

EXHIBIT B

Fee Agreement

DRAFT

**BANK FEE AGREEMENT
DATED AS OF JUNE __, 2014**

Reference is hereby made (i) to the Letter of Credit and Reimbursement Agreement dated as of June 1, 2014 (the “*Agreement*”), between CITY OF AUSTIN, TEXAS (the “*City*”) and SUMITOMO MITSUI BANKING CORPORATION, acting through its New York Branch (the “*Bank*”), relating to the City of Austin, Texas, Airport System Refunding Revenue Bonds, Series 2005 (AMT) Subseries 2005-1, Subseries 2005-2, Subseries 2005-3 and Subseries 2005-4 (the “*Series 2005 Bonds*”) and (ii) those four (4) Letters of Credit dated June __, 2014 (the “*Letter of Credit*”), issued by the Bank pursuant to the Agreement, each supporting a specified subseries of Series 2005 Bonds. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The purpose of this Bank Fee Agreement is to confirm the agreement between the Bank and the City with respect to the Letter of Credit Fees (as defined below) and certain other fees payable by the City to the Bank. This Bank Fee Agreement is the Bank Fee Agreement referenced in the Agreement, and the terms hereof are incorporated by reference into the Agreement.

ARTICLE I. FEES.

Section 1.1. Letter of Credit Fee. The City hereby agrees to pay to the Bank on June 30, 2014 (for the period commencing on the Closing Date and ending on June 30, 2014) and in arrears on the last Business Day of each September, December, March and June occurring thereafter to the Termination Date, and on the Termination Date, a non-refundable Letter of Credit Fee (the “*Letter of Credit Fee*”) for each quarterly fee period, commencing on the first calendar day of such quarterly fee period and ending on the last calendar day of such quarterly fee period, in an amount equal to the product of the rate per annum associated with the Level specified below corresponding to the applicable Rating (as defined below) (the “*Letter of Credit Fee Rate*”) multiplied by the Available Amount of each Letter of Credit (without regard to any temporary reductions thereof that may be subject to reinstatement) for each day during each related quarterly fee period. The City acknowledges and the Bank agrees, that as of the Closing Date, the Letter of Credit Fee Rate is that specified below for Level 1.

LEVEL	S&P RATING	FITCH RATING	MOODY'S RATING	LETTER OF CREDIT FEE RATE
Level 1	A or above	A or above	A2 or above	0.62%
Level 2	A-	A-	A3	0.90%
Level 3	BBB+	BBB+	Baa1	1.50%
Level 4	BBB	BBB	Baa2	2.25%

The term “*Rating*” as used above shall mean the lowest long-term unenhanced debt ratings assigned by S&P, Fitch or Moody’s to any debt or other Payment Obligations of the City secured by and/or payable from Net Revenues on a parity with the Series 2005 Bonds. In the event of a split Rating (i.e., one of the foregoing Rating Agency’s Ratings is at a different Level than the Rating of either of the other Rating Agencies), the Letter of Credit Fee Rate shall be based upon the Level in which the lowest Rating appears. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any Rating Agency, including, without limitation, any recalibration or realignment of the Ratings in connection with the adoption of a “global” rating scale, the Ratings from such Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Rating is suspended, withdrawn or otherwise unavailable for credit related reasons or reduced below any of the Ratings set forth in Level 4 above or if any Rating Agency shall otherwise cease to rate debt or other Payment Obligations of the City payable from Net Revenues on a parity with the Series 2005 Bonds, the Letter of Credit Fee Rate shall equal 3.00% per annum, immediately and automatically and without notice to the City. Upon the occurrence and continuation of an Event of Default, the Letter of Credit Fee Rate shall equal 3.00% per annum, automatically and without notice to the City. Any change in the Letter of Credit Fee Rate resulting from a reduction, withdrawal, suspension or unavailability of a Rating shall be and become effective as of and on the date of the announcement of the reduction, withdrawal, suspension or unavailability of such Rating. In the event that a Letter of Credit Fee is not paid when due, interest shall accrue on such Letter of Credit Fee from the date payment is due until payment in full at the Default Rate. Such Letter of Credit Fee shall be payable in immediately available funds and computed on the basis of a 360-day year and the actual number of days elapsed.

Section 1.2. Draw Fee. The City agrees to pay to the Bank, a non-refundable fee of \$300 for each draw on any Letter of Credit, payable on the date each such draw request is honored.

Section 1.3. Transfer Fee. Upon each transfer of any Letter of Credit to a successor Issuing and Paying Agent, the City agrees to pay to the Bank a non-refundable transfer fee in an amount equal to \$5,000 for each Letter of Credit so transferred, plus, in each case, the reasonable fees and expenses of counsel to the Bank, payable on the date of such transfer.

Section 1.4. Amendment Fee. The City agrees to pay to the Bank a non-refundable amendment, standard waiver or consent fee, as applicable, of \$5,000 on the date of each amendment, supplement or modification to the Agreement, any Letter of Credit or this Bank Fee Agreement or in connection with any amendment, supplement or modification of any Financing Document which requires the consent of the Bank or in connection with any standard waiver by the Bank requested by the City with respect to the Agreement, any Letter of Credit this Bank Fee Agreement or any other Financing Document, plus, in each case, the reasonable fees and expenses of counsel to the Bank.

