

RESOLUTION NO.

**RESOLUTION AUTHORIZING DEFEASANCE OF PUBLIC
IMPROVEMENT AND REFUNDING BONDS**

WHEREAS, the City of Austin, Texas (the “City”) has outstanding the following obligations:

City of Austin, Texas Public Improvement and Refunding Bonds, Series 2025 (the “Series 2025 Bonds”); and

WHEREAS, the following bonds are eligible to be defeased and all or any portion of the aforementioned bonds described in this paragraph that are selected to be defeased and/or redeemed by the City Manager are called the “Defeased Obligations”:

- (i) All or a portion of any outstanding Series 2025 Bonds maturing on September 1 in each of the years 2026 through 2045, inclusive, may be defeased to their respective maturities and/or redeemed prior to their stated maturities on or after the first optional redemption date of September 1, 2035; and

WHEREAS, the proceedings adopted by the council authorizing the issuance of the Bonds provide that the City may defease of the Defeased Obligations on or prior to their scheduled maturities; and

WHEREAS, City staff recommends to council that the defeasance of the Defeased Obligations in the manner described below will be the most beneficial use of funds received from the sale or conveyance of certain bond financed property of the City resulting in the reduction of the outstanding indebtedness secured by ad valorem property tax revenues; and

25 **WHEREAS**, the meeting at which this Resolution is adopted was open to
26 the public, and that public notice of the time, place, and purpose of such meeting
27 was given, all as required by Chapter 551, Texas Government Code; **NOW**,
28 **THEREFORE**,

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

30 Council hereby authorizes the use of funds received from the sale or
31 conveyance of certain bond financed property of the City, and other available cash
32 in an amount not to exceed \$5,000,000. No bonds shall be issued, the proceeds of
33 which are used for the specific purpose of defeasing the Defeased Obligations.

34 **BE IT FURTHER RESOLVED:**

35 The City Manager shall select the Defeased Obligations to be defeased to
36 their respective maturities or dates fixed for redemption prior to their respective
37 maturities solely from sources referenced above in an amount, together with
38 investment earnings on those revenues, equal to the maturity amount of the
39 Defeased Obligations, plus accrued interest on the Defeased Obligations to their
40 respective maturity dates or dates fixed for redemption.

41 **BE IT FURTHER RESOLVED:**

42 The City Manager shall execute and deliver any documents necessary to
43 effect the defeasance of the Defeased Obligations, specifically, any agreement with
44 any paying agent for the Defeased Obligations to hold the amounts deposited and
45 invested to pay the Defeased Obligations at their respective maturity dates or dates
46 fixed for redemption.

47 **BE IT FURTHER RESOLVED:**

