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

(A) Pursuant to Ordinance No. 961121-A, as amended by Ordinance No. 980513-A (Authorizing Ordinance), the City of Austin (City) has authorized the issuance from time to time of up to \$350,000,000 in aggregate principal amount of its Combined Utility Systems Commercial Paper Notes, Series A (Notes) to finance the costs of additions, improvements, and extensions to the City's Waterworks and Sewer System and the City's Electric Light and Power System in accordance with the provisions of Chapter 1371, Texas Government Code.

(B) The Authorizing Ordinance contains some capitalized terms that are used in this ordinance. Those terms have the same meaning in this ordinance as they do in the Authorizing Ordinance.

(C) The City previously entered into an Amended and Restated Letter of Credit and Reimbursement Agreement, dated March 1, 2010, as amended on February 10, 2011 by that certain First Amendment to Amended and Restated Letter of Credit Reimbursement Agreement (Original Reimbursement Agreement), each among the City, Bank of America, N.A. (BofA), State Street Bank and Trust Company (State Street), and JPMorgan Chase Bank, National Association (JPM), pursuant to which a letter of credit securing the Notes was issued (Original Letter of Credit).

(D) Pursuant to the terms of the Original Letter of Credit, each of BofA, State Street, and JPM are committed to pay a portion of each drawing made on the Original Letter of Credit on a several but not joint basis.

(E) Council finds that it is necessary to replace the Original Letter of Credit with a new letter of credit (New Letter of Credit), pursuant to which only State Street and JPM will be committed to pay drawings made on the New Letter of Credit.

(F) In connection with the delivery of the New Letter of Credit, council finds it necessary to authorize the execution and delivery of: (i) a Second Amended and Restated Letter of Credit Reimbursement Agreement (New Reimbursement Agreement) with State Street and JPM, and (ii) a Fee Agreement (Fee Agreement) among the City, State Street, and JPM.

36 (G) In connection with the issuance of the New Letter of Credit, council finds it
37 necessary to approve and authorize modifications to be made to the Commercial Paper
38 Offering Memorandum used in connection with the sale of the Notes.

39 (H) The City is authorized (1) to cause the delivery of the New Letter of Credit,
40 and (2) to execute and deliver the New Reimbursement Agreement and the Fee
41 Agreement, all pursuant to Chapter 1371, Texas Government Code.

42 **PART 2. AUTHORIZATION.**

43 (A) Council authorizes, ratifies, and approves the replacement of the Original
44 Letter of Credit with the New Letter of Credit. The mayor, any designee of the mayor,
45 the city manager, any designee of the city manager, the chief financial officer of the City,
46 the city clerk, and the city treasurer (each, an Authorized Officer, and collectively,
47 Authorized Officers) are authorized and directed to take all actions necessary or desirable
48 to effect the delivery of the New Letter of Credit in accordance with the provisions of the
49 Authorizing Ordinance and this ordinance at the times and in the manner as they decide
50 are appropriate.

51 (B) Council authorizes the negotiation, execution, and delivery of the New
52 Reimbursement Agreement in substantially the form attached as Exhibit A and (2) the
53 Fee Agreement in substantially the form attached as Exhibit B. Each Authorized Officer
54 is authorized to execute and deliver the New Reimbursement Agreement and the Fee
55 Agreement, with any changes as may be approved by an Authorized Officer. The
56 execution of the New Reimbursement Agreement and the Fee Agreement will be
57 conclusive evidence the City approved each of these agreements.

58 (C) Council authorizes each Authorized Officer to make such changes to the
59 Commercial Paper Offering Memorandum relating to the Notes as may be necessary in
60 connection with the delivery of the New Letter of Credit.

61 (D) The Issuing and Paying Agent and the Dealer are authorized and directed to
62 take all actions and give all notices as may be necessary or desirable to effect the delivery
63 of the New Letter of Credit and all other actions authorized by this ordinance.

64 **PART 3. FURTHER PROCEDURES.** Each Authorized Officer is authorized
65 and directed to do any and all things necessary or convenient to carry out the terms of this
66 ordinance.

67 **PART 4. SEVERABILITY.** The provisions of this ordinance are severable. If
68 any provision of this ordinance or its applications to any person or circumstance is held
69 invalid, the invalidity does not affect other provisions or applications of this ordinance.

EXHIBIT A

[New Reimbursement Agreement]

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EXHIBIT B

[Fee Agreement]

DRAFT