ORDINANCE NO.

AN ORDINANCE AMENDING ORDINANCE NO. 20080228-078 RELATING TO ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2008"

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

SECTION 1: Section 5(a) of Ordinance No. 20080228-078 is repealed and replaced to read:

"(a) Optional Redemption. The Bonds shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/ Registrar), on any date at a redemption price equal to the greater of (i) 100% of the principal amount of the Bonds then being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such Bonds discounted to the date of redemption on a semi-annual basis (assuming a 360-day year of twelve 30-day months) at the Treasury Yield (defined below) plus 12.5 basis points, subject to the provisions of V.T.C.A., Government Code, Chapter 1204, as amended, in either case plus accrued interest to the date of redemption. "Treasury Yield" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (defined below), assuming a price for the Comparable Treasury Issue (defined below and expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (defined below) for such redemption date. "Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker (defined below) as having a maturity comparable to the remaining term of the Bonds that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Bonds. "Independent Investment Banker" means Banc of America Securities LLC or, if such firm is unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing appointed by the City. "Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U. S. Government Securities LLC" or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, the average of the Reference Treasury Dealer Quotations (defined below) for such redemption date. "Reference Treasury Dealer Quotations" means, with respect to the Reference Treasury Dealer (defined below) and any redemption date, the average, as determined by the Paying Agent/Registrar, of the bid and asked prices of the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Paying Agent/Registrar by the Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date. "Reference Treasury Dealer" means Banc of America Securities LLC and its successors and any other primary U. S. Government securities dealer in New York City appointed by the City. The Paying Agent/Registrar will calculate the redemption price determined as described above and such redemption price will be final and conclusive for all purposes."

SECTION 2: The form of the Bonds contained in Section 10 of the Ordinance shall be and is hereby amended to include the optional redemption provisions approved herein.

SECTION 3: EFFECTIVE DATE. This ordinance is passed on one reading as authorized by V.T.C.A., Government Code, Section 1201.028 and shall be effective immediately upon its passage and adoption

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PASSED AND APPROVED

April 24, 2008 § § § ______________________________

Will Wynn
Mayor

APPROVED: ______________________
David Allan Smith
City Attorney

ATTEST: ______________________
Shirley A. Gentry
City Clerk

(CITY SEAL)