

**ORDINANCE NO.**

**AN ORDINANCE APPROVING AND AUTHORIZING THE ISSUANCE AND SALE OF THE CITY OF AUSTIN, TEXAS SPECIAL ASSESSMENT REVENUE BONDS SERIES 2018 (ESTANCIA HILL COUNTRY PUBLIC IMPROVEMENT DISTRICT IMPROVEMENT AREA #1); APPROVING AND AUTHORIZING RELATED AGREEMENTS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A LIMITED OFFERING MEMORANDUM; AND PROVIDING FOR AN EFFECTIVE DATE**

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

**PART 1. FINDINGS AND DETERMINATIONS.**

The City Council finds and determines that:

- (A) Pursuant to Chapter 372 of the Texas Local Government Code (the “Act”), the City previously established the Estancia Hill Country Public Improvement District (the “District”) pursuant to Resolution No. 20130606-054, adopted by the City Council on June 6, 2013; and
- (B) Pursuant to the Act, the City published notice of and held a public hearing on June 20, 2013 regarding the levy of special assessments against benefitted property located in Improvement Area #1 of the District, and after hearing testimony at the public hearing, the City Council closed the public hearing and adopted Ordinance No. 20130620-052 (the “Assessment Ordinance”); and
- (C) In the Assessment Ordinance, the City Council approved and accepted the Service and Assessment Plan relating to the District and levied assessments against property in Improvement Area #1 of the District (the “Improvement Area #1 Assessments”); and
- (D) The City is authorized by the Act to issue revenue bonds payable from the Improvement Area #1 Assessments, and other revenue received, for the purposes of (i) paying the costs of the Improvement Area #1 Improvements identified in the Service and Assessment Plan, as amended and updated (the “2018 Amended and Restated Service and Assessment Plan”), (ii) establishing the other funds and

accounts described in the Indenture (as defined below) or as required in connection with the issuance of the bonds, and (iii) paying the costs of issuing the bonds; and

- (E) Pursuant to an Indenture of Trust dated June 1, 2013 between the City and U.S. Bank National Association, as trustee (the “Original Indenture”), the City previously issued its \$12,590,000 City of Austin, Texas Special Assessment Revenue Bonds, Series 2013 (Estancia Hill Country Public Improvement District), dated July 16, 2013 (the “Series 2013 Bonds”); and
- (F) The City Council finds and determines that it is in the best interest of the City to issue bonds to be designated City of Austin, Texas Special Assessment Revenue Bonds, Series 2018 (Estancia Hill Country Public Improvement District Improvement Area #1) (the “Bonds”), which will be issued as Additional Bonds pursuant to the terms of the Original Indenture, will be on parity with the Series 2013 Bonds, and will be payable from and secured by the Pledged Revenues, as defined in the Indenture; and
- (G) The City Council finds and determines that it is necessary to amend and restate the Original Indenture in its entirety to accommodate the issuance of the Bonds, to remove the ability to issue Additional Bonds after the issuance of the Bonds, and to close certain accounts and funds maintained under the Original Indenture that are no longer necessary; and
- (H) The City Council finds that it should approve (i) the issuance of the Bonds to finance the Improvement Area #1 Improvements identified in the 2018 Amended and Restated Service and Assessment Plan, (ii) the indenture of trust securing the City’s bonds authorized by this Ordinance, (iii) the Bond Purchase Agreement (as defined below) between the City and purchasers of the Bonds, (iv) the Limited Offering Memorandum (as defined below), and (v) the Continuing Disclosure Agreement (as defined below) between the City and the Trustee (as defined below) relating to the Bonds and the Improvement Area #1 Assessments; and
- (I) The meeting at which this Ordinance is considered is open to the public as required by law, and public notice of the time, place and purpose of the meeting was

provided as required by the Open Meetings Act, Chapter 551 of the Texas Government Code.

