

RESOLUTION NO.**RESOLUTION OF THE CITY OF AUSTIN AUTHORIZING AND APPROVING THE ISSUANCE OF CONVENTION CENTER HOTEL REVENUE REFUNDING BONDS IN ONE OR MORE SERIES BY AUSTIN CONVENTION ENTERPRISES, INC. TO REFUND ITS OUTSTANDING CONVENTION CENTER HOTEL REVENUE BONDS, SERIES 2001 ORIGINALLY ISSUED, TO FINANCE THE CONSTRUCTION, RENOVATION AND IMPROVEMENT OF A HOTEL AND GARAGE LOCATED ADJACENT TO THE AUSTIN CONVENTION CENTER**

WHEREAS, Local Government Code Chapter 303, as amended (the "Act"), authorizes and empowers the City of Austin, Texas (the "Sponsor") to create a nonprofit public facilities corporation to finance public facilities (as such term is defined in the Act), and to acquire, construct, rehabilitate, renovate, repair, equip, furnish or place in service public facilities, and

WHEREAS, the Sponsor created Austin Convention Enterprises, Inc (the "Issuer"), a nonprofit public facilities corporation, for the specific purpose of acquiring, constructing, equipping and improving a hotel and garage located adjacent to the Austin Convention Center (the "Project"), of financing the costs of acquiring and improving the Project, and of operating or providing for the operation of the Project, and

WHEREAS, the City previously found that the Project was necessary and proper for the Sponsor and was in the public interest, and the Project constituted a "public facility" within the meaning of the Act and is located within the boundaries of the Sponsor, and

WHEREAS, the Sponsor previously approved the issuance by the Issuer of its \$109,665,000 Convention Center Hotel First Tier Revenue Bonds, Series 2001A, \$134,950,000 Convention Center Hotel Second Tier Revenue Bonds, Series 2001B, and \$20,498,810 75 Convention Center Hotel Third Tier Revenue Bonds, Series 2001C (collectively, the "Series 2001 Bonds"), and

WHEREAS, the Act and Chapter 1207 of the Texas Government Code further authorizes the Issuer to issue bonds for the purpose of refunding its outstanding bonds, including any redemption premium on such bonds, and accrued interest to the date of refunding, and

WHEREAS, the Sponsor desires that the Issuer issue its limited obligation revenue refunding bonds hereinafter described and use the proceeds of the sale thereof to refund the Series 2001 Bonds, and

WHEREAS, in order to provide funds for the Issuer to refund the Series 2001 Bonds, the Issuer proposes to issue its Convention Center Hotel Revenue Refunding Bonds in the aggregate initial principal amount of not to exceed \$325,000,000 in one or more series (the "Bonds"), pursuant to and in accordance with a resolution duly adopted by the Board of Directors of the Issuer, **NOW, THEREFORE**,

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

1 The Sponsor hereby approves the issuance by the Issuer of the Bonds in one or more series in the aggregate principal amount of not to exceed \$325,000,000. The interest rate (yield) on Issuer's Convention Center Hotel First Tier Revenue Refunding Bonds, Series 2006A shall not exceed 6.25% per annum, the interest rate (yield) on its Convention Center Hotel Second Tier Revenue Refunding Bonds, Series 2006B shall not exceed 7.25% per annum, the interest rate (yield) on its Convention Center Hotel Third Tier Revenue Refunding Bonds, Series 2006C shall not exceed 10.5% per annum, and the maximum interest rate on the Bonds shall not exceed the rate permitted by applicable State law. The Sponsor hereby determines that the reserve funds established in connection with the Bonds are necessary and appropriate. Upon the dissolution of the Issuer following payment and defeasance of all Bonds and any other obligations to be issued in the future by the Issuer for the Project, the Sponsor hereby agrees to accept all of the Issuer's rights and title in the Project, including any improvements thereon.

2 THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OR GENERAL OBLIGATION OF THE SPONSOR, TRAVIS COUNTY, THE STATE OF TEXAS, OR ANY OTHER POLITICAL SUBDIVISION WITHIN THE STATE OF TEXAS. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE SPONSOR, TRAVIS COUNTY, THE STATE OF TEXAS, OR ANY OTHER POLITICAL

SUBDIVISION OF THE STATE OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF THE BONDS OR INTEREST THEREON THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER

3 The actions and obligations authorized in Paragraph 1 of this Resolution shall be subject to and conditioned upon the receipt by the Issuer, on or before the date of delivery of the Bonds to the purchasers thereof (the "Closing Date"), of (a) the approving opinion of the Attorney General of the State of Texas and evidence of registration of the Bonds by the Comptroller of Public Accounts of the State of Texas, (b) the purchase price for the Bonds, (c) finalization of all documents to the satisfaction of the Issuer, (d) evidence satisfactory to the Chief Financial Officer of the Sponsor that the owners of the Series 200C Bonds agree with the redemption price to be paid by the Issuer to effect the redemption and discharge in full of the Series 2001C Bonds, (e) evidence satisfactory to the Chief Financial Officer of the Sponsor that the refunding of the Series 2001 Bonds produces a net present value savings to the Issuer of no less than 10.00%, calculated in accordance with GASB Statement No 7 (taking into account savings resulting from the forgiveness of the Series 2001C Bonds owned by the Manager and net payments received and future savings realized by the Issuer related to the termination of the Surety Bond issued by the Surety and related agreements), (f) that ZC Specialty Insurance Company has executed and delivered a termination and release agreement in form and substance satisfactory to the Issuer and its counsel, evidencing the termination of the "Surety Bond", the "Reimbursement Agreement" and the "Written Directive Agreement" executed and delivered in connection with the

issuance of the Series 2001 Bonds, and (g) such other opinions, evidences, certificates, instruments or other documents as shall be requested by the Issuer's Counsel or by Bond Counsel

4 The officers, employees and agents of the Sponsor, 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 corporate seal and on behalf of the Sponsor all certificates, financing statements, instruments and other papers, whether or not herein mentioned, as they may determine to be necessarily desirable in order to carry out the terms and provisions of this Resolution and of the Bonds to be issued by the Issuer; such determination to be conclusively evidenced by the performance of such acts and things and the execution of any such certificate, financing statement, instrument or other paper

5 The City Council hereby finds and declares that written notice of the date, hour, place and subject of the meeting at which this Resolution was adopted was posted and that such meeting was open to the public as required by law at all times during which this Resolution and the subject matter hereof were discussed, considered and formally acted upon, all as required by Chapter 551, Texas Government Code, and the Act

6 This Resolution shall take effect and be in full force and effect upon
and after its passage

ADOPTED: _____, 2006

ATTEST: _____

Shirley A Gentry
City Clerk

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