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ORDINANCE NO. _____

**AN ORDINANCE APPROVING AN EXTENSION AND AMENDMENTS TO
THE LETTER OF CREDIT REIMBURSEMENT AGREEMENT RELATING TO
THE "CITY OF AUSTIN, TEXAS, COMBINED UTILITY SYSTEMS
COMMERCIAL PAPER NOTES, SERIES A."**

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

PART 1. FINDINGS

The City Council finds that:

1. Pursuant to Ordinance No. 930318-A, as amended by Ordinance No. 961121-A and Ordinance No. 980513-A (collectively, the Ordinance), "CITY OF AUSTIN, TEXAS COMBINED UTILITY SYSTEMS COMMERCIAL PAPER NOTES, SERIES A" (Notes) up to an aggregate principal amount of \$350,000,000 have been duly authorized, issued, sold, and resold by the City of Austin, (City) 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 (collectively referred to as the Systems) in accordance with the provisions of Texas, Government Code, Chapter 1371.
2. To provide liquidity and security for payment of the Notes, the City entered into a Letter of Credit Reimbursement Agreement (the Original Reimbursement Agreement), dated as of April 1, 2000, with JPMorgan Chase Bank (as successor to Morgan Guaranty Trust Company of New York), Bayerische Landesbank (as replacement Bank for Dexia Credit Local de France), and State Street Bank and Trust Company, and amended the Original Reimbursement Agreement pursuant to which the Letter of Credit securing the Notes (the Letter of Credit) was issued.
3. The expiration date for the Letter of Credit is March 29, 2010, and the City has submitted a request to JPMorgan Chase Bank, as Agent, for extension of the expiration date.
4. The City has been advised that Bayerische Landesbank does not wish to participate in extending the Letter of Credit.
5. Bank of America, N.A. has advised the City that it desires to participate with JPMorgan Chase Bank, National Association, and State Street Bank and Trust Company, in the Letter of Credit.

34 6. JPMorgan Chase Bank, National Association, State Street Bank and Trust
35 Company, and Bank of America, N.A. (the Banks) desire to enter into an Amended and
36 Restated Letter of Credit Reimbursement Agreement (the Reimbursement Agreement) to
37 reflect current terms and provisions related to the Letter of Credit.

38 7. The Banks have agreed to extend the expiration date for the Letter of Credit to
39 March 27, 2011 conditioned upon a change in the terms of the commitment fee and letter
40 of credit fee as set forth in the Reimbursement Agreement.

41 8. Council finds and determines that the Reimbursement Agreement should be
42 approved and Council should authorize its execution.

43 **PART 2. APPROVAL AND AUTHORIZATION FOR EXECUTION.**

44 (A) Council approves the extension of the expiration date of the Letter of Credit
45 to March 27, 2011.

46 (B) Council approves the Reimbursement Agreement substantially in the form
47 attached as Exhibit A.

48 **PART 3.** The City Manager, City Clerk, and City Attorney are authorized and directed
49 to execute and deliver the Reimbursement Agreement on behalf of the City. Any actions
50 by officials of the City with respect to the extension of the Letter of Credit expiration date
51 that may have occurred prior to the date of this ordinance are ratified.

52 **PART 4. PUBLIC MEETING.** The meeting at which this ordinance was adopted
53 was open to the public and public notice of the time, place, and subject matter of the
54 public business to be considered at such meeting, including this ordinance, was given; all
55 as required by Texas, Government Code, Chapter 551.

56 **PART 5.** This ordinance takes effect on _____ 2010.

57 *[Remainder of page intentionally left blank]*

PASSED AND APPROVED

_____, 2010

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Lee Leffingwell
Mayor

APPROVED: _____
David Allan Smith
City Attorney

ATTEST: _____
Shirley A. Gentry
City Clerk