

33 TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES
34 2007”, dated August 15, 2007, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY
35 SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2008”, dated March
36 1, 2008, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE
37 REFUNDING BONDS, SERIES 2008A”, dated July 15, 2008, “CITY OF AUSTIN,
38 TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES
39 2010A”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY
40 SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2010B (Direct
41 Subsidy-Build America Bonds)”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS,
42 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2012A”
43 and “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE
44 REFUNDING BONDS, TAXABLE SERIES 2012B”.

45 “Prior Supplements” means Ordinances No. 020718-17, 20060518-040, 20061019-
46 055, 20070322-026, 20080228-078, 20080724-100, 20100610-049, 20121108-070 and
47 20121108-069 authorizing the issuance of the Previously Issued Electric Utility
48 Obligations.

49 “Refunded Bonds” means the principal amount of the Series 2006, Series 2008A
50 Bonds, Series 2010A Bonds and Series 2012A Bonds identified by the Pricing Officer in
51 the Pricing Certificate.

52 “Refunded Notes” means the principal amount of the Series A Notes, as specified
53 in the Pricing Certificate.

54 “Refunded Obligations” means, collectively, the Refunded Bonds and the
55 Refunded Notes.

56 “Required Reserve Amount” means the total amount to be accumulated and
57 maintained in the Reserve Fund pursuant to the provisions of Section 14 of the Thirteenth
58 Supplement and the provisions of any subsequent Supplement.

59 “Reserve Fund” means the “Electric Utility System Revenue Obligation Reserve
60 Fund” to be established and maintained pursuant to the Prior Supplements and Section 14
61 of the Thirteenth Supplement.

62 “Reserve Fund Obligations” means cash, Eligible Investments, any Credit Facility,
63 or any combination thereof.

64 “Security Register” shall have the meaning given said term in Section 5 of the
65 Thirteenth Supplement.

66 “Series A Notes” means the City of Austin, Texas Combined Utility System
67 Commercial Paper Notes, Series A, up to an aggregate principal amount of \$350,000,000

68 to finance the costs of additions, improvements and extensions to the City’s water and
69 wastewater system and the City’s electric light and power system.

70 “Series 2006 Bonds” means the City of Austin, Texas, Electric Utility System
71 Revenue Refunding Bonds, Series 2006.

72 “Series 2008A Bonds” means the City of Austin, Texas, Electric Utility System
73 Revenue Refunding Bonds, Series 2008A.

74 “Series 2010A Bonds” means the City of Austin, Texas, Electric Utility System
75 Revenue Refunding Bonds, Series 2010A.

76 “Series 2012A Bonds” means the City of Austin, Texas, Electric Utility System
77 Revenue Refunding Bonds, Series 2012A.

78 “Series 2015B Bonds” shall mean the “CITY OF AUSTIN, TEXAS, ELECTRIC
79 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2015B” authorized for
80 issuance concurrently with the Bonds by the Fourteenth Supplement.

81 “Thirteenth Supplement” means Ordinance No. 20150423-____ authorizing the
82 issuance of the Bonds and passed by the City Council on April 23, 2015.

83 The terms used in the Thirteenth Supplement and not otherwise defined shall have
84 the meanings given in the Master Ordinance or the Prior Supplements.

85 In accordance with the provisions of Texas Government Code, Chapter 1207, the
86 City is authorized to issue refunding bonds and deposit the proceeds of sale directly with
87 any place of payment for the Refunded Obligations, or other authorized depository, and
88 such deposit, when made in accordance with said statute, shall constitute the making of
89 firm banking and financial arrangements for the discharge and final payment of the
90 Refunded Obligations.

91 In accordance with the provisions of Texas Government Code, Chapter 1371, the
92 City has authorized by ordinance and provided for the issuance and sale of the Series A
93 Notes and the refunding of the Series A Notes for the purposes of making such debt long-
94 term fixed rate debt of the City and restructuring the debt payable from the revenues of
95 the System is in the best interest of the City, and the manner in which such refunding is
96 being executed does not make it practicable to make the determinations otherwise
97 required by Section 1207.008(a)(2), Texas Government Code.

98 In accordance with the provisions of Texas Government Code, Chapter 1207, the
99 City Council is delegating to the Pricing Officer (as defined below) the authority to
100 establish the terms and details related to the issuance and sale of the Bonds including:
101 (i) the principal amount of the Refunded Notes and the principal amount of the Refunded

102 Bonds to be refunded, (ii) the form and designation of the Bonds; (iii) the principal
103 amount of the Bonds and the amount of the Bonds to mature in each year; (iv) the dates,
104 price, interest rates, interest payment dates, principal payment dates, and redemption
105 features of the Bonds; and (v) any other details relating to the issuance, sale, delivery,
106 and/or exchange of the Bonds, all within certain specified parameters set forth in the
107 Thirteenth Supplement.

108 The Refunded Notes are to be refunded and refinanced into long-term obligations
109 at this time to enable the City's Electric Utility Department to continue utilizing its
110 allocated share of Series A Notes and it is a public purpose and in the best interests of the
111 City to refund the Refunded Bonds in order to achieve a present value debt service
112 savings, with such savings, among other information and terms to be included in a pricing
113 certificate (the "Pricing Certificate") to be executed by the Pricing Officer (designated
114 below), all in accordance with the provisions of Section 1207.007, Texas Government
115 Code.

116 The Bonds can and shall be on a parity with the outstanding "Parity Electric Utility
117 Obligations" issued in accordance with and under the terms and provisions of the Master
118 Ordinance and the Prior Supplements.

119 **SECTION 2: AUTHORIZATION; DESIGNATION; PRINCIPAL**
120 **AMOUNT; PURPOSE.** Revenue bonds of the City shall be and are authorized to be
121 issued in the not to exceed aggregate principal amount hereinafter set forth to be
122 designated and bear the title "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY
123 SYSTEM REVENUE REFUNDING BONDS, SERIES 2015A" (hereinafter referred to
124 as the "Bonds"), for the purpose of refinancing and refunding the Refunded Obligations,
125 and paying costs of issuance, in conformity with the Constitution and laws of the State of
126 Texas, including Texas Government Code, Chapter 1207.

127 **SECTION 3: FULLY REGISTERED OBLIGATIONS; AUTHORIZED**
128 **DENOMINATIONS; STATED MATURITIES; DATE.** The Bonds shall be issued as
129 fully registered obligations, without coupons, shall be dated as provided in the Pricing
130 Certificate (the "Bond Date") and, other than the single fully registered Initial Bond
131 referenced in Section 9, shall be in denominations of \$5,000 or any integral multiple
132 thereof (within a Stated Maturity), shall be numbered consecutively from One (1) upward
133 and shall become due and payable on May 15 and/or November 15 in each of the years
134 and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per
135 annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

136 The Bonds shall bear interest on the unpaid principal amounts from the date and at
137 the rate(s) per annum as specified in the Pricing Certificate (calculated on the basis of a
138 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on May

139 15 and November 15 in each year, commencing on the date specified in the Pricing
140 Certificate, until maturity or prior redemption.

141 **SECTION 4: DELEGATION OF AUTHORITY TO PRICING OFFICER.**

142 (a) As authorized by Section 1207.007, Texas Government Code, the City
143 Manager or Chief Financial Officer of the City (either one of them, the "Pricing Officer")
144 is authorized to act on behalf of the City in selling and delivering the Bonds and carrying
145 out the other procedures specified in the Thirteenth Supplement, including selection of
146 the principal amount of the Refunded Notes to be refunded, the specified maturities or
147 series in whole or in part of the Refunded Bonds to be refunded, determining the
148 aggregate principal amount of the Bonds, the date of the Bonds, any additional or
149 different designation or title by which the Bonds shall be known, the price at which the
150 Bonds will be sold, the years in which the Bonds will mature, the principal amount to
151 mature in each of such years, the rate of interest to be borne by each such maturity, the
152 first interest payment date, the price and terms upon and at which the Bonds shall be
153 subject to redemption prior to maturity at the option of the City, as well as any mandatory
154 sinking fund redemption provisions, the designation of a paying agent/registrar, if
155 different from the Paying Agent/Registrar, and all other matters relating to the issuance,
156 sale, and delivery of the Bonds all of which shall be specified in the Pricing Certificate,
157 provided that:

158 (i) the aggregate original principal amount of the Bonds shall not exceed
159 \$_____;

160 (ii) the true interest cost rate for the Bonds shall not exceed _____%;

161 (iii) with respect to the Bonds issued to refund the Refunded Bonds, the
162 refunding must produce a net present value debt service savings of at least _____%, net
163 of any contribution by the City; and

164 (iv) the maximum maturity for the Bonds shall not extend beyond November 15,
165 20____.