Section 1.5. Termination and Reduction Fees. (a) Notwithstanding the foregoing or any other provision of the Agreement or this Bank Fee Agreement to the contrary, the City agrees not

to terminate any Letter of Credit or permanently reduce the Available Amount of any Letter of Credit except upon (i) the payment by the City to the Bank of the Termination Fee or a Reduction Fee, as described below, if any, (ii) with respect to the termination of any Letter of Credit, the payment by the City to the Bank of all other amounts due and payable under the Agreement and related to such Letter of Credit, the Bank Bonds and related to such Letter of Credit and this Bank Fee Agreement and (iii) the City providing the Bank with thirty (30) days prior written notice of its intent to terminate such Letter of Credit; *provided*, that any such termination of a Letter of Credit shall be in compliance with the terms and conditions of the Ordinance and the Agreement; *provided, further*, that no Termination Fee shall become payable if (x) a Letter of Credit is terminated or replaced as a result of a reduction of any of the Bank's senior unsecured short-term ratings below "P1" by Moody's, "A-1" by S&P or "F-1" by Fitch, (y) the Bank imposes increased costs on the City pursuant to Section 2.14 of the Agreement or (z) the City terminates any Letter of Credit after the first (1st) anniversary of the Closing Date.

The City agrees that all payments to the Bank referred to in the preceding paragraph shall be made in immediately available funds.

(b) To the extent the City terminates any Letter of Credit prior to the first (1st) anniversary of the Closing Date, the City hereby agrees to pay to the Bank a Termination Fee in connection with each such termination by the City as set forth in Section 1.5(a) hereof in an amount equal to the lesser of: (1) the product of (A) the Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof as of the date of termination, (B) the Available Amount of such Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) in effect as of the date of termination and (C) a fraction the numerator of which is equal to 365 and the denominator of which is 360 and (2) the product of (A) the Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof as of the date of termination, (B) the Available Amount of such Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) in effect as of the date of termination and (C) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the Stated Expiration Date, and the denominator of which is 360 (the lesser of (1) and (2), referred to herein as the "*Termination Fee*"), payable on the date such Letter of Credit is terminated or replaced.

(c) To the extent the City permanently reduces the Available Amount of any Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) pursuant to Section 2.7 of the Agreement prior to the first (1st) anniversary of the Closing Date, the City hereby agrees to pay to the Bank a reduction fee in connection with each and every permanent reduction in an amount equal to the lesser of: (1) the product of (x) the Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof as of the date of termination, (y) the difference between the amount of the Available Amount of such Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) prior to such permanent reduction and the amount of the Available Amount of such Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) after such permanent reduction, and (z) a fraction, the numerator of which is equal to 365 and the denominator of which is 360 and (2) the product of (x) the Letter of Credit Fee Rate in effect pursuant to Section 1.1 hereof as of the date of termination, (y) the difference between the amount of the Available Amount of such Letter of Credit (without regard to any temporary reduction thereof subject to reinstatement) prior to such

permanent reduction and the amount of the Available Amount of such Letter of Credit (without regard to any temporary reductions thereof subject to reinstatement) after such permanent reduction, and (z) a fraction, the numerator of which is equal to the number of days from and including the date of such termination to and including the Stated Expiration Date, and the denominator of which is 360 (the lesser of (1) and (2), referred to herein as the “*Reduction Fee*”), payable on the date such Available Amount is permanently reduced.

Section 1.6. Audit Confirmation Fees. The City hereby agrees to pay to the Bank an audit confirmation fee of \$50 upon each audit confirmation requested by the City’s auditor and presented to the Bank, payable on the date of such request.

ARTICLE II. MISCELLANEOUS.

Section 2.1. Expenses. The City shall promptly pay on the Closing Date, the reasonable fees and expenses of U.S. counsel for the Bank in an amount not to exceed \$55,000 plus disbursements and foreign counsel to the Bank in an amount not to exceed \$5,000, in connection with the execution and delivery of the Agreement, the Letters of Credit and this Bank Fee Agreement.

Section 2.2. Amendments. No amendment to this Bank Fee Agreement shall become effective without the prior written consent of the City and the Bank.

Section 2.3. Governing Law. THIS BANK FEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS; PROVIDED, THAT THE BANK’S OBLIGATIONS HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

Section 2.4. Counterparts. This Bank Fee Agreement may be executed in multiple counterparts, each of which shall constitute an original but both of which, when taken together, shall constitute but one instrument.

Section 2.5. Severability. Any provision of this Bank Fee Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

[SIGNATURE PAGE TO FOLLOW]

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

CITY OF AUSTIN, TEXAS

By: _____
Name: _____
Title: _____

SUMITOMO MITSUI BANKING CORPORATION,
acting through its New York Branch

By _____
Name: _____
Title: _____