

RESOLUTION NO. 040805-42

WHEREAS, the City of Austin (the "Issuer") is a home rule city authorized to issue obligations to finance its activities, the interest on which is excludable from gross income for federal income tax purposes ("tax-exempt obligations") pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Issuer will make, or has made not more than 60 days before this date, payment of \$2,776,000 for costs related to the settlement of the lawsuit styled *Michael King, et al. v. City of Austin*, Cause No. 03-04-00149CV in the Third Court of Appeals, Austin, Texas; and

WHEREAS, the Issuer has concluded that it does not currently desire to issue tax-exempt obligations to finance this payment; and

WHEREAS, the Issuer desires to reimburse itself for this payment from the proceeds of general obligation bonds to be issued subsequent to this date; and

WHEREAS, the Issuer reasonably expects to issue tax-exempt obligations to reimburse itself; **NOW, THEREFORE**,

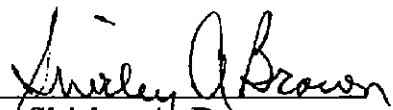
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Issuer reasonably expects to reimburse itself for all costs that have been paid during the 60 days preceding this date or that will be paid after this date from the proceeds of general obligation bonds in connection with costs for the lawsuit styled *Michael King, et al. v. City of Austin*, Cause No. 03-04-00149CV in the Third Court of Appeals at Austin, Texas; and

The Issuer reasonably expects that the maximum principal amount of general obligation bonds issued to reimburse the Issuer for the above stated costs will not exceed \$2,776,000.

ADOPTED: August 5, 2004

ATTEST:


Shirley A. Brown
City Clerk