166 The execution of the Pricing Certificate shall evidence the sale date of the Bonds
167 by the City to the Purchasers (defined in (b) of this Section).

168 (b) In establishing the aggregate principal amount of the Bonds, the Pricing
169 Officer shall establish an amount not exceeding the amount authorized in Subsection
170 (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the
171 Bonds are authorized and to pay costs of issuing the Bonds. This delegation shall expire
172 if not exercised by the Pricing Officer within 180 days of the date hereof. The Bonds
173 shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the

174 “Purchasers”), at such price and with and subject to such terms as set forth in the Pricing
175 Certificate. A finding or determination made by the Pricing Officer acting under
176 authority of this Ordinance with respect to all matters relating to the sale of the Bonds
177 and the refunding of the Refunded Obligations shall have the same force and effect as a
178 finding or determination made by the City Council of the City.

179 **SECTION 5: TERMS OF PAYMENT; PAYING AGENT/ REGISTRAR.** The
180 principal of, premium, if any, and the interest on the Bonds, due and payable by reason of
181 maturity, redemption or otherwise, shall be payable only to the Holders appearing on the
182 registration and transfer books maintained by the Paying Agent/Registrar and the
183 payment shall be in any coin or currency of the United States of America, which at the
184 time of payment is legal tender for the payment of public and private debts, and shall be
185 without exchange or collection charges to the Holders.

186 The selection and appointment of _____
187 _____ to serve as Paying Agent/Registrar for the Bonds is
188 approved and confirmed. Books and records relating to the registration, payment,
189 exchange and transfer of the Bonds (the “Security Register”) shall at all times be kept and
190 maintained on behalf of the City by the Paying Agent/Registrar, all as provided in the
191 Thirteenth Supplement, in accordance with the terms and provisions of a “Paying
192 Agent/Registrar Agreement,” substantially in the form attached as **Exhibit A**, and such
193 reasonable rules and regulations as the Paying Agent/Registrar and the City may
194 prescribe. The Pricing Officer is authorized to execute and deliver such Agreement in
195 connection with the delivery of the Bonds. The City covenants to maintain and provide a
196 Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any
197 successor Paying Agent/Registrar shall be a bank, trust company, financial institution or
198 other entity qualified and authorized to serve in the capacity and perform the duties and
199 services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for
200 the Bonds, the City agrees to promptly cause a written notice of the change to be sent to
201 each Holder by United States Mail, first class postage prepaid, which notice shall also
202 give the address of the new Paying Agent/Registrar.

203 Principal of and premium, if any, on the Bonds shall be payable at the Stated
204 Maturities or redemption of the Bonds, only upon presentation and surrender of the
205 Bonds to the Paying Agent/Registrar at its designated offices in _____
206 _____ (the “Designated Payment/Transfer Office”). Interest on the
207 Bonds shall be paid to the Holders whose names appear in the Security Register at the
208 close of business on the Record Date (the last business day of the month next preceding
209 each interest payment date), and such interest shall be paid by the Paying Agent/Registrar
210 (i) by check sent United States Mail, first class postage prepaid, to the address of the
211 Holder recorded in the Security Register or (ii) by such other method, acceptable to the
212 Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the

213 date for the payment of the principal of or interest on the Bonds shall be a Saturday,
214 Sunday, a legal holiday, or a day when banking institutions in the city where the
215 Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are
216 authorized by law or executive order to close, then the date for such payment shall be the
217 next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when
218 banking institutions are authorized to close; and payment on such date shall have the
219 same force and effect as if made on the original date payment was due.

220 In the event of a non-payment of interest on one or more maturities on a scheduled
221 payment date, and for thirty (30) days thereafter, a new record date for such interest
222 payment for such maturity or maturities (a "Special Record Date") will be established by
223 the Paying Agent/Registrar, if and when funds for the payment of such interest have been
224 received from the City. Notice of the Special Record Date and of the scheduled payment
225 date of the past due interest (which shall be 15 days after the Special Record Date) shall
226 be sent at least five (5) business days prior to the Special Record Date by United States
227 Mail, first class postage prepaid, to the address of each Holder of such maturity or
228 maturities appearing on the Security Register at the close of business on the last business
229 day next preceding the date of mailing of such notice.

230 **SECTION 6: REGISTRATION, TRANSFER, EXCHANGE OF BONDS;**
231 **PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain, record, and
232 maintain in the Security Register the name and address of each registered owner of the
233 Bonds issued under and pursuant to the provisions of the Thirteenth Supplement. Any
234 Bond may, in accordance with its terms and the terms of the Thirteenth Supplement, be
235 transferred or exchanged for Bonds of other authorized denominations upon the Security
236 Register by the Holder, in person or by the authorized agent of such person, upon
237 surrender of the Bond to the Paying Agent/Registrar for cancellation, accompanied by a
238 written instrument of transfer or request for exchange executed by the Holder or by the
239 authorized agent of such person, in form satisfactory to the Paying Agent/Registrar.

240 Upon surrender for transfer of any Bond (other than the Initial Bond(s) authorized
241 in Section 9 of the Thirteenth Supplement) at the Designated Payment/Transfer Office of
242 the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the
243 name of the designated transferee or transferees, one or more new Bonds, executed on
244 behalf of, and furnished by, the City of authorized denominations and having the same
245 Stated Maturity and of a like aggregate principal amount as the Bond or Bonds
246 surrendered for transfer.

247 At the option of the Holder, Bonds (other than the Initial Bond(s) authorized in
248 Section 9 of the Thirteenth Supplement) may be exchanged for other Bonds of authorized
249 denominations and having the same Stated Maturity, bearing the same rate of interest and
250 of like aggregate principal amount as the Bonds surrendered for exchange, upon

251 surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office.
252 Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall
253 register and deliver new Bonds, executed on behalf of, and furnished by, the City, to the
254 Holder requesting the exchange.

255 All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the
256 Designated Payment/Transfer Office, or sent by United States Mail, first class postage
257 prepaid, to the Holder and, upon the delivery of such Bonds, the same shall be valid
258 obligations of the City, evidencing the same obligation to pay, and entitled to the same
259 benefits under the Thirteenth Supplement, as the Bonds surrendered in the transfer or
260 exchange.

261 All transfers or exchanges of Bonds shall be made without expense or service
262 charge to the Holder, except as otherwise provided in the Thirteenth Supplement, except
263 that the Paying Agent/Registrar shall require payment by the Holder requesting the
264 transfer or exchange of any tax or other governmental charges required to be paid with
265 respect to the transfer or exchange.

266 Bonds canceled by reason of an exchange or transfer pursuant to the provisions of
267 the Thirteenth Supplement are defined to be "Predecessor Bonds," evidencing all or a
268 portion, as the case may be, of the same obligation to pay evidenced by the Bond or
269 Bonds registered and delivered in the exchange or transfer. Additionally, the term
270 "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for
271 which a replacement Bond has been issued, registered and delivered in lieu of a
272 mutilated, lost, destroyed or stolen Bond pursuant to Section 19 of the Thirteenth
273 Supplement and such new replacement Bond shall be considered to evidence the same
274 obligation as the mutilated, lost, destroyed, or stolen Bond.

275 Neither the City nor the Paying Agent/Registrar shall be required to transfer or
276 exchange any Bond called for redemption, in whole or in part, within 45 days of the date
277 fixed for redemption of such Bond; provided, however, such limitation of transfer shall
278 not be applicable to an exchange by the Holder of the unredeemed balance of a Bond
279 called for redemption in part.

280 **SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND TRANS-ACTIONS.**

281 Notwithstanding the provisions contained in Sections 5 and 6 of the Thirteenth
282 Supplement relating to the payment and transfer/exchange of the Bonds, the City
283 approves and authorizes the use of "Book-Entry-Only" securities clearance, settlement
284 and transfer system provided by The Depository Trust Company (DTC), a limited
285 purpose trust company organized under the laws of the State of New York, in accordance
286 with the operational arrangements referenced in the Blanket Issuer Letter of
287 Representations, by and between the City and DTC (the "Depository Agreement").

288 Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be
289 deposited with DTC who shall hold said Bonds for its participants (the “DTC
290 Participants”). While the Bonds are held by DTC under the Depository Agreement, the
291 Holder of the Bonds on the Security Register for all purposes, including payment and
292 notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each
293 actual purchaser or owner of each Bond (the “Beneficial Owners”) being recorded in the
294 records of DTC and DTC Participants.

295 In the event DTC determines to discontinue serving as securities depository for the
296 Bonds or otherwise ceases to provide book entry clearance and settlement of securities
297 transactions in general or the City determines that DTC is incapable of properly
298 discharging its duties as securities depository for the Bonds, the City covenants and
299 agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and
300 provide for the Bond certificates to be issued and delivered to DTC Participants and
301 Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be
302 assigned, transferred and exchanged on the Security Register maintained by the Paying
303 Agent/Registrar and payment of such Bonds shall be made in accordance with the
304 provisions of Sections 5 and 6 of the Thirteenth Supplement.

