PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of July 24, 2008 (this "Agreement"), by and between the City of Austin, Texas (the "City"), and Deutsche Bank Trust Company Americas, a banking corporation organized and existing under the laws of the State of New York and authorized to do business in the State of Texas, or its successors or assigns hereunder (the "Bank"),

RECITALS

WHEREAS, the City has duly authorized and provided for the execution and delivery of its "City of Austin, Texas, Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008" in the aggregate principal amount of $_____ (the "Securities"), pursuant to an Ordinance No. 20080724-____, together with all appendices and exhibits thereto, to be adopted by the City on July 24, 2008 (the "Ordinance"), which Securities are scheduled to be delivered to the initial purchaser on or about August 14, 2008; and

WHEREAS, the City has selected the Bank to serve as paying agent, registrar and transfer agent with respect to such Securities; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the City and is duly qualified and otherwise capable of performing the duties and responsibilities contemplated by this Agreement with respect to the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE
APPOINTMENT OF BANK AS PAYING AGENT/REGISTRAR

Section 1.01: Appointment. Subject to the terms and conditions contained herein and in the Ordinance, Deutsche Bank Trust Company Americas, New York, New York, is hereby designated and appointed Paying Agent/Registrar in the performance of its duties and obligations hereunder and under the Ordinance. Deutsche Bank Trust Company Americas, New York, New York, hereby accepts such appointment and the City consents to such designation and appointment. Deutsche Bank Trust Company Americas, New York, New York, hereby certifies that it is qualified to act as the Paying Agent/Registrar under the Ordinance, and has the capacity to, and agrees to, perform the duties and responsibilities of the Paying Agent/Registrar herein and under the Ordinance.

Section 1.02: Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the City hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached.

In addition, the City agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

Any obligation of the City created by or arising out of this Agreement and owing to the Paying Agent/Registrar shall be a limited unsecured obligation of the City, payable solely from the Pledged Revenues of the City, in accordance with the customary payment approval procedures, policies and processes of the City.

ARTICLE TWO
DEFINITIONS

Section 2.01: Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the designated office of the Bank as indicated in Section 3.01 hereof. The Bank will notify the City in writing of any change in location of the Bank Office.

"City Request" and "City Order" means a written request or order signed in the name of the City by the Mayor, City Clerk, City Manager, Assistant City Manager, Chief Financial Officer, Deputy Chief Financial Officer, or City Treasurer, any one or more of said officials, and delivered to the Bank.

"Fiscal Year" means the fiscal year of the City, ending September 30th.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Resolution).

"Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Ordinance.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the City providing for the registration and transfers of Securities.

"Stated Maturity" means the date specified in the Ordinance the principal of a Security is scheduled to be due and payable.

Section 2.02: Other Definitions. The terms "Bank," "City," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement. Capitalized terms used herein but not otherwise defined herein shall have the meaning set forth in the Ordinance.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE
PAYING AGENT/REGISTRAR

Section 3.01: Payments. As Paying Agent/Registrar, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City or drawn by the Bank under any Liquidity Facility, pay on behalf of the City the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following office:

Deutsche Bank Trust Company Americas
Trust & Securities Services
60 Wall Street
27th Floor, MS NYC60-2715
New York, New York 10005

As Paying Agent/Registrar, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the City, pay on behalf of the City or drawn by the Bank under any Liquidity Facility, the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date. All payments of principal and/or interest on the Securities to the registered owners shall be accomplished by the method set forth in the Ordinance or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02: Payment Dates. The City hereby instructs the Bank to pay the principal of and interest on the Securities at the dates specified in the Ordinance.

Section 3.03: Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the City at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the City and subject to such reasonable regulations as the City and Bank may prescribe. The Bank represents and warrants that it will file and maintain a copy of the Security Register with the City of Austin, Texas, and shall cause the Security Register to be current with all registration and transfer

information as from time to time may be applicable. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 3.04: Certificates. The City shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 3.05: Form of Security Register. The Bank, as Paying Agent/ Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 3.06: List of Security Holders. The Bank will provide the City at any time requested by the City, upon payment of the required fee, a copy of the information contained in the Security Register. The City may also inspect the

information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the City, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the City so that the City may contest the court order or such release or disclosure of the contents of the Security Register.

Section 3.07: Return of Cancelled Certificates. The Bank will, at such reasonable intervals as it determines, surrender to the City, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 3.08: Mutilated, Destroyed, Lost or Stolen Securities. The City hereby instructs the Bank, subject to the provisions of the Ordinance, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only upon the approval of the City and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the City and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost or stolen.

Section 3.09: Transaction Information to City. The Bank will, within a reasonable time after receipt of written request from the City, furnish the City information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 3.03, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 3.08.\

Section 3.10: Creation of Direct-Pay Liquidity Facility Drawing Account. There is established in the Ordinance and maintained with the Bank, as the Paying Agent/Registrar, a separate fund to be known as the "City of Austin, Texas, Hotel Occupancy Tax Subordinate Lien Variable Rate Revenue Refunding Bonds, Series 2008 Direct-Pay Liquidity Facility Drawing Account" (the "Direct-Pay Liquidity Facility Drawing Account"), and funds deposited to such account shall be held and disbursed by the Bank in accordance with the provisions of Part 5.2 of Appendix A to the Ordinance.

Amounts held in the Direct-Pay Liquidity Facility Drawing Account by the Bank shall be held uninvested and separate and apart from all other funds and accounts.

ARTICLE FOUR
THE BANK

Section 4.01: Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 4.02: Reliance on Documents, Etc.

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of

transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by City.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 4.03: Recitals of City. The recitals contained herein with respect to the City and in the Securities shall be taken as the statements of the City, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the City, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 4.04: May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the City with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 4.05: Moneys Held by Bank - Paying Agent Account/Collateralization. A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping and disbursement of moneys received from the City hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the City, and the Holder of such Security shall thereafter look only to the City for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease.

Section 4.06: Indemnification. To the extent permitted by law, the City agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 4.07: Interpleader. The City and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the City is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 3.01 of this Agreement shall constitute adequate service. The City and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 4.08: DTC Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE FIVE
MISCELLANEOUS PROVISIONS

Section 5.01: Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 5.02: Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 5.03: Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the City or the Bank shall be mailed or delivered to the City or the Bank, respectively, at the addresses shown on the signature page hereto.

Section 5.04: Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 5.05: Successors and Assigns. All covenants and agreements herein by the City shall bind its successors and assigns, whether so expressed or not.

Section 5.06: Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 5.07: Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 5.08: Entire Agreement. This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance shall govern.

Section 5.09: Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 5.10: Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the City and such appointment accepted and (b) notice given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and City mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the City.

The provisions of Section 1.02 and of Article Four shall survive and remain in full force and effect following the termination of this Agreement.

Section 5.11: Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

DEUTSCHE BANK TRUST COMPANY AMERICAS, New York, New York

Attest:

By: _____
Title: _____

_____
Title:

Address: 60 Wall Street
27th Floor, MS NYC60-2715
New York, New York 10005

CITY OF AUSTIN, TEXAS

_____
Will Wynn, Mayor

Attest:

Address: 700 Lavaca, Suite 1510
Austin, Texas 78701

_____
Shirley A. Gentry
City Clerk