

**ORDINANCE NO.** \_\_\_\_\_

**AN ORDINANCE APPROVING AND AUTHORIZING THE FIRST AMENDMENT TO THE STANDBY BOND PURCHASE AGREEMENT AND A SECOND AMENDED LETTER AGREEMENT FOR THE “CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2004.”**

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

## PART 1. FINDINGS

The City Council finds that:

Pursuant to Ordinances No. 000608-56A and 040812-43 (collectively, the “Bond Ordinance”), the “CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM VARIABLE RATE REVENUE REFUNDING BONDS, SERIES 2004” (“Bonds”) have been duly authorized, issued and sold by the City of Austin (“City”).

To provide liquidity for the payment of the Bonds, the City entered into a Standby Bond Purchase Agreement (“Agreement”), dated August 1, 2004, with Landesbank Baden-Wurttemberg, acting through its New York Branch (“Bank”) and Deutsche Bank Trust Company Americas, as tender agent, and pursuant to Section 2.06 of the Agreement, the City and the Bank also entered into a related Letter Agreement, dated August 27, 2004.

The payment of the regularly scheduled principal of and interest on the Bonds, when due, is guaranteed by a municipal bond insurance policy issued by Assured Guaranty Municipal Corp., as successor to Financial Security Assurance, Inc. (“Insurer”).

The rating assigned to the Insurer by Fitch Ratings has been withdrawn and the City has determined that (a) pursuant to Section 9.16 of the Agreement, the Agreement should be amended as provided in the First Amendment to the Standby Bond Purchase Agreement (“First Amendment”), dated as of \_\_\_\_\_, 2010, attached as Exhibit A and incorporated by reference as a part of this Ordinance for all purposes; and (b) the Letter Agreement should be amended and restated as provided in the Second Amended and Restated Letter Agreement, dated \_\_\_\_\_, 2010, attached as Exhibit B and incorporated by reference as a part of this Ordinance.

Council finds that the First Amendment and Second Amended and Restated Letter Agreement should be approved and authorized to be executed.

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**ATTEST:** \_\_\_\_\_  
Shirley A. Gentry  
City Clerk