305 **SECTION 8: EXECUTION; REGISTRATION.** The Bonds shall be executed
306 on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or
307 impressed thereon and countersigned by the City Clerk. The signature of said officers on
308 the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures
309 of individuals who are or were the proper officers of the City on the date of adoption of
310 the Thirteenth Supplement shall be deemed to be executed on behalf of the City,
311 notwithstanding that such individuals or either of them shall cease to hold such offices at
312 the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds
313 delivered in subsequent exchanges and transfers, all as authorized and provided in Texas
314 Government Code, Chapter 1201.

315 No Bond shall be entitled to any right or benefit under the Thirteenth Supplement,
316 or be valid or obligatory for any purpose, unless there appears on such Bond either a
317 certificate of registration substantially in the form provided in Section 10(c), manually
318 executed by the Comptroller of Public Accounts of the State of Texas or his or her
319 authorized agent, or a certificate of registration substantially in the form provided in
320 Section 10(d), manually executed by an authorized officer, employee or representative of
321 the Paying Agent/Registrar, and either such certificate upon any Bond signed shall be
322 conclusive evidence, and the only evidence, that such Bond has been certified, registered
323 and delivered.

324 **SECTION 9: INITIAL BOND(S).** The Bonds shall be initially issued either (i) as
325 a single fully registered bond in the total principal amount specified in the Pricing

326 Certificate with principal installments to become due and payable as provided in the
327 Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one
328 bond for each stated maturity in the applicable principal amount and denomination and to
329 be numbered consecutively from T-1 and upward (the "Initial Bond(s)"). In either case,
330 the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or their
331 designee. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney
332 General of the State of Texas for approval, certified and registered by the Office of the
333 Comptroller of Public Accounts of the State of Texas and delivered to the initial
334 purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying
335 Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or their
336 designee, shall cancel the Initial Bond(s) delivered and exchange for the Initial Bond(s)
337 definitive Bonds of authorized denominations, Stated Maturities, principal amounts and
338 bearing applicable interest rates for transfer and delivery to the Holders named at the
339 addresses identified for the Holders; all pursuant to and in accordance with such written
340 instructions from the initial purchaser(s), or their designee, and such other information
341 and documentation as the Paying Agent/Registrar may reasonably require.

342 SECTION 10: **FORMS.**

343 (a) Forms Generally. The Bonds, the Registration Certificate of the
344 Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and
345 the form of Assignment to be printed on each of the Bonds, shall be substantially in the
346 forms set forth in this Section with such appropriate insertions, omissions, substitutions,
347 and other variations as are permitted or required by the Thirteenth Supplement and the
348 Pricing Certificate and may have such letters, numbers, or other marks of identification
349 (including identifying numbers and letters of the Committee on Uniform Securities
350 Identification Procedures of the American Bankers Association) and such legends and
351 endorsements (including insurance legends if the Bonds, or any maturities of the Bonds,
352 are purchased with insurance and any reproduction of an opinion of counsel) on such
353 Bonds as may, consistently with the provisions of the Thirteenth Supplement, be
354 established by the City or determined by the Pricing Officer or officers executing such
355 Bonds as evidenced by their execution of such Bonds. The Pricing Certificate shall set
356 forth the final and controlling terms of the Bonds. Any portion of the text of any Bonds
357 may be set forth on the reverse of the Bond, with an appropriate reference on the face of
358 the Bond.

359 The definitive Bonds and the Initial Bond(s) shall be printed, lithographed, or
360 engraved, typewritten, photocopied or otherwise reproduced in any other similar manner,
361 all as determined by the officers executing the Bonds as evidenced by their execution of
362 the Bonds.

363 (b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

364
365
366
367
368

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BOND,
SERIES 2015A

Bond Date: _____, 2015 Interest Rate: _____ Stated Maturity: _____ CUSIP NO: _____

Registered Owner:

Principal Amount: _____ DOLLARS

369 The City of Austin (the "City"), a body corporate and municipal corporation in the
370 Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to
371 pay to the registered owner named above, or their registered assigns (the "Registered
372 Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date
373 shown above the Principal Amount stated above (or so much of the Principal Amount as
374 shall not have been paid upon prior redemption), and to pay interest (computed on the
375 basis of a 360 day year of twelve 30 day months) on the unpaid Principal Amount of this
376 Bond from the interest payment date next preceding the "Registration Date" of this Bond
377 appearing below (unless this Bond bears a "Registration Date" as of an interest payment
378 date, in which case it shall bear interest from such date, or unless the "Registration Date"
379 of this Bond is prior to the initial interest payment date, in which case it shall bear interest
380 from the _____) at the per annum rate of interest specified above; such interest
381 being payable on May 15 and November 15 of each year,
382 commencing _____. Principal of this Bond is payable at its Stated
383 Maturity or redemption to the Registered Owner, upon presentation and surrender, at the
384 Designated Payment/Transfer Office of the Paying Agent/Registrar executing the
385 registration certificate appearing on this Bond, or its successor; provided, however, while
386 this Bond is registered to Cede & Co., the payment of principal upon a partial redemption
387 of the principal amount of this Bond may be accomplished without presentation and
388 surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or
389 more Predecessor Bonds, as defined in the Thirteenth Supplement) whose name appears
390 on the "Security Register" maintained by the Paying Agent/Registrar at the close of
391 business on the "Record Date", which is the last business day of the month next
392 preceding each interest payment date and interest shall be paid by the Paying
393 Agent/Registrar by check sent United States Mail, first class postage prepaid, to the

394 address of the registered owner recorded in the Security Register or by such other
 395 method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and
 396 expense of, the registered owner. If the date for the payment of the principal of or
 397 interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking
 398 institutions in the city where the Designated Payment/Transfer Office of the Paying
 399 Agent/Registrar is located are authorized by law or executive order to close, then the date
 400 for such payment shall be the next succeeding day which is not such a Saturday, Sunday,
 401 legal holiday, or day when banking institutions are authorized to close; and payment on
 402 such date shall have the same force and effect as if made on the original date payment
 403 was due. All payments of principal of, premium, if any, and interest on this Bond shall
 404 be without exchange or collection charges to the Registered Owner and in any coin or
 405 currency of the United States of America which at the time of payment is legal tender for
 406 the payment of public and private debts.

407 This Bond is one of the series specified in its title issued in the aggregate principal
 408 amount of \$_____ (“Bonds”) for the purpose of refinancing and refunding the
 409 Refunded Notes and the Refunded Bonds (identified and defined in the Thirteenth
 410 Supplement) and paying costs of issuance, in conformity with the Constitution and laws
 411 of the State of Texas, including Texas Government Code, Chapter 1207, and pursuant to
 412 a Master Ordinance and Thirteenth Supplement adopted by the City Council of the City,
 413 together with the Pricing Certificate executed pursuant thereto (collectively referred to as
 414 the “Ordinances”).

415 [The Bonds maturing on the dates identified below (the “Term Bonds”) are subject
 416 to mandatory redemption prior to maturity with funds on deposit in the Debt Service
 417 Fund established and maintained for the payment of such Bonds in the Ordinances, and
 418 shall be redeemed in part prior to maturity at the price of par and accrued interest on such
 419 Bonds to the date of redemption, and without premium, on the dates and in the principal
 420 amounts as follows:

<u>Term Bonds due</u>		<u>Term Bonds due</u>	
<u>Redemption Date</u>	<u>Principal Amount</u>	<u>Redemption Date</u>	<u>Principal Amount</u>
15, 20	\$,000	15, 20	\$,000
15, 20*	\$,000	15, 20	\$,000
		15, 20*	\$,000

421 *maturity

422 The particular Term Bonds of a stated maturity to be redeemed on each redemption
 423 date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the
 424 principal amount of Term Bonds for a stated maturity required to be redeemed on a
 425 mandatory redemption date may be reduced, at the option of the City, by the principal

426 amount of Term Bonds of like stated maturity which, at least 50 days prior to the
427 mandatory redemption date, (1) shall have been acquired by the City at a price not
428 exceeding the principal amount of such Term Bonds plus accrued interest to the date of
429 purchase, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have
430 been redeemed pursuant to the optional redemption provisions appearing below and not
431 previously credited against a mandatory redemption requirement.]

432 The Bonds maturing on and after _____ 15, 20__, may be redeemed prior to
433 their Stated Maturities, at the option of the City, in whole or in part in principal amounts
434 of \$5,000 or any integral multiple of \$5,000 (and if within a Stated Maturity by lot by the
435 Paying Agent/Registrar), on _____ 15, 20__ or on any date thereafter at
436 the redemption price of par plus accrued interest to the redemption date.

