENTS.**

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

**PART 1. FINDINGS:**

- (A) The City of Austin, Texas (City), pursuant to and in accordance with the terms, provisions and requirements of the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code (PID Act), has previously established the “Estancia Hill Country Public Improvement District” (District), pursuant to Resolution No. 20130606-054 adopted by the City Council of the City (City Council) on June 6, 2013; and
- (B) Pursuant to the PID Act, the City Council published notice and held a public hearing on June 20, 2013 regarding the levy of special assessments within the District and on June 20, 2013 adopted Ordinance No. \_\_\_\_\_ (the “Assessment Ordinance”); and
- (C) In the Assessment Ordinance, the City Council approved and accepted the “Service and Assessment Plan” (as defined and described in the Assessment Ordinance, the “Service and Assessment Plan”) relating to the District and levied the “Assessments” (as defined in the Assessment Ordinance, the “Assessments”) against the “Assessment Roll” (as defined and described in the Assessment Ordinance, the “Assessment Roll”). Capitalized terms used in these Findings and not otherwise defined shall have the meaning assigned in the Service and Assessment Plan; and
- (D) The City is authorized by the PID Act to issue its revenue bonds payable from the Assessments and other revenues received for the purposes of (i) paying the costs of the Improvement Area #1 Public Improvements identified in the Service and Assessment Plan, (ii) paying interest on bonds during and after the period of acquisition and construction of the improvement projects, and (iii) establishing such other funds and accounts as described in the Indenture (defined below) or as may be required in connection with the issuance of such bonds; and

- (E) City Council has found and determined that it is in the best interests of the City to issue its bonds to be designated “City of Austin, Texas, Special Assessment Revenue Bonds, Series 2013 (Estancia Hill Country Public Improvement District)” (the “Bonds”), such series to be payable from and secured by the Pledged Revenues, as defined in the Indenture; and
- (F) City Council has found and determined to (i) approve the issuance of the Bonds to finance the Authorized Improvements identified in the Service and Assessment Plan, (ii) approve the form, terms and provisions of an indenture of trust securing the City’s bonds authorized hereby, (iii) approve the form, terms and provisions of a Bond Purchase Agreement (defined below) between the City and the purchasers of the Bonds, (iv) approve the form, terms and provisions of a Financing Agreement (defined below), (v) approve the form, terms and provisions of a Landowner Agreement (defined below), (v) approve an Official Statement (defined below), (vi) approve a Continuing Disclosure Agreement (defined below) relating to the Bonds and the Assessments between the City and SLF III-Onion Creek, L.P., a Texas limited partnership (“SLF III”), and (vii) approve the Redemption Agreement (defined below); and
- (G) 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 said meeting was given as required by Chapter 551, Texas Government Code;

**PART 2. APPROVAL OF ISSUANCE OF BONDS AND INDENTURE OF TRUST.**

- (A) The issuance of the Bonds in the principal amount of \$\_\_\_\_\_ for the purpose of providing funds for (i) paying the costs of the Improvement Area #1 Public Improvements identified in the Service and Assessment Plan, (ii) paying interest on the Bonds during and after the period of acquisition and construction of the Improvement Area #1 Public Improvements, and (iii) establishing such other funds and accounts as described in the Indenture (defined below) or as may be required in connection with the issuance of such Bonds, is hereby authorized and approved.
- (B) The Bonds shall be issued and secured under that certain Indenture of Trust (the “Indenture”) dated as of June 1, 2013, between the City and U.S. Bank National Association, as trustee (the “Trustee”), with such changes as may be necessary or desirable to carry out the intent of this Ordinance and as approved by the Mayor or Mayor Pro Tem of the City, such approval to be evidenced by the execution and delivery of the Indenture which Indenture is hereby approved in the substantially final form attached hereto as Exhibit A and incorporated herein as a part hereof for

all purposes. The Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute the Indenture and the City Clerk is hereby authorized and directed to attest such signature of the Mayor or Mayor Pro Tem.

- (C) The Bonds shall be dated, shall mature on the date or dates and in the principal or maturity amounts, shall bear interest, shall be subject to redemption and shall have such other terms and provisions as set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture with such insertions, omissions and modifications as may be required to conform the form of bond to the actual terms of the Bonds. The Bonds shall be payable from and secured by the Pledged Revenues (as defined in the Indenture) and other assets of the “Trust Estate” (as defined in the Indenture) pledged to such series, and shall never be payable from ad valorem taxes.

### **PART 3. SALE OF BONDS; APPROVAL OF BOND PURCHASE AGREEMENT.**

The Bonds shall be sold to Jefferies LLC and any other underwriters designated as purchasers (collectively, the “Underwriter”) in that certain Bond Purchase Agreement (Bond Purchase Agreement), dated the date hereof, between the City, SLF III-Onion Creek, L.P., a Texas limited partnership, and the Underwriter, attached hereto as Exhibit B and incorporated herein as a part hereof for all purposes, which terms of sale are declared to be in the best interests of the City at the price and on the terms and provisions set forth in the Bond Purchase Agreement. The form, terms and provisions of the Bond Purchase Agreement are hereby authorized and approved and the Mayor or Mayor Pro Tem of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement. The Mayor’s or Mayor Pro Tem’s signature on the Bond Purchase Agreement may be attested by the City Clerk.

