

ORDINANCE NO. #15-2001
AUTHORIZING THE ISSUANCE OF CITY OF ABILENE, TEXAS
COMBINATION TAX AND WATERWORKS AND SEWER SYSTEM
REVENUE CERTIFICATES OF OBLIGATION, SERIES 2001B,
IN THE PRINCIPAL AMOUNT OF \$30,000,000

THE STATE OF TEXAS	§
COUNTIES OF TAYLOR AND JONES	§
CITY OF ABILENE	§

WHEREAS, the City Council deems it advisable to issue Certificates of Obligation in the amount of \$30,000,000 for paying in whole or in part a portion of the City's contractual obligations for the purpose of improving and extending the City's combined waterworks and sewer system, to-wit: construction of a water transmission line, related water treatment facilities and electric transmission lines, in connection with delivery and treatment of water from O. H. Ivie Reservoir, and for paying legal, fiscal, and engineering fees in connection with such projects; and

WHEREAS, the Certificates of Obligation hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271 of the Local Government Code with a pledge of revenues of the Waterworks and Sewer System pursuant to Chapter 1502 the Government Code; and

WHEREAS, the City Council has heretofore, on the 10th day of May, 2001, adopted a resolution authorizing and directing the City Secretary to give notice of intention to issue Certificates of Obligation; and

WHEREAS, said notice has been duly published in the Abilene Reporter News, which is a newspaper of general circulation in said City, in its issues of May 13, 2001 and May 20, 2001; and

WHEREAS, the City received no petition from the qualified electors of the City protesting the issuance of such Certificates of Obligation; and

WHEREAS, the meeting was open to the public and public notice of the time, place and purpose of said meeting was given pursuant to Chapter 551, Texas Government Code.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF ABILENE:

Section 1. AMOUNT AND PURPOSE OF THE CERTIFICATES OF OBLIGATION. The certificate of obligation or certificates of obligation of the City of Abilene (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$30,000,000 for paying in whole or in part a portion of the City's contractual obligations for the purpose of improving and extending the City's combined waterworks and sewer system, to-wit: construction of a water transmission line, related water treatment facilities and electric transmission lines, in connection with delivery and treatment of water from O. H. Ivie Reservoir, and for paying legal, fiscal, and engineering fees in connection with such projects.

Section 2. DESIGNATION OF THE CERTIFICATES OF OBLIGATION. Each certificate of obligation issued pursuant to this Ordinance shall be designated: "CITY OF ABILENE, TEXAS COMBINATION TAX AND WATERWORKS AND SEWER SYSTEM REVENUE CERTIFICATE OF OBLIGATION, SERIES 2001B", and initially there shall be issued, sold, and delivered hereunder a single fully registered certificate of obligation, without interest coupons, payable in installments of principal (the "Initial Certificate of Obligation"), but the Initial Certificate of Obligation may be assigned and transferred and/or converted into and exchanged for a like aggregate principal amount of fully registered certificates of obligation, without interest coupons, having serial maturities, and in the denomination or denominations of \$5,000 or any integral multiple of \$5,000, all in the manner hereinafter provided. The term "Certificates of Obligation" as used in this Ordinance shall mean and include collectively the Initial Certificate of Obligation and all substitute certificates of obligation exchanged therefor, as well as all other substitute certificates of obligation and replacement certificates of obligation issued pursuant hereto, and the term "Certificate of Obligation" shall mean any of the Certificates of Obligation.

Section 3. INITIAL DATE, DENOMINATION, NUMBER, MATURITIES, INITIAL REGISTERED OWNER, AND CHARACTERISTICS OF THE INITIAL CERTIFICATE OF OBLIGATION. (a) The Initial Certificate of Obligation is hereby authorized to be issued, sold, and delivered hereunder as a single fully registered Certificate of Obligation, without interest coupons, dated July 1, 2001, in the denomination and aggregate principal amount of \$30,000,000, numbered R-1, payable in annual installments of principal to the initial registered owner thereof, to-wit: *FIRST SOUTHWEST COMPANY* or to the registered assignee or assignees of said Certificate of Obligation or any portion or portions thereof (in each case, the "registered owner"), with the annual installments of principal of the Initial Certificate of Obligation to be payable on the dates, respectively, and in the principal amounts, respectively, stated in the FORM OF INITIAL CERTIFICATE OF OBLIGATION set forth in this Ordinance.

(b) The Initial Certificate of Obligation (i) may be prepaid or redeemed prior to the respective scheduled due dates of installments of principal thereof, (ii) may be assigned and transferred, (iii) may be converted and exchanged for other Certificates of Obligation, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Initial Certificate of Obligation shall be payable, all as provided, and in the manner required or indicated, in the FORM OF INITIAL CERTIFICATE OF OBLIGATION set forth in this Ordinance.

Section 4. INTEREST. The unpaid principal balance of the Initial Certificate of Obligation shall bear interest from the date of the Initial Certificate of Obligation, and will be calculated on the basis of a 360-day year of twelve 30-day months to the respective scheduled due dates, or to the respective dates of prepayment or redemption, of the installments of principal of the Initial Certificate of Obligation, and said interest shall be payable, all in the manner provided and at the rates and on the dates stated in the FORM OF INITIAL CERTIFICATE OF OBLIGATION set forth in this Ordinance.

The interest rate to be paid on the Certificates of Obligation, after the initial interest rate period from July 1, 2001 until August 15, 2002 (as initially determined on July 11, 2001), shall be determined on each August 15, commencing on August 15, 2002, ("Interest Rate Determination Date") and shall be set and reset on each August 15 thereafter, being the Interest Rate Determination Date, according to the interest rate scale for such appropriate principal maturity as published in the Municipal Market Data ("MMD") for "AAA" Rate,