

WHEREAS, pursuant to Ordinance No. 930318-A, as amended by Ordinance No. 961121-A and Ordinance No. 980513-A (collectively, the "Ordinance"), "CITY OF AUSTIN, TEXAS COMBINED UTILITY SYSTEMS COMMERCIAL PAPER NOTES, SERIES A" (the "Notes") up to an aggregate principal amount of \$350,000,000 have been duly authorized, issued and sold and resold by the City of Austin, Texas (the "City") to finance the costs of additions, improvements and extensions to the City's Waterworks and Sewer System and the City's Electric Light and Power System (hereinafter collectively referred to as the "Systems") in accordance with the provisions of V.T.C.A., Government Code, Chapter 1371; and

WHEREAS, the expiration date for the Letter of Credit is March 29, 2007 and the City has submitted a request to JPMorgan Chase Bank, as Agent, for the extension of such expiration date; and

WHEREAS, the Consent Letter has been submitted to the City for approval and acceptance; and

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, TEXAS:

45886165.1

1 the City prior to the date hereof with respect to the extension of the Letter of Credit expiration
2 date are hereby ratified, confirmed and approved.

3 SECTION 2. Ratification. Save and except as amended by the Consent Letter,
4 effective as of March 29, 2007, no other changes or modification are approved to be made to
5 the Reimbursement Agreement, and such Reimbursement Agreement as modified by the
6 Consent Letter is hereby declared to be the Reimbursement Agreement by and between the
7 City and the Banks from and after its execution and effective date of March 29, 2007.

8 SECTION 3: Public Meeting. It is officially found, determined, and declared that the
9 meeting at which this Ordinance is adopted was open to the public and public notice of the time,
10 place, and subject matter of the public business to be considered at such meeting, including this
11 Ordinance, was given; all as required by V.T.C.A., Government Code, Chapter 551, as
12 amended.

13 SECTION 4: Emergency. The public importance of this measure and the fact that the
14 extension of the expiration date of the Letter of Credit and the acceptance and execution of the
15 Consent Letter in connection therewith should be approved as quickly as possible constitute an
16 emergency for the immediate preservation of the public peace, health and safety of the citizens
17 of the City and creates an emergency requiring the suspension of the rule providing for
18 ordinances to be read on three separate days; and such rule relating to the passage of
19 ordinances and the Charter provision relating to the effective date of ordinances are hereby
20 suspended and this Ordinance is hereby passed as an emergency measure and shall be
21 effective immediately upon its passage and adoption as provided by the Charter of the City.

22 *[Remainder of page intentionally left blank]*

1 PASSED AND ADOPTED, this March 22, 2006.

CITY OF AUSTIN, TEXAS

ATTEST:

WILL WYNN
Mayor

SHIRLEY A. GENTRY
City Clerk

APPROVED:

DAVID ALLAN SMITH
City Attorney

2 (SEAL)