### **PART 4. APPROVAL OF FINANCING AGREEMENT.**

That certain Estancia Hill Country Improvement District Financing Agreement (Financing Agreement), between the City and the SLF-III is hereby authorized and approved in the substantially final form attached hereto as Exhibit C and incorporated herein as a part hereof for all purposes and the City Manager or an Assistant City Manager of the City is hereby authorized and directed to execute and deliver such Financing Agreement with such changes as may be required to carry out the purposes of this Ordinance and approved by the City Manager or Assistant City Manager, such approval to be evidenced by the execution thereof.

### **PART 5. APPROVAL OF LANDOWNER AGREEMENT.**

That certain Landowner Agreement (the “Landowner Agreement”), between the City and the entities defined in the Landowner Agreement collectively as the “Landowner” is hereby authorized and approved in the substantially final form attached hereto as Exhibit D and incorporated herein as a part hereof for all purposes and the City Manager or an Assistant City Manager of the City is hereby authorized and directed to execute and deliver such Landowner Agreement with such changes as may be required to carry out the purposes of this Ordinance and approved by the City Manager or an Assistant City Manager, such approval to be evidenced by the execution thereof.

#### **PART 6. OFFICIAL STATEMENT.**

The form and substance of the Preliminary Official Statement for the Bonds and any addenda, supplement or amendment thereto and the final Official Statement (Official Statement) presented to and considered at the meeting at which this Ordinance is considered are hereby in all respects approved and adopted. The Mayor or Mayor Pro Tem is hereby authorized and directed to execute such Official Statement with such changes and alterations therein as the Mayor or Mayor Pro Tem may approve, such approval to be conclusively evidenced by such execution thereof. The Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Mayor or Mayor Pro Tem of the City and the Underwriter, may be used by the Underwriter in the offering and sale of the Bonds. The City Clerk is hereby authorized and directed to include and maintain a copy of the Preliminary Official Statement and Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting. The use and distribution of the Preliminary Official Statement in the offering of the Bonds is hereby ratified, approved and confirmed. Notwithstanding the execution, approval and delivery of such Preliminary Official Statement and Official Statement by the Mayor or Mayor Pro Tem, the Mayor or Mayor Pro Tem and this City Council are not responsible for and proclaim no specific knowledge of the information contained in the Preliminary Official Statement and Official Statement pertaining to the Project, the Landowner or its financial ability, any builders, any landowners, or the appraisal of the property in the District.

#### **PART 7. CONTINUING DISCLOSURE AGREEMENT.**

That certain Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) between the City, U.S. Bank National Association, as Dissemination Agent, and the SLF-III is hereby authorized and approved in substantially final form attached hereto as Exhibit E and incorporated herein as a part hereof for all purposes and the City Manager, an Assistant City Manager, the Chief Financial Officer, or the Treasurer of the City is each hereby authorized and directed to execute and deliver such Continuing Disclosure Agreement with such changes as may be required to carry out the purpose of

this Ordinance and as approved by the City Manager, an Assistant City Manager, the Chief Financial Officer or the Treasurer, such approval to be evidenced by the execution thereof.

**PART 8. REDEMPTION AGREEMENT.**

That certain Agreement Regarding Conveyance of Right of Redemption and Waiver of Agricultural Valuation – Estancia Hill Country Public Improvement District (Redemption Agreement) between the City and Landowner is hereby authorized and approved in substantially final form attached hereto as Exhibit F and incorporated herein as a part hereof for all purposes and the City Manager, an Assistant City Manager, the Chief Financial Officer, or the Treasurer of the City is each hereby authorized and directed to execute and deliver such Redemption Agreement with such changes as may be required to carry out the purpose of this Ordinance and as approved by the City Manager, an Assistant City Manager, the Chief Financial Officer or the Treasurer, such approval to be evidenced by the execution thereof.

**PART 9. ADDITIONAL ACTIONS.**

The Mayor, the Mayor Pro Tem, the City Manager, an Assistant City Manager, the Chief Financial Officer, the City Treasurer, and the City Clerk are hereby authorized and directed to take any and all actions on behalf of the City necessary or desirable to carry out the intent and purposes of this Ordinance and to issue the Bonds in accordance with the terms of this Ordinance. The Mayor, the Mayor Pro Tem, the City Manager, an Assistant City Manager, the Chief Financial Officer, the City Treasurer, and the City Clerk are hereby authorized and directed to execute and deliver any and all certificates, agreements, notices, instruction letters, requisitions, and other documents which may be necessary or advisable in connection with the sale, issuance and delivery of the Bonds and the carrying out of the purposes and intent of this Ordinance.

**PART 10. EFFECTIVE DATE.**

This Ordinance is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

**PASSED AND APPROVED**

\_\_\_\_\_, 2013      §  
                                 §  
                                 § \_\_\_\_\_  
                                 Lee Leffingwell  
                                 Mayor

**APPROVED:** \_\_\_\_\_ **ATTEST:** \_\_\_\_\_  
                 Karen M. Kennard                   Jannette S. Goodall  
                 City Attorney                   City Clerk

EXHIBIT A

INDENTURE OF TRUST

DRAFT

EXHIBIT B

BOND PURCHASE AGREEMENT

DRAFT

EXHIBIT C

FINANCING AGREEMENT

DRAFT

EXHIBIT D  
LANDOWNER AGREEMENT

DRAFT

EXHIBIT E

CONTINUING DISCLOSURE AGREEMENT

DRAFT

EXHIBIT F

AGREEMENT REGARDING CONVEYANCE OF RIGHT OF  
REDEMPTION AND WAIVER OF AGRICULTURAL VALUATION-  
ESTANCIA HILL COUNTRY PUBLIC IMPROVEMENT DISTRICT

DRAFT