

FIRST AMENDMENT
TO THE REMARKETING AGREEMENT

This First Amendment to the Remarketing Agreement (the “First Amendment”) executed and entered into as of May 9, 2011 (the “Effective Date”) by and among **CITY OF AUSTIN, TEXAS** (the “City”) and **GOLDMAN SACHS & CO.**, as Remarketing Agent (the “Remarketing Agent”):

WITNESSETH:

WHEREAS, the City and Sumitomo Mitsui Banking Corporation and The Bank of Tokyo – Mitsubishi UFJ, Ltd. will, as of the date hereof, execute and deliver a Letter of Credit Reimbursement Agreement, dated as of May 1, 2011 (as amended, supplemented, restated or otherwise modified from time to time the “Reimbursement Agreement”), pursuant to which each Bank issued an irrevocable transferable direct pay letter of credit in support of the City of Austin, Texas, Water and Wastewater System Variable Rate Revenue Refunding Bonds, Series 2008 (the “Bonds”); and

WHEREAS, in connection with the execution and delivery of the Reimbursement Agreement, the City and the Remarketing Agent now desire to amend the Remarketing Agreement, dated as of May 1, 2008 (the “Original Remarketing Agreement”), between the City and the Remarketing Agent, executed in connection with the original issuance of the Bonds;

NOW, THEREFORE, in consideration of the premises and the mutual agreements, representations and warranties herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties do hereby agree to amend the following provisions:

SECTION 1: Any reference in the Original Remarketing Agreement to the (a) “Reimbursement Agreement” or “Credit Provider” shall have the meanings set forth in Ordinance No. 20080306-053, dated as of March 6, 2008 (the “Ordinance”) and (b) “Letter of Credit” shall have the meaning assigned to the term Liquidity Facility set forth in the Ordinance.

SECTION 2: The City and the Remarketing Agent hereby ratify and reaffirm all of the terms, conditions and provisions of the Remarketing Agreement, as specifically amended by this First Amendment, and each hereby acknowledges that the Remarketing Agreement remains in full force and effect as so amended.

SECTION 3: This First Amendment may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument.

(remainder of page intentionally left blank)

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

GOLDMAN SACHS & CO.

By: _____
Title: _____

CITY OF AUSTIN, TEXAS

By _____
Title: Chief Financial Officer