

CERTIFICATE OF CITY CLERK

**THE STATE OF TEXAS
COUNTY OF TRAVIS**

CITY OF AUSTIN

I, the undersigned, City Clerk of the City of Austin, Texas, **DO HEREBY CERTIFY** as follows:

1 On the 18th day of June 2008, a regular meeting of the City Council of the City of Austin, Texas, was held at a meeting place within the City; the duly constituted members of the Council being as follows.

WILL WYNN)	MAYOR
BETTY DUNKERLEY)	MAYOR PRO TEM
LEE LEFFINGWELL)	COUNCIL MEMBERS
MIKE MARTINEZ)	
JENNIFER KIM)	
BREWSTER McCracken)	
SHERYL COLE)	

all of these persons were present at this meeting. Among other business considered at this meeting, the attached ordinance numbered and entitled

ORDINANCE NO. 20080618-057

AN ORDINANCE APPROVING AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT RELATING TO THE "CITY OF AUSTIN, TEXAS, COMBINED UTILITY SYSTEMS TAXABLE COMMERCIAL PAPER NOTES"; AND DECLARING AN EMERGENCY.

was introduced and submitted to the Council for passage and adoption. After presentation and due consideration of the ordinance, and upon a motion being

made by Councilmember Martinez and seconded by Councilmember Leffingwell, the ordinance was finally passed and adopted by the Council to be effective immediately in accordance with the provisions of V.T.C.A., Government Code, Section 1201.028 by the following vote:

7 voted "For" 0 voted "Against" 0 "Abstained"

all as shown in the official Minutes of the Council for the meeting held on June 18, 2008.

The attached ordinance is a true and correct copy of the original on file in the official records of the City; the duly qualified and acting members of the City Council of the City on the date of the meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Council; and that this meeting, and the deliberation of the aforesaid public business, was open to the public and written notice of this meeting, including the subject of the above entitled ordinance, was posted and given in advance in compliance with the provisions of V.T.C.A., Government Code, Chapter 551.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of this City, this the 18th day of June, 2008.



SHIRLEY A. GENTRY
City Clerk, City of Austin, Texas



ORDINANCE NO. 20080618-057

AN ORDINANCE APPROVING AND AUTHORIZING THE NEGOTIATION AND EXECUTION OF A FOURTH AMENDMENT TO LETTER OF CREDIT AND REIMBURSEMENT AGREEMENT RELATING TO THE "CITY OF AUSTIN, TEXAS, COMBINED UTILITY SYSTEMS TAXABLE COMMERCIAL PAPER NOTES"; AND DECLARING AN EMERGENCY.

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

PART 1. FINDINGS. The City Council finds that

(A) On June 29, 2000, the City adopted Ordinance No. 000629-90 amending and restating Ordinance No 980513-B to increase the aggregate principal amount of "City of Austin, Texas, Combined Utility Systems Taxable Commercial Paper Notes" (Notes) authorized to be outstanding from time to time from \$60,000,000 to \$160,000,000 and to provide for a new letter of credit (Letter of Credit) to be issued by Landesbank Hessen-Thüringen Girozentrale (Bank) with respect to the Notes in accordance with the terms and provisions of a Letter of Credit and Reimbursement Agreement, dated as of July 1, 2000 (Agreement)

(B) On August 2, 2001, the City adopted Ordinance No. 010802-24 and amended the Agreement with the First Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of August 14, 2001 (First Amendment). On September 30, 2004, the City adopted Ordinance No 040930-8 and amended the Agreement with the Second Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of October 6, 2004 (Second Amendment). On June 23, 2005, the City adopted Ordinance No 050623-15 and amended the Agreement with the Third Amendment to Letter of Credit and Reimbursement Agreement, dated and effective as of July 14, 2005 (Third Amendment).

(C) The City and the Bank have agreed to amend the Agreement again to change the method of determining the compensation due the Bank.

(D) The Bank has submitted to the City for its approval and execution a Fourth Amendment to the Letter of Credit and Reimbursement Agreement, dated and effective as of June 29, 2008 (Fourth Amendment), attached as Exhibit A and incorporated by reference as a part of this Ordinance for all purposes.

PART 2. AUTHORIZATION. City Council approves the Fourth Amendment; The City Manager or the Chief Financial Officer is authorized to negotiate, execute and deliver the Fourth Amendment.

PART 3. OPEN MEETING. The meeting at which this Ordinance is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting was given, as required by Texas Government Code, Chapter 551

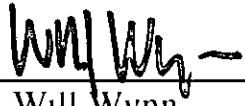
PART 5. EFFECTIVE DATE. The council finds that the need to continue a letter of credit facility to back the City's Notes constitutes an emergency. Because of this emergency, this ordinance takes effect immediately on its passage for the immediate preservation of the public peace, health and safety.

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PASSED AND APPROVED

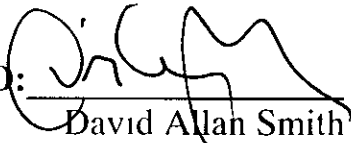
____ June 18 _____, 2008

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Will Wynn
Mayor

APPROVED:



David Allan Smith
City Attorney

ATTEST:



Shirley A. Gentry
City Clerk

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-THURINGEN 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

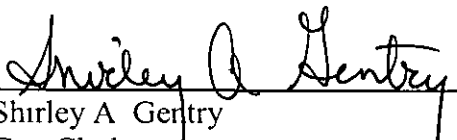
Section 3 02 This Fourth Amendment may be executed in one or more counterparts, each of which taken together shall constitute an original and all of which shall constitute one and the same instrument

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

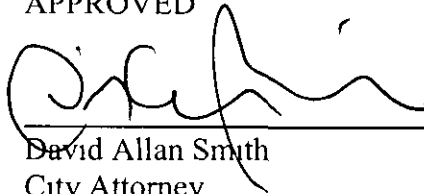
CITY OF AUSTIN, TEXAS

By 
Marc A. Ott
City Manager

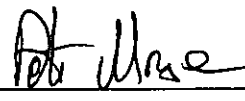
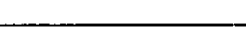
ATTEST

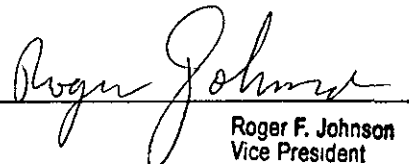


Shirley A. Gentry
City Clerk

APPROVED


David Allan Smith
City Attorney

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

By 
Title  **Peter Morse**
Senior Vice President
Financial Institutions
Public Finance

By 
Title  **Roger F. Johnson**
Vice President
Financial Institutions
Public Finance