437 At least thirty days prior to the date fixed for any redemption of Bonds, the City
438 shall cause a written notice of such redemption to be sent by United States Mail, first
439 class postage prepaid, to the registered owners of each Bond to be redeemed at the
440 address shown on the Security Register and subject to the terms and provisions contained
441 in the Ordinances. If a Bond (or any portion of its principal sum) shall have been called
442 for redemption and notice of such redemption given, then upon such redemption date
443 such Bond (or the portion of its principal sum to be redeemed) shall become due and
444 payable, and interest thereon shall cease to accrue from and after said redemption date,
445 provided moneys for the payment of the redemption price and the interest on the principal
446 amount to be redeemed to the date of redemption are held for the purpose of such
447 payment by the Paying Agent/Registrar.

448 If a portion of the principal amount of a Bond is to be redeemed and the registered
449 owner is someone other than Cede & Co., payment of the redemption price of such
450 principal amount shall be made to the registered owner only upon presentation and
451 surrender of such Bond to the Designated Payment/Transfer Office of the Paying
452 Agent/Registrar, and a new Bond or Bonds of like maturity and interest rate in any
453 authorized denominations provided by the Ordinances for the then unredeemed balance
454 of the principal sum of such Bond or Bonds will be issued to the registered owner,
455 without charge. If a Bond is selected for redemption, in whole or in part, the City and the
456 Paying Agent/Registrar shall not be required to transfer such Bond to an assignee of the
457 registered owner within 45 days of such redemption date; provided, however, such
458 limitation on transferability shall not be applicable to an exchange by the registered
459 owner of the unredeemed balance of a Bond redeemed in part.

460 With respect to any optional redemption of the Bonds, unless the Paying
461 Agent/Registrar has received funds sufficient to pay the principal and premium, if any,
462 and interest on the Bonds to be redeemed before giving of a notice of redemption, the
463 notice may state the City may condition redemption on the receipt of such funds by the

464 Paying Agent/Registrar on or before the date fixed for the redemption, or on the
465 satisfaction of any other prerequisites set forth in the notice of redemption. If a
466 conditional notice of redemption is given and such prerequisites to the redemption and
467 sufficient funds are not received, the notice shall be of no force and effect, the City shall
468 not redeem the Bonds and the Paying Agent/Registrar shall give notice, in the manner in
469 which the notice of redemption was given, that the Bonds have not been redeemed.

470 The Bonds are special obligations of the City payable solely from and, together
471 with the Series 2015B Bonds, the Previously Issued Electric Utility Obligations and Prior
472 Subordinate Lien Obligations currently Outstanding, equally and ratably secured by a
473 parity lien on and pledge of, the Net Revenues of the Electric Utility System in the
474 manner provided in the Ordinances. Additionally, the Bonds and the Series 2015B
475 Bonds, together with the Previously Issued Electric Utility Obligations, shall be secured
476 by a lien on the funds, if any, deposited to the credit of the Debt Service Fund and
477 Reserve Fund in accordance with the terms of the Ordinances. The Bonds do not
478 constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of
479 the City or the Electric Utility System, except with respect to the Net Revenues. The
480 holder of this Bond shall never have the right to demand payment of this obligation out of
481 any funds raised or to be raised by taxation.

482 Subject to satisfying the related terms and conditions, the City has reserved the
483 right to issue additional revenue obligations payable from and equally and ratably secured
484 by a parity lien on and pledge of the Net Revenues of the Electric Utility System, in the
485 same manner and to the same extent as the Previously Issued Electric Utility Obligations,
486 the Bonds and the Series 2015B Bonds.

487 Reference is made to the Ordinances, copies of which are on file with the Paying
488 Agent/Registrar, and to all of the provisions of which the Holder by the acceptance of this
489 Bond assents, for definitions of terms; the description of and the nature and extent of the
490 security for the Bonds; the properties constituting the Electric Utility System; the Net
491 Revenues pledged to the payment of the principal of and interest on the Bonds; the nature
492 and extent and manner of enforcement of the lien and pledge securing the payment of the
493 Bonds; the terms and conditions for the issuance of additional revenue obligations; the
494 terms and conditions relating to the transfer or exchange of this Bond; the conditions
495 upon which the Ordinances may be amended or supplemented with or without the
496 consent of the Holders; the rights, duties, and obligations of the City and the Paying
497 Agent/Registrar; the terms and provisions upon which the liens, pledges, charges and
498 covenants made in the Ordinances may be discharged at or prior to the maturity of this
499 Bond, and this Bond deemed to be no longer Outstanding under the Ordinances; and for
500 the other terms and provisions contained therein. Capitalized terms used in this Bond
501 have the same meanings assigned in the Ordinances.

502 This Bond, subject to certain limitations contained in the Ordinances, may be
503 transferred on the Security Register only upon its presentation and surrender at the
504 Designated Payment/Transfer Office of the Paying Agent/Registrar, with the Assignment
505 on this Bond endorsed by, or accompanied by a written instrument of transfer in form
506 satisfactory to the Paying Agent/Registrar executed by, the Registered Owner, or the
507 authorized agent of the Registered Owner. When a transfer on the Security Register
508 occurs, one or more new fully registered Bonds of the same Stated Maturity, of
509 authorized denominations, bearing the same rate of interest, and of the same aggregate
510 principal amount will be issued by the Paying Agent/Registrar to the designated
511 transferee or transferees.

512 The City and the Paying Agent/Registrar, and any agent of either, may treat the
513 registered owner of this Bond whose name appears on the Security Register (i) on the
514 Record Date as the owner entitled to payment of interest on this Bond, (ii) on the date of
515 surrender of this Bond as the owner entitled to payment of principal of this Bond at its
516 Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the
517 owner for all other purposes, and neither the City nor the Paying Agent/Registrar, or any
518 agent of either, shall be affected by notice to the contrary. In the event of non-payment
519 of interest on a scheduled payment date and for thirty (30) days after such event, a new
520 record date for such interest payment (a "Special Record Date") will be established by the
521 Paying Agent/Registrar, if and when funds for the payment of such interest have been
522 received from the City. Notice of the Special Record Date and of the scheduled payment
523 date of the past due interest (which shall be 15 days after the Special Record Date) shall
524 be sent at least five (5) business days prior to the Special Record Date by United States
525 Mail, first class postage prepaid, to the address of each Holder appearing on the Security
526 Register at the close of business on the last business day next preceding the date of
527 mailing of such notice.

528 It is certified, recited, represented and covenanted that the City is an organized and
529 legally existing municipal corporation under and by virtue of the Constitution and laws of
530 the State of Texas; that the issuance of the Bonds is authorized by law; that all acts,
531 conditions and things required to exist and be done precedent to and in the issuance of the
532 Bonds to render the same lawful and valid obligations of the City have been properly
533 done, have happened and have been performed in regular and due time, form and manner
534 as required by the Constitution and laws of the State of Texas, and the Ordinances; that
535 the Bonds do not exceed any constitutional or statutory limitation; and that due provision
536 has been made for the payment of the Bonds by a pledge of the Net Revenues of the
537 Electric Utility System. If any provision in this Bond or any application thereof shall be
538 invalid, illegal, or unenforceable, the validity, legality, and enforceability of the
539 remaining provisions and applications shall not in any way be affected or impaired by
540 any such action. The terms and provisions of this Bond and the Ordinances shall be
541 construed in accordance with and shall be governed by the laws of the State of Texas.

542 IN WITNESS WHEREOF, the City Council of the City has caused this Bond to be
543 executed under the official seal of the City.

544 CITY OF AUSTIN, TEXAS

545
546 _____
547 Mayor

548 COUNTERSIGNED:
549

550 _____
551 City Clerk

552 (SEAL)

553 (c) Form of Registration Certificate of Comptroller of Public Accounts to
554 Appear on Initial Bond(s) only.

555 REGISTRATION CERTIFICATE OF
556 COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER)
OF PUBLIC ACCOUNTS) REGISTER NO. _____
THE STATE OF TEXAS)

557 I HEREBY CERTIFY that this Bond has been examined, certified as to validity
558 and approved by the Attorney General of the State of Texas, and registered by the
559 Comptroller of Public Accounts of the State of Texas.

560 WITNESS my signature and seal of office this _____.

561 _____
562 Comptroller of Public Accounts
563 of the State of Texas

564 (SEAL)

565 (d) Form of Certificate of Paying Agent/Registrar to Appear on Definitive
566 Bonds only.