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

- (A) The issuance of the Bonds in the principal amount \$4,265,000, for the purpose of providing funds for (i) financing or refinancing a portion of the costs of the Improvement Area #1 Improvements, (ii) establishing the other funds and accounts described in the Indenture or as required in connection with the issuance of the Bonds, and (iii) paying the costs of issuing the Bonds, is authorized and approved.
- (B) The Bonds shall be issued and secured under the Amended and Restated Indenture of Trust (the “Indenture”) dated December 1, 2018 between the City and U.S. Bank National Association, as trustee (the “Trustee”), in substantially the form attached as Exhibit A and incorporated for all purposes. The Indenture is authorized and approved with such changes as are necessary, and the Mayor or Mayor Pro Tem is authorized and directed to execute the Indenture.
- (C) The Bonds shall be dated, mature on the date or dates and in the principal or maturity amounts, bear interest, be subject to redemption, and have the other terms and provisions set forth in the Indenture. The Bonds shall be in substantially the form set forth in the Indenture, with such changes as are necessary 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 AND BOND PURCHASE AGREEMENT.**

The Bonds shall be sold to FMSbonds, Inc. (the “Underwriter”) pursuant to the terms of sale in the Bond Purchase Agreement, dated this date, between the City and the Underwriter, in substantially the form attached as Exhibit B and incorporated for all purposes, which terms of sale are declared to be in the best interest of the City. The Bond Purchase Agreement is authorized and approved with such changes as are necessary, and

the Mayor or Mayor Pro Tem is authorized and directed to execute the Bond Purchase Agreement.

**PART 4. APPROVAL OF LANDOWNER AGREEMENT.**

The Landowner Agreement between the City and Lennar Homes of Texas Land and Construction, Ltd., a Texas limited partnership, is authorized and approved in substantially the form attached as Exhibit C and incorporated for all purposes, with such changes as are necessary. The City Manager, the Deputy City Manager, or an Assistant City Manager is authorized and directed to execute the Landowner Agreement.

**PART 5. LIMITED OFFERING MEMORANDUM.**

The Preliminary Limited Offering Memorandum for the Bonds and any supplement or amendment (the "Preliminary Limited Offering Memorandum") and the final Limited Offering Memorandum (the "Limited Offering Memorandum") presented to and considered at the meeting at which this Ordinance was considered are approved and adopted with such changes as are necessary. The Mayor or Mayor Pro Tem is authorized and directed to execute the Limited Offering Memorandum. The Limited Offering Memorandum may be used by the Underwriter in the offering and sale of the Bonds, and the City Clerk is authorized and directed to maintain copies of the Preliminary Limited Offering Memorandum, the Limited Offering Memorandum, and any supplement or amendment. Notwithstanding the prior approval and delivery of the Preliminary Limited Offering Memorandum in the offering of the Bonds, the Preliminary Limited Offering Memorandum is hereby ratified, approved and confirmed. Notwithstanding the approval and execution of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum by the Mayor or Mayor Pro Tem, the Mayor, the Mayor Pro Tem, and the City Council are not responsible for, and have no specific knowledge of, the information contained in the Preliminary Limited Offering Memorandum or the Limited Offering Memorandum pertaining to the Project (as defined in the Bond Purchase Agreement), the Landowner or its financial ability, any builders, and landowners, or the appraisal of the property in the District.

**PART 6. CONTINUING DISCLOSURE AGREEMENT.**

The Continuing Disclosure Agreement between the City and U.S. Bank National Association, as Dissemination Agent, in substantially the form attached as Exhibit D and incorporated for all purposes, is authorized and approved with such changes as are necessary. The City Manager, the Deputy City Manager, an Assistant City Manager, or the Treasurer of the City is authorized and directed to execute the Continuing Disclosure Agreement.

**PART 7. ADDITIONAL ACTIONS.**

The Mayor, the Mayor Pro Tem, the City Manager, the Deputy City Manager, an Assistant City Manager, or the City Treasurer, and City Clerk are authorized and directed to take all necessary actions to issue the Bonds and to execute all certificates, agreements, notices, instruction letters, requisitions, and other documents as are necessary in connection with the sale, issuance and delivery of the Bonds.

**PART 8. GOVERNING LAW.**

This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

**PART 9. SEVERABILITY.**

If any provision of this Ordinance or its application to any person or circumstance is held to be invalid, the remainder of this Ordinance and the application of the provision to other persons or circumstances shall be valid, and the City Council declares that this Ordinance would have been enacted without such invalid provision.

**PART 10. INCORPORATION OF FINDINGS AND DETERMINATIONS.**

The findings and determinations of the City Council in Part 1 of this Ordinance are incorporated for all purposes.

**PART 11. 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**

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\_\_\_\_\_, 2018

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Steve Adler  
Mayor

**APPROVED:** \_\_\_\_\_  
Anne L. Morgan  
City Attorney

**ATTEST:** \_\_\_\_\_  
Jannette S. Goodall  
City Clerk

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