

**ORDINANCE NO. 20060622-062**

**AN ORDINANCE AUTHORIZING THE REDEMPTION OF THE OUTSTANDING AIRPORT SYSTEM PRIOR LIEN REVENUE BONDS SERIES 1989; AUTHORIZING THE GIVING OF NOTICE OF REDEMPTION; ENACTING OTHER PROVISIONS INCIDENT AND RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.**

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

**PART 1. Findings:**

**WHEREAS**, the City Council of the City of Austin, Texas (City), has heretofore issued and has outstanding its Airport System Prior Lien Revenue Bonds, Series 1989 (Bonds); and

**WHEREAS**, pursuant to the provisions of the ordinance authorizing the issuance of the Bonds, the City has the option of calling the Bonds for redemption in whole or in part, prior to maturity on November 15, 1999, or any date thereafter at a price of par plus accrued interest to the date of redemption; and

**WHEREAS**, the City has determined to use lawfully available funds of the City to redeem all of the outstanding Bonds prior to maturity on August 1, 2006; and

**WHEREAS**, the City has determined that it is necessary and desirable to authorize the paying agent of the Bonds to provide written notice of redemption to the registered holders of the Bonds and to AMBAC Assurance Corporation, as bond insurer for the Bonds (Insurer); **NOW THEREFORE**

**PART 2. Council Action:**

**Section 1.** All of the outstanding Bonds (being \$1,000,000 in aggregate principal amount maturing on November 15, 2020) are hereby called for redemption prior to their scheduled maturities on August 1, 2006 at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption;

**Section 2.** JPMorgan Chase Bank, as paying agent for the Bonds, is hereby authorized and directed to cause a notice of redemption, in substantially the form set forth in Exhibit A to this Ordinance, to be mailed to the appropriate registered holders as well as the Insurer in accordance with the provisions of the ordinance authorizing the issuance of the Bonds.

**Section 3.** The officers, employees and agents of the City, and each of them, shall be and each is expressly authorized, empowered and directed from time to time and at any time to do and perform all acts and things and to execute, acknowledge and deliver, in the name and under the seal and on behalf of the City, all documents, instruments and other papers, whether or not herein mentioned, as they may determine to be necessary or desirable in connection with the redemption of the Bonds.

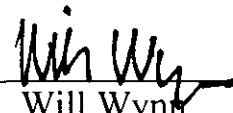
**Section 4.** It is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

**PART 3.** The council finds that the public importance of this action and the fact that there is an urgent public need for the City to make financial arrangements for the redemption of the Bonds as soon as possible and without delay constitutes an emergency. Because of this emergency, this ordinance takes effect immediately on its passage for the immediate preservation of the public peace, health and safety.

**PASSED AND APPROVED**

\_\_\_\_\_, June 22, 2006

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Will Wynn

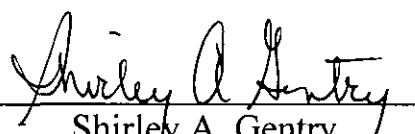
Mayor

**APPROVED:**

  
\_\_\_\_\_  
David Allan Smith

City Attorney

**ATTEST:**

  
\_\_\_\_\_  
Shirley A. Gentry

City Clerk

EXHIBIT A  
(Redemption Ordinance)

CITY OF AUSTIN, TEXAS  
AIRPORT SYSTEM PRIOR LIEN REVENUE BONDS  
SERIES 1989  
DATED September 1, 1989

TO: Registered Bondholders  
RE: Notice of Redemption

The City of Austin, Texas (the "City"), acting pursuant to the terms of the ordinance authorizing the issuance of the above-captioned bonds (the "Bonds") has exercised its option to call all of the outstanding Bonds maturing on November 15, 2020, in the aggregate principal amount of \$1,000,000, for redemption prior to their scheduled maturities on August 1, 2006, at a redemption price of 100% of par, plus accrued interest to the date of redemption. The amount of accrued interest (per \$5,000 in principal amount) to be paid on August 1, 2006 on the Bonds is \$15,516.67.

The Bonds shall become due and payable on the redemption date specified above and interest on the Bonds shall cease to accrue on the redemption date. Payment of the redemption price for the Bonds shall be made only upon presentation and surrender of such Bonds to JPMorgan Chase Bank at the addresses specified below:

FOR DELIVERY BY HAND:

JPMorgan Chase Bank  
2001 Bryan Street  
9th Floor  
Registered Bond Processing Department  
Dallas, Texas 75201

FOR DELIVERY BY MAIL:

JPMorgan Chase Bank  
P.O. Box 2320  
Registered Bond Processing Department  
Dallas, Texas 75221-2320

Important Notice: Withholding of 31% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agent has the correct taxpayer identification number (social security or employee identification number) or exemption certificate of the payee. Please furnish a properly completed Form W-9 or Exemption Certificate or Equivalent when presenting Defeased Bonds for redemption.

For your protection, we suggest that you use registered mail.

JPMorgan Chase Bank