567 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

568 This Bond has been issued and registered in the name of the Registered Owner
569 shown above under the provisions of the within mentioned Ordinances; the bond or

570 bonds of the above entitled and designated series originally delivered having been
571 approved by the Attorney General of the State of Texas and registered by the Comptroller
572 of Public Accounts, as shown by the records of the Paying Agent/Registrar.

573 The designated offices of the Paying Agent/Registrar in _____ is
574 the Designated Payment/Transfer Office for this Bond.

575 Registration Date: _____,
576 _____,
577 as Paying Agent/Registrar
578 _____
579 By _____
580 Authorized Signature
581

582 (e) Form of Assignment.

583 ASSIGNMENT

584 FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto (Print
585 or typewrite name, address, and zip code of
586 transferee): _____
587 _____ (Social
588 Security or other identifying number: _____) the within Bond
589 and all rights under this Bond, and irrevocably constitutes and
590 appoints _____ attorney to transfer the within Bond on the
591 books kept for registration of the Bonds, with full power of substitution in the premises.

DATED: _____
Signature guaranteed: _____
NOTICE: The signature on this assignment
must correspond with the name of the
registered owner as it appears on the face of
the within Bond in every particular.

592 (f) The Initial Bond(s) shall be in the form set forth in paragraph (b) of this
593 Section, except that the form of a single fully registered Initial Bond shall be modified as
594 follows:

REGISTERED
NO. T-1

REGISTERED
\$ _____

595 UNITED STATES OF AMERICA
596 STATE OF TEXAS
597 CITY OF AUSTIN, TEXAS,

598
599

ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BOND,
SERIES 2015A

Bond Date:
_____, 2015

Registered Owner:

Principal Amount:

600 The City of Austin (the “City”), a body corporate and municipal corporation in the
601 Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to
602 pay to the registered owner named above, or their registered assigns (the “Registered
603 Owner”), solely from the revenues identified in this Bond, the Principal Amount above
604 stated on _____ in each of the years and in principal installments in
605 accordance with the following schedule:

<u>STATED MATURITY</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
----------------------------	-----------------------------------	--------------------------

(Information to be inserted from schedule in the Pricing Certificate).

606 (or so much thereof as shall not have been redeemed prior to maturity) and to pay
607 interest, computed on the basis of a 360-day year of twelve 30-day months, on the unpaid
608 principal amounts of this Bond from the _____ at the per annum rates of
609 interest specified above; such interest being payable on May 15 and November 15 in each
610 year, commencing _____. Principal installments of this Bond are payable in
611 the year of maturity to the Registered Owner by _____
612 _____ (the “Paying Agent/Registrar”),
613 upon presentation and surrender, at its designated offices in
614 _____ (the “Designated Payment/Transfer Office”). Interest is
615 payable to the registered owner of this Bond whose name appears on the “Security
616 Register” maintained by the Paying Agent/Registrar at the close of business on the
617 “Record Date”, which is the last business day of the month next preceding each interest
618 payment date and interest shall be paid by the Paying Agent/Registrar by check sent
619 United States Mail, first class postage prepaid, to the address of registered owner
620 recorded in the Security Register or by such other method, acceptable to the Paying
621 Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the
622 date for the payment of the principal of or interest on the Bonds shall be a Saturday,
623 Sunday, a legal holiday, or a day when banking institutions in the city where the
624 Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are

625 authorized by law or executive order to close, then the date for such payment shall be the
626 next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when
627 banking institutions are authorized to close; and payment on such date shall have the
628 same force and effect as if made on the original date payment was due. All payments of
629 principal of, premium, if any, and interest on this Bond shall be without exchange or
630 collection charges to the owner hereof and in any coin or currency of the United States of
631 America which at the time of payment is legal tender for the payment of public and
632 private debts.

633 **SECTION 11: CRITERIA FOR ISSUANCE OF PARITY ELECTRIC**
634 **UTILITY OBLIGATIONS.** The City has provided certain criteria and established
635 certain covenants and agreements in relation to the issuance of Parity Electric Utility
636 Obligations of the Electric Utility System pursuant to the Master Ordinance. The
637 Thirteenth Supplement provides for the authorization, issuance, sale, delivery, form,
638 characteristics, provisions of payment and redemption, and security of the Bonds which
639 are a series of Parity Electric Utility Obligations. The Master Ordinance is incorporated
640 by reference and made a part of the Thirteenth Supplement for all purposes, except to the
641 extent modified and supplemented by the Prior Supplements and the Thirteenth
642 Supplement, and the Bonds are Parity Electric Utility Obligations under the Master
643 Ordinance and the Prior Supplements. The City determines that it will have sufficient
644 funds to meet the financial obligations of the Electric Utility System, including sufficient
645 Net Revenues to pay the Annual Debt Service Requirements of the Bonds and the Series
646 2015B Bonds and to meet all financial obligations of the City relating to the Electric
647 Utility System.

648 **SECTION 12: PLEDGE.** Subject to the prior claim on and lien on the Net
649 Revenues of the Electric Utility System to the payment and security of the Prior First
650 Lien Obligations currently Outstanding, including the funding and maintenance of the
651 special funds established and maintained for the payment and security of such Prior First
652 Lien Obligations, the Net Revenues of the Electric Utility System are pledged to the
653 payment of the Bonds, and the Bonds, together with the Prior Subordinate Lien
654 Obligations, the Series 2015B Bonds and the Previously Issued Electric Utility
655 Obligations currently Outstanding, shall be equally and ratably secured by a parity lien on
656 and pledge of the Net Revenues of the Electric Utility System in accordance with the
657 terms of the Master Ordinance and the Thirteenth Supplement. Additionally, the Bonds,
658 the Series 2015B Bonds and the Previously Issued Electric Utility Obligations shall be
659 secured by a lien on the funds, if any, deposited to the credit of the Debt Service Fund
660 and the Reserve Fund in accordance with and to the extent required by the terms of the
661 Master Ordinance, the Prior Supplements and the Thirteenth Supplement. The Bonds are
662 and will be secured by and payable only from the Net Revenues of the Electric Utility
663 System, and are not secured by or payable from a mortgage or deed of trust on any
664 properties, whether real, personal, or mixed, of the Electric Utility System. It is ordained

665 that the Parity Electric Utility Obligations, and the interest thereon, shall constitute a lien
666 on the Net Revenues of the Electric Utility System and be valid and binding and fully
667 perfected from and after the date of adoption of the Thirteenth Supplement without
668 physical delivery or transfer or transfer of control of the Net Revenues, the filing of the
669 Thirteenth Supplement or any other act; all as provided in Texas Government Code,
670 Chapter 1208. The owners of the Parity Electric Utility Obligations shall never have the
671 right to demand payment out of funds raised or to be raised by taxation, or from any
672 source other than specified in the Master Ordinance, the Prior Supplements and the
673 Thirteenth Supplement.

674 Texas Government Code, Chapter 1208, applies to the issuance of the Bonds and
675 the pledge of the Net Revenues of the Electric Utility System granted by the City under
676 this Section 12, and such pledge is valid, effective and perfected. If Texas law is
677 amended at any time while the Bonds are Outstanding such that the pledge of the Net
678 Revenues of the Electric Utility System granted by the City under this Section 12 is to be
679 subject to the filing requirements of Texas Business & Commerce Code, Chapter 9, then
680 to preserve to the Registered Owners the perfection of the security interest in said pledge,
681 the City agrees to take such measures as it determines are reasonable and necessary under
682 Texas law to comply with the applicable provisions of Texas Business & Commerce
683 Code, Chapter 9, and enable a filing to perfect the security interest in said pledge to
684 occur.

685 **SECTION 13: DEBT SERVICE FUND.** By reason of the issuance of the Bonds,
686 the City need not establish any special accounts within the Debt Service Fund and
687 following the delivery of the Bonds, the City agrees and covenants to cause to be
688 deposited to the credit of the Debt Service Fund an amount equal to one hundred per cent
689 (100%) of the amount required to fully pay the interest on and principal of the Bonds
690 falling due on or before each maturity, mandatory redemption date and interest payment
691 date, and such deposits shall be made in substantially equal monthly amounts on or
692 before the 14th day of each month beginning on or before the 14th day of the month next
693 following the month the Bonds are delivered to the initial purchaser.

694 The required monthly deposits to the Debt Service Fund for the payment of
695 principal of and interest on the Bonds shall continue to be made in the manner provided
696 in the Thirteenth Supplement until such time as (i) the total amount on deposit in the Debt
697 Service Fund is equal to the amount required to fully pay and discharge all Parity Electric
698 Utility Obligations then Outstanding or (ii) the Bonds are no longer outstanding, i.e.,
699 fully paid as to principal and interest or all the Bonds have been refunded.

700 Accrued interest, if any, received from the initial purchaser(s) of the Bonds shall be
701 deposited in the Debt Service Fund, and shall be taken into consideration and reduce the

702 amount of the monthly deposits that would otherwise be required to be deposited to the
703 credit of such Debt Service Fund from the Net Revenues of the Electric Utility System.

