

RESOLUTION NO. 24-___

**FORTY-THIRD SUPPLEMENTAL RESOLUTION TO THE
CONTROLLING RESOLUTION AUTHORIZING A LETTER OF CREDIT
REIMBURSEMENT AGREEMENT RELATING TO THE
LOWER COLORADO RIVER AUTHORITY TRANSMISSION CONTRACT
COMMERCIAL PAPER NOTES (LCRA TRANSMISSION SERVICES
CORPORATION PROJECT), TAX-EXEMPT SERIES**

WHEREAS, the Lower Colorado River Authority ("LCRA") is a governmental agency, and body corporate and politic of the State of Texas, being a conservation and reclamation district created and functioning under Article XVI, Section 59, of the Texas Constitution, pursuant to the provisions of Chapter 8503, Texas Special District Local Laws Code, as amended; and

WHEREAS, at the request of the LCRA Transmission Services Corporation (the "Corporation"), on February 19, 2003, the LCRA Board adopted an amended and restated "Controlling Resolution Establishing the Lower Colorado River Authority Transmission Contract Revenue Financing Program and Authorizing the Transmission Contract Revenue Debt Installment Payment Agreement with the LCRA Transmission Services Corporation," as amended on January 19, 2005 (the "Controlling Resolution"); and

WHEREAS, LCRA currently has outstanding its Transmission Contract Revenue Commercial Paper Notes (LCRA Transmission Services Corporation Project), Tax-Exempt Series (the "Notes") authorized by the Resolution No. 12-48 adopted by the Board on April 18, 2012 (the "Fourth Supplement"); and

WHEREAS, the capitalized terms used in this resolution and not otherwise defined shall have the meanings given in the Controlling Resolution and the Fourth Supplement (as defined herein); and

WHEREAS, in connection with the issuance of the Notes, LCRA has previously entered into the Amended and Restated Letter of Credit Reimbursement Agreement, dated as of April 25, 2012, among LCRA, the Corporation, JPMorgan Chase Bank, N.A. ("JPMorgan Chase") and State Street Bank and Trust Company ("State Street"), as amended (the "Original Agreement"); and

WHEREAS, the Board finds and determines to (i) enter into an amendment to the Original Agreement or an amended and restated agreement to the Original Agreement with the Corporation and JPMorgan Chase and/or State Street to (a) extend the term of the Original Agreement, (b) update pricing provisions and (c) make certain other amendments (an "Amended Agreement") or (ii) to enter into a new Letter of Credit Reimbursement Agreement (and any related agreements, if required) with the Corporation and another financial institution or institutions, which may include JPMorgan Chase and/or State Street, in similar form to the Original Agreement if acceptable terms cannot be negotiated with JPMorgan Chase or State Street (a "Replacement Agreement") (an Amended Agreement and a Replacement Agreement are collectively referred to as the "Agreement"); and

WHEREAS, the Board further finds and determines that (i) all terms and conditions for the authorization and delivery of the Agreement as Transmission Contract Debt have been or can be met and satisfied and (ii) the Agreement is a Liquidity Facility meeting the requirements of Section 5.02 of the Fourth Supplement and a Liquidity Facility entitled to the benefits of the Tax-Exempt CP Installment Payment Agreement Supplement; and

WHEREAS, such Agreement is authorized pursuant to the Acts and other applicable laws.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF LOWER COLORADO RIVER AUTHORITY THAT:

Section 1. The General Manager, the Chief Financial Officer, the Treasurer and the General Counsel of LCRA are authorized to negotiate and complete the form of the Agreement and the General Manager, the Chief Financial Officer or the Treasurer of LCRA each are authorized to execute and deliver the Agreement on behalf of LCRA.

Section 2. The Agreement is declared to be Transmission Contract Debt under the Controlling Resolution and the Fourth Supplement and is a Liquidity Facility under the Fourth Supplement and entitled to the benefits of the Tax-Exempt CP Installment Payment Agreement Supplement.

Section 3. As provided in the Fourth Supplement and the Liquidity Agreement, LCRA shall deposit to the credit of the Note Payment Fund, within the Debt Service Fund, at least such amounts as are required for the payment of all principal of and interest on the Notes, as issued from time to time, as the same come due.

Section 4. The Board hereby authorizes the disbursement of a fee of \$9,500 to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of the proceedings related to the Agreement, as required by Section 1202.004, Texas Government Code, as amended. The appropriate member of LCRA's staff is hereby instructed to take the necessary measures to make this payment.

Section 5. Each of the General Manager, the Chief Financial Officer, the Treasurer or the General Counsel of LCRA is hereby authorized to execute any other document or certificates as may be necessary to consummate the transactions contemplated by this Forty-Third Supplement.