
EXHIBIT A

FOURTH AMENDMENT
TO
LETTER OF CREDIT AND
REIMBURSEMENT AGREEMENT

dated and effective

June 29, 2008

between the

CITY OF AUSTIN, TEXAS

and

LANDESBANK HESSEN-THÜRINGEN GIROZENTRALE

Relating to

\$160,000,000

CITY OF AUSTIN, TEXAS
COMBINED UTILITY SYSTEMS TAXABLE COMMERCIAL PAPER NOTES

**FOURTH AMENDMENT TO LETTER OF
CREDIT AND REIMBURSEMENT AGREEMENT**

THIS FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT, dated and effective as of June 29, 2008 (this "Fourth Amendment"), is between the City of Austin, Texas (the "City"), and Landesbank Hessen-Thüringen Girozentrale, acting through its New York Branch (the "Bank").

RECITALS

WHEREAS, pursuant to the provisions of its home rule charter, V.T.C.A., Government Code, Chapter 1371 (the "Act"), and an amended and restated ordinance adopted by the City Council, as the governing body of the City (the "City Council"), on June 29, 2000 (the "Ordinance"), the City Council has authorized the issuance and delivery from time to time of the City's Combined Utility Systems Taxable Commercial Paper Notes, (the "Notes"); and

WHEREAS, pursuant to the Ordinance, the City Council has amended and restated Ordinance No. 980513-B to authorize the issuance and delivery of Notes in the aggregate outstanding principal amount not to exceed \$160,000,000 at any one time; and

WHEREAS, the Act authorizes the City to execute a letter of credit and reimbursement agreement with respect to the Notes; and

WHEREAS, pursuant to the Ordinance, the City and the Bank have executed a Letter of Credit and Reimbursement Agreement dated as of July 1, 2000, as amended by a First Amendment to Letter of Credit and Reimbursement Agreement dated August 14, 2001, a Second Amendment to Letter of Credit and Reimbursement Agreement dated October 6, 2004, and a Third Amendment to Letter of Credit and Reimbursement Agreement dated July 14, 2005 (as so amended, the "Agreement"), pursuant to the terms of which the Bank issued an irrevocable, direct-pay, transferable letter of credit in the maximum amount of \$160,000,000 (the "Letter of Credit"), to be drawn upon for payment of the principal of the Notes; and

WHEREAS, effective April 1, 2003, the Letter of Credit Amount (as defined in the Agreement and the Letter of Credit) was reduced to \$50,000,000.00; and

WHEREAS, pursuant to the Agreement the Expiry Date has been extended to December 31, 2015; and

WHEREAS, the City and the Bank desire to amend the amount of the Letter of Credit Fee and the Commitment Fee.

NOW, THEREFORE, in consideration of the premises, the City and the Bank hereby agree as follows:

ARTICLE I

AMENDMENTS

Section 1.01. Capitalized terms, not otherwise defined herein, shall have the meanings assigned such terms in the Agreement, as amended by this Fourth Amendment:

"*Agreement*" means the Letter of Credit and Reimbursement Agreement dated as of July 1, 2000, as amended by the First Amendment to Letter of Credit and Reimbursement Agreement dated as of August 14, 2001, as amended by the Second Amendment to Letter of Credit and Reimbursement Agreement dated October 6, 2004, and by the Third Amendment to Letter of Credit and Reimbursement Agreement dated as of July 14, 2005, and this Fourth Amendment; and as the same may be further amended, supplemented or extended from time to time.

"*Fourth Amendment Ordinance*" means Ordinance No. 20080618-__ of the City Council adopted on June 18, 2008, authorizing the execution and delivery of the Fourth Amendment.

Section 1.02. Section 2.02(a)(iii) of the Agreement is hereby amended in its entirety to read as follows:

“(iii) The City shall pay to the Bank as of (A) the last Business Day of each Calendar Quarter (or portion thereof), commencing on the last date of interest payment to July 13, 2008, a letter of credit fee (the “Letter of Credit Fee”) in an amount equal to .22% and a non-refundable commitment fee (the “Commitment Fee”) in an amount equal to .22%, per annum, in accordance with the Third Amendment to Letter of Credit and Reimbursement Agreement; and (B) for the period commencing on July 14, 2008 to October 1, 2008 and all other periods thereafter, a Letter of Credit Fee in an amount equal to .50% and a non-refundable Commitment Fee in an amount equal to .50%, per annum, in accordance with the Fourth Amendment to Letter of Credit and Reimbursement Agreement. Both the Letter of Credit Fee and the Commitment Fee shall be in an amount equal to the product of (1) the above mentioned rates multiplied by (2) the average outstanding balance of the Letter of Credit Amount, and the average outstanding balance of the Unutilized Commitment, during such quarter (or portion thereof) multiplied by (3) a fraction, the numerator of which is the number of days in such Calendar Quarter (or portion thereof) and the denominator of which is 360. **The Letter of Credit Fee and the Commitment Fee shall be due and owing as referenced above, and shall be payable, in arrears, as set forth in Section 2.02(b).**”

ARTICLE II

CONDITIONS TO EFFECTIVENESS

Section 2.01. The provisions of Section 1.02. hereof will be effective upon the satisfaction of the following:

- (a) On or before June 29, 2008, the Bank shall receive:
 - (i) an original counterpart of this Fourth Amendment executed by all parties;
 - (ii) a copy of the Fourth Amendment Ordinance, certified as being true and correct by the City Clerk;
 - (iii) such other documents, instruments, approvals or opinions as the Bank may reasonably request relating to the transaction contemplated herein.
- (b) Parties hereto agree to execute this instrument on or prior to the above date.

ARTICLE III

MISCELLANEOUS

Section 3.01. Except as provided herein, the Agreement shall remain in full force and effect and unaffected hereby except as the Agreement shall be deemed to have been amended by the terms of this Fourth Amendment from and after the date first set forth above.

Section 3.02. This Fourth Amendment may be executed in one or more counterparts, each of which taken together shall constitute an original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Amendment to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

CITY OF AUSTIN, TEXAS

By: _____
Marc A. Ott
City Manager

ATTEST:

Shirley A. Gentry
City Clerk

APPROVED:

David Allan Smith
City Attorney

LANDESBANK HESSEN-THÜRINGEN
GIROZENTRALE, acting through its
New York Branch

By: _____
Title: _____

By: _____
Title: _____