704 SECTION 14: **RESERVE FUND.**

705 (a) Establishment. A Reserve Fund shall not be required to be established or
706 maintained by the City for the payment of the Parity Electric Utility Obligations so long
707 as the “Pledged Net Revenues” of the System for a Fiscal Year (the Net Revenues of the
708 System in a Fiscal Year remaining after deducting the amounts, if any, expended to pay
709 the annual debt service requirements for Prior First Lien Obligations and Prior
710 Subordinate Lien Obligations in such Fiscal Year) equal or exceed one hundred fifty per
711 cent (150%) of the Annual Debt Service Requirements of the Parity Electric Utility
712 Obligations due and payable in such Fiscal Year. If for any Fiscal Year such “Pledged
713 Net Revenues” do not exceed 150% of the Annual Debt Service Requirements of the
714 Parity Electric Utility Obligations, the City shall be obligated to establish and maintain on
715 the books of the City a separate fund or account designated as the “Electric Utility
716 System Revenue Obligation Reserve Fund” (the “Reserve Fund”). Upon being
717 established and except as provided in subsection (f) below, the amount on deposit to the
718 credit of the Reserve Fund shall be maintained for the benefit of the owners of the Parity
719 Electric Utility Obligations. There shall be deposited into the Reserve Fund any Reserve
720 Fund Obligations so designated by the City. The amounts deposited to the credit of the
721 Reserve Fund shall be in a special fund maintained at an official depository of City.
722 Reserve Fund Obligations in the Reserve Fund shall be used for the purpose of retiring
723 the last of the Parity Electric Utility Obligations as they become due or paying principal
724 of and interest on the Parity Electric Utility Obligations when and to the extent the
725 amounts in the Debt Service Fund are insufficient for such purpose.

726 When a Reserve Fund is required to be established as noted above and while the
727 same is required to be maintained, the Required Reserve Amount to be accumulated and
728 maintained in such Fund shall be determined and redetermined as follows:

729 (i) ten per cent (10%) of the Maximum Debt Service Requirement for all
730 Parity Electric Utility Obligations then Outstanding if the Pledged Net Revenues
731 for the previous Fiscal Year were less than 150% of the annual Debt Service
732 Requirement for such Fiscal Year, but greater than or equal to 140% of the annual
733 Debt Service Requirement for such Fiscal Year;

734 (ii) twenty per cent (20%) of the Maximum Debt Service Requirement for
735 all Parity Electric Utility Obligations then Outstanding if the Pledged Net
736 Revenues for the previous Fiscal Year were less than 140% of the annual Debt
737 Service Requirement for such Fiscal Year, but greater than or equal to 130% of the
738 annual Debt Service Requirement for such Fiscal Year;

739 (iii) thirty per cent (30%) of the Maximum Debt Service Requirement for
740 all Parity Electric Utility Obligations then Outstanding if the Pledged Net
741 Revenues for the previous Fiscal Year were less than 130% of the annual Debt
742 Service Requirement for such Fiscal Year, but greater than or equal to 120% of the
743 annual Debt Service Requirement for such Fiscal Year;

744 (iv) forty per cent (40%) of the Maximum Debt Service Requirement for
745 all Parity Electric Utility Obligations then Outstanding if the Pledged Net
746 Revenues for the previous Fiscal Year were less than 120% of the annual Debt
747 Service Requirement for such Fiscal Year, but greater than or equal to 110% of the
748 annual Debt Service Requirement for such Fiscal Year;

749 (v) fifty per cent (50%) of the Maximum Debt Service Requirement for
750 all Parity Electric Utility Obligations then Outstanding if the Pledged Net
751 Revenues for the previous Fiscal Year were less than 110% of the annual Debt
752 Service Requirement for such Fiscal Year;

753 If at any time the City is required to fund the Required Reserve Amount, or to
754 increase the Required Reserve Amount pursuant to a Supplement, the Required Reserve
755 Amount or increase in the Required Reserve Amount, as applicable, may be funded in up
756 to twelve (12) substantially equal consecutive monthly deposits commencing not later
757 than the month following that receipt of audited financial statements for the System for
758 the preceding Fiscal Year.

759 (b) Credit Facility. The City may initially fund the Reserve Fund or replace or
760 substitute a Credit Facility for cash or Eligible Investments on deposit in the Reserve
761 Fund or in substitution for or replacement of any existing Credit Facility. Upon such
762 replacement or substitution, the cash or Eligible Investments on deposit in the Reserve
763 Fund, taken together with the face amount of any existing Credit Facilities, in excess of
764 the Required Reserve Amount may be withdrawn by the City, at its option, and
765 transferred to the System Fund unless such excess was funded with the proceeds of sale
766 of Parity Electric Utility Obligations in which case such excess shall be deposited to the
767 credit of the Debt Service Fund; provided that the face amount of any Credit Facility
768 may be reduced at the option of the City in lieu of such transfer.

769 (c) Priority of Draws. If the City is required to make a withdrawal from the
770 Reserve Fund for any of the purposes described in this Section, the City shall promptly
771 notify the issuer of such Credit Facility of the necessity for a withdrawal from the
772 Reserve Fund for any such purposes, and shall make such withdrawal FIRST from
773 available moneys and cash resulting from the sale or liquidation of Eligible Investments
774 then on deposit in the Reserve Fund, and NEXT from a drawing under any Credit Facility
775 to the extent of such deficiency.

776 In the event of a draw on a Credit Facility, the City shall reimburse the issuer of
777 such Credit Facility for such draw, in accordance with the terms of any agreement
778 pursuant to which the Credit Facility is issued, from Net Revenues, however, such
779 reimbursement from Net Revenues shall be subject to the provisions of Section 14(d)
780 below and shall be subordinate and junior in right of payment to the payment of principal
781 of and premium, if any, and interest on the Parity Electric Utility Obligations.

782 (d) Reserve Amount Deficiency. In the event of a deficiency in the Reserve
783 Fund, or in the event that on the date of termination or expiration of any Credit Facility
784 there is not on deposit in the Reserve Fund sufficient Reserve Fund Obligations, all in an
785 aggregate amount at least equal to the Required Reserve Amount, then the City shall,
786 subject to satisfying or making provision for the uses having a priority on the Gross
787 Revenues before any deposits for the payment and security of the Parity Electric Utility
788 Obligations and after making required deposits to the Debt Service Fund in accordance
789 with the terms of the Thirteenth Supplement and any Supplement, cause the aggregate
790 Required Reserve Amount then required to be on deposit in the Reserve Fund to be fully
791 restored within 12 months from the date such deficiency, termination or expiration
792 occurred by (i) making substantially equal cash deposits to the Reserve Fund on or before
793 the last day of each month from the available Net Revenues, (ii) depositing Eligible
794 Investments or Credit Facility to the credit of the Reserve Fund or (iii) a combination of
795 (i) and (ii).

796 (e) Excess Required Reserve. As Parity Electric Utility Obligations
797 secured by the Reserve Fund are paid, redeemed or defeased and cease to be Outstanding
798 under the terms of the Ordinance or a Supplement, the Required Reserve Amount may be
799 recalculated and redetermined, and any Reserve Fund Obligations on deposit in the
800 Reserve Fund in excess of the Required Reserve Amount may be withdrawn and
801 transferred, at the option of the City, to (i) the System Fund, if an amount equal to such
802 excess was funded with Net Revenues, or (ii) the Debt Service Fund.

803 (f) Application to Commercial Paper/Credit Agreements. For the purpose of
804 this Section, the Reserve Fund shall not secure Parity Electric Utility Obligations issued
805 in the form of commercial paper, or any Credit Agreement issued in support of such
806 Parity Electric Utility Obligations issued in the form of commercial paper, except as
807 otherwise may be provided in any Supplement.

808 **SECTION 15: PAYMENT OF BONDS.** On or before the first scheduled interest
809 payment date, and on or before each interest payment date and principal payment date
810 thereafter while any of the Bonds are Outstanding, the City shall cause an amount to be
811 transferred to the Paying Agent/Registrar in immediately available funds from the Debt
812 Service Fund sufficient to pay such interest on and such principal amount of the Bonds,
813 as shall become due on such dates, respectively, at maturity or by redemption prior to

814 maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City
815 with an appropriate certificate of cancellation or destruction.

816 **SECTION 16: COVENANTS TO MAINTAIN TAX EXEMPT STATUS.**

817 (a) Definitions. When used in this Section, the following terms have the
818 following meanings:

819 “Closing Date” means the date on which the Bonds are first
820 authenticated and delivered to the purchasers against payment therefor.

821 “Code” means the Internal Revenue Code of 1986, as amended by all
822 legislation, if any, effective on or before the Closing Date.

823 “Computation Date” has the meaning set forth in Section 1.148-1(b)
824 of the Regulations.

825 “Gross Proceeds” means any proceeds as defined in Section 1.148-
826 1(b) of the Regulations, and any replacement proceeds as defined in Section
827 1.148-1(c) of the Regulations, of the Bonds.

828 “Investment” has the meaning set forth in Section 1.148-1(b) of the
829 Regulations.

830 “Nonpurpose Investment” means any investment property, as defined
831 in section 148(b) of the Code, in which Gross Proceeds of the Bonds are
832 invested and which is not acquired to carry out the governmental purposes of
833 the Bonds.

834 “Rebate Amount” has the meaning set forth in Section 1.148-1(b) of
835 the Regulations.

836 “Regulations” means any proposed, temporary, or final Income Tax
837 Regulations issued pursuant to Sections 103 and 141 through 150 of the
838 Code, and Section 103 of the Internal Revenue Code of 1954, which are
839 applicable to the Bonds. Any reference to any specific Regulation shall also
840 mean, as appropriate, any proposed, temporary or final Income Tax
841 Regulation designed to supplement, amend or replace the specific
842 Regulation referenced.

843 “Yield” of (1) any Investment has the meaning set forth in Section
844 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in
845 Section 1.148-4 of the Regulations.

846 (b) Not to Cause Interest to Become Taxable. The City shall not use, permit
847 the use of, or omit to use Gross Proceeds or any other amounts (or any property the
848 acquisition, construction or improvement of which is to be financed directly or indirectly
849 with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause
850 the interest on any Bond to become includable in the gross income, as defined in section
851 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting
852 the generality of the preceding, unless and until the City receives a written opinion of
853 counsel nationally recognized in the field of municipal bond law to the effect that failure
854 to comply with such covenant will not adversely affect the exemption from federal
855 income tax of the interest on any Bond, the City shall comply with each of the specific
856 covenants in this Section.

857 (c) No Private Use or Private Payments. Except as permitted by section 141 of
858 the Code and the Regulations and rulings thereunder, the City shall at all times prior to
859 the last Stated Maturity of Bonds:

860 (1) exclusively own, operate and possess all property the
861 acquisition, construction or improvement of which is to be financed or
862 refinanced directly or indirectly with Gross Proceeds of the Bonds
863 (including property financed with Gross Proceeds of the Refunded
864 Obligations), and not use or permit the use of such Gross Proceeds
865 (including all contractual arrangements with terms different than those
866 applicable to the general public) or any property acquired, constructed or
867 improved with such Gross Proceeds in any activity carried on by any person
868 or entity (including the United States or any agency, department and
869 instrumentality thereof) other than a state or local government, unless such
870 use is solely as a member of the general public; and

871 (2) not directly or indirectly impose or accept any charge or other
872 payment by any person or entity who is treated as using Gross Proceeds of
873 the Bonds or any property the acquisition, construction or improvement of
874 which is to be financed or refinanced directly or indirectly with such Gross
875 Proceeds (including property financed with Gross Proceeds of the Refunded
876 Obligations), other than taxes of general application within the City or
877 interest earned on investments acquired with such Gross Proceeds pending
878 application for their intended purposes.

879 (d) No Private Loan. Except to the extent permitted by section 141 of the Code
880 and the Regulations and rulings thereunder, the City shall not use Gross Proceeds of the
881 Bonds to make or finance loans to any person or entity other than a state or local
882 government. For purposes of the preceding covenant, such Gross Proceeds are
883 considered to be "loaned" to a person or entity if: (1) property acquired, constructed or

884 improved with such Gross Proceeds is sold or leased to such person or entity in a
885 transaction which creates a debt for federal income tax purposes; (2) capacity in or
886 service from such property is committed to such person or entity under a take or pay,
887 output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits
888 of ownership, of such Gross Proceeds or any property acquired, constructed or improved
889 with such Gross Proceeds are otherwise transferred in a transaction which is the
890 economic equivalent of a loan.

891 (e) Not to Invest at Higher Yield. Except to the extent permitted by section
892 148 of the Code and the Regulations and rulings thereunder, the City shall not at any time
893 prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds
894 in any Investment (or use Gross Proceeds to replace money so invested), if as a result of
895 such investment the Yield from the Closing Date of all Investments acquired with Gross
896 Proceeds (or with money replaced thereby), whether then held or previously disposed of,
897 exceeds the Yield of the Bonds.

898 (f) Not Federally Guaranteed. Except to the extent permitted by section
899 149(b) of the Code and the Regulations and rulings thereunder, the City shall not take or
900 omit to take any action which would cause the Bonds to be federally guaranteed within
901 the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

902 (g) Information Report. The City shall timely file the information required by
903 section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such
904 other form and in such place as the Secretary may prescribe.

905 (h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in
906 section 148(f) of the Code and the Regulations and rulings thereunder:

907 (1) The City shall account for all Gross Proceeds (including all
908 receipts, expenditures and investments thereof) on its books of account
909 separately and apart from all other funds (and receipts, expenditures and
910 investments thereof) and shall retain all records of accounting for at least six
911 years after the day on which the last outstanding Bond is discharged.
912 However, to the extent permitted by law, the City may commingle Gross
913 Proceeds of the Bonds with other money of the City, provided that the City
914 separately accounts for each receipt and expenditure of Gross Proceeds and
915 the obligations acquired therewith.

916 (2) Not less frequently than each Computation Date, the City shall
917 calculate the Rebate Amount in accordance with rules set forth in section
918 148(f) of the Code and the Regulations and rulings thereunder. The City
919 shall maintain such calculations with its official transcript of proceedings

920 relating to the issuance of the Bonds until six years after the final
921 Computation Date.

922 (3) As additional consideration for the purchase of the Bonds by
923 the Underwriters and the loan of the money represented thereby and to
924 induce such purchase by measures designed to insure the excludability of the
925 interest thereon from the gross income of the owners thereof for federal
926 income tax purposes, the City shall pay to the United States out of the Debt
927 Service Fund or its general fund, as permitted by applicable Texas statute,
928 regulation or opinion of the Attorney General of the State of Texas, the
929 amount that when added to the future value of previous rebate payments
930 made for the Bonds equals (i) in the case of a Final Computation Date as
931 defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent
932 (100%) of the Rebate Amount on such date; and (ii) in the case of any other
933 Computation Date, ninety percent (90%) of the Rebate Amount on such
934 date. In all cases, the rebate payments shall be made at the times, in the
935 installments, to the place and in the manner as is or may be required by
936 section 148(f) of the Code and the Regulations and rulings thereunder, and
937 shall be accompanied by Form 8038-T or such other forms and information
938 as is or may be required by Section 148(f) of the Code and the Regulations
939 and rulings thereunder.

940 (4) The City shall exercise reasonable diligence to assure that no
941 errors are made in the calculations and payments required by paragraphs (2)
942 and (3), and if an error is made, to discover and promptly correct such error
943 within a reasonable amount of time thereafter (and in all events within one
944 hundred eighty (180) days after discovery of the error), including payment to
945 the United States of any additional Rebate Amount owed to it, interest
946 thereon, and any penalty imposed under Section 1.148-3(h) of the
947 Regulations.

948 (i) Not to Divert Arbitrage Profits. Except to the extent permitted by section
949 148 of the Code and the Regulations and rulings thereunder, the City shall not, at any
950 time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into
951 any transaction that reduces the amount required to be paid to the United States pursuant
952 to Subsection (h) of this Section because such transaction results in a smaller profit or a
953 larger loss than would have resulted if the transaction had been at arm's length and had
954 the Yield of the Bonds not been relevant to either party.

955 (j) Elections. The City directs and authorizes the Mayor, Mayor Pro Tem,
956 City Manager, Chief Financial Officer, Deputy Chief Financial Officer, or City
957 Treasurer, individually or jointly, to make elections permitted or required pursuant to the

958 provisions of the Code or the Regulations, as they deem necessary or appropriate in
959 connection with the Bonds, in the Certificate as to Tax Exemption or similar or other
960 appropriate certificate, form or document.

961 (k) Bonds Not Hedge Bonds. (1) At the time the original obligations refunded
962 by the Bonds were issued, the City reasonably expected to spend at least 85% of the
963 spendable proceeds of such original obligations within three years after such obligations
964 were issued and (2) not more than 50% of the proceeds of the original obligations
965 refunded by the Bonds were invested in Nonpurpose Investments having a substantially
966 guaranteed Yield for a period of 4 years or more.

967 (l) Current Refunding. The payment and discharge of the Refunded Notes will
968 occur within ninety (90) days after the issuance of the Bonds and, therefore, the portion
969 of the Bonds issued to refund such obligations is a current refunding.

970 (m) Qualified Advance Refunding. The portion of the Bond issued to refund
971 the Refunded Bonds will be issued more than 90 days before the redemption thereof. The
972 City represents as follows:

973 (1) The Bonds are the first advance refunding of the Refunded Bonds, within the
974 meaning of section 149(d)(3) of the Code.

975 (2) The Refunded Bonds are being called for redemption, and will be redeemed
976 not later than the earliest date on which such bonds may be redeemed.

977 (3) The initial temporary period under section 148(c) of the Code will end: (i)
978 with respect to the proceeds of the Bonds not later than 30 days after the date of issue of
979 such Bonds; and (ii) with respect to proceeds of the Refunded Bonds on the Closing Date
980 if not ended prior thereto.

981 (4) On and after the date of issue of the Bonds, no proceeds of the Refunded
982 Bonds will be invested in Nonpurpose Investments having a Yield in excess of the Yield
983 on such Refunded Bonds.

984 (5) The Bonds are being issued for the purposes stated in the preamble of the
985 Thirteenth Supplement. There is a present value savings associated with the refunding of
986 the Refunded Bonds. In the issuance of the Bonds the City has neither: (i) overburdened
987 the tax exempt bond market by issuing more bonds, issuing bonds earlier or allowing
988 bonds to remain outstanding longer than reasonably necessary to accomplish the
989 governmental purposes for which the Bonds were issued; (ii) employed on “abusive
990 arbitrage device” within the meaning of Section 1.148-10(a) of the Regulations; nor (iii)
991 employed a “device” to obtain a material financial advantage based on arbitrage, within

992 the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower
993 interest rates and reduced debt service payments in early years.

994 **SECTION 17: AMENDMENT OF THIRTEENTH SUPPLEMENT.**

995 (a) Required Owner Consent for Amendments. The owners of a majority in
996 Outstanding Principal Amount of the Bonds shall have the right from time to time to
997 approve any amendment to the Thirteenth Supplement which may be deemed necessary
998 or desirable by the City; provided, however, nothing contained in the Thirteenth
999 Supplement shall permit or be construed to permit the amendment of the terms and
1000 conditions in the Thirteenth Supplement so as to:

- 1001 (1) Make any change in the maturity of any of the Outstanding Bonds;
- 1002 (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- 1003 (3) Reduce the amount of the principal payable on the Bonds;
- 1004 (4) Modify the terms of payment of principal of, premium, if any, or interest on
1005 the Outstanding Bonds or impose any conditions with respect to such payment;
- 1006 (5) Affect the rights of the owners of less than all of the Bonds then
1007 Outstanding;
- 1008 (6) Amend this subsection (a) of this Section; or
- 1009 (7) Change the minimum percentage of the principal amount of Bonds
1010 necessary for consent to any amendment;

1011
1012 unless such amendment or amendments be approved by the owners of all of the
1013 Bonds affected by the change or amendment then Outstanding.

1014 (b) Notice of Amendment Requiring Consent. If at any time the City shall
1015 desire to amend the Thirteenth Supplement under this Section, the City shall cause notice
1016 of the proposed amendment to be published in a financial newspaper or journal published
1017 in the City of New York, New York, and a newspaper of general circulation in the City,
1018 once during each calendar week for at least two successive calendar weeks. Such notice
1019 shall briefly set forth the nature of the proposed amendment and shall state that a copy is
1020 on file with the Paying Agent for the Bonds. Such publication is not required, however,
1021 if notice in writing is given by mail, first class postage prepaid, to each owner of the
1022 Bonds.

1023 (c) Time Period for Obtaining Consent. If within one year from (i) the date of
1024 the first publication of said notice or (ii) the date of the mailing by the Paying Agent of
1025 written notice to the owners of the Bonds, whichever date first occurs if both methods of
1026 giving notice are used, the City shall receive an instrument or instruments executed by
1027 the owners of at least a majority in Outstanding Principal Amount of the Bonds
1028 consenting to and approving such amendment in substantially the form of the copy on

1029 file with each Paying Agent, the governing body of the City may pass the amendatory
1030 ordinance in substantially the same form.

1031 (d) Revocation of Consent. Any consent given by the owner of a Bond
1032 pursuant to the provisions of this Section shall be irrevocable for a period of six months
1033 from the date for measuring the one year period to obtain consents noted in paragraph (c)
1034 above, and shall be conclusive and binding upon all future owners of the same Bonds
1035 during such period. At any time after six months from the date for measuring the one year
1036 period to obtain consents noted in paragraph (c) above, such consent may be revoked by
1037 the owner who gave such consent, or by a successor in title, by filing written notice of
1038 such revocation with the Paying Agent for such Bonds and the City, but such revocation
1039 shall not be effective if the owners of at least a majority in Outstanding Principal Amount
1040 of the then Outstanding Bonds as determined in accordance with this Section have, prior
1041 to the attempted revocation, consented to and approved the amendment.

1042 (e) Implementation of Amendment. Upon the passage of any amendatory
1043 ordinance pursuant to the provisions of this Section, the Thirteenth Supplement shall be
1044 deemed to be amended, and the respective rights, duties and obligations of the City under
1045 the Thirteenth Supplement and all the owners of then Outstanding Bonds shall thereafter
1046 be determined, exercised and enforced hereunder, subject in all respects to such
1047 amendment.

1048 (f) Amendment without Consent. The preceding provisions of this Section
1049 notwithstanding, the City by action of its governing body may amend the Thirteenth
1050 Supplement for any one or more of the following purposes:

1051 (1) To vest the management and control of the Electric Utility
1052 System in an independent board of trustees or similar board pursuant to
1053 authority conferred by Texas Government Code, Section 1502.070 et seq. or
1054 other law now or hereafter enacted;

1055 (2) To add to the covenants and agreements of the City in the
1056 Thirteenth Supplement contained, other covenants and agreements thereafter
1057 to be observed, grant additional rights or remedies to the owners of the
1058 Bonds or to surrender, restrict or limit any right or power in the Thirteenth
1059 Supplement reserved to or conferred upon the City;

1060 (3) To make such provisions for the purpose of curing any
1061 ambiguity, or curing, correcting or supplementing any defective provision
1062 contained in the Thirteenth Supplement, or in regard to clarifying matters or
1063 questions arising under the Thirteenth Supplement, as are necessary or
1064 desirable and not contrary to or inconsistent with the Thirteenth Supplement

1065 and which shall not adversely affect the interests of the owners of the Bonds
1066 then outstanding;

1067 (4) To modify any of the provisions of the Thirteenth Supplement
1068 in any other respect whatever, provided that such modification shall be, and
1069 be expressed to be, effective only after all the Bonds outstanding at the date
1070 of the adoption of such modification shall cease to be outstanding;

1071 (5) To make such amendments to the Thirteenth Supplement as
1072 may be required, in the opinion of Bond Counsel, to ensure compliance with
1073 sections 103 and 141 through 150 of the Code and the regulations
1074 promulgated thereunder and applicable thereto;

1075 (6) To make such changes, modifications or amendments as may
1076 be necessary or desirable to allow the owners of the Bonds to thereafter avail
1077 themselves of a book entry system for payments, transfers and other matters
1078 relating to the Bonds, which changes, modifications or amendments are not
1079 contrary to or inconsistent with other provisions of the Thirteenth
1080 Supplement and which shall not adversely affect the interests of the owners
1081 of the Bonds;

1082 (7) To make such changes, modifications or amendments as may
1083 be necessary or desirable to obtain or maintain the granting of a rating on the
1084 Bonds by a Rating Agency or to obtain or maintain a Credit Agreement or a
1085 Credit Facility; and

1086 (8) To make such changes, modifications or amendments as may
1087 be necessary or desirable, which shall not adversely affect the interests of the
1088 owners of the Bonds, in order, to the extent permitted by law, to facilitate the
1089 economic and practical utilization of interest rate swap agreements, foreign
1090 currency exchange agreements, or similar types of agreements with respect
1091 to the Bonds. Notice of any such amendment may be published by the City
1092 in the manner described in clause (b) of this Section; provided, however, that
1093 the publication of such notice shall not constitute a condition precedent to
1094 the adoption of such amendatory ordinance and the failure to publish such
1095 notice shall not adversely affect the implementation of such amendment as
1096 adopted pursuant to such amendatory ordinance.

1097 (g) Ownership. For the purpose of this Section, the ownership and other
1098 matters relating to all Bonds shall be established by the Security Register maintained by
1099 the Paying Agent. Furthermore, the owner of any Bonds insured as to the payment of
1100 principal of and interest shall be deemed to be the insurance company providing the
1101 insurance coverage on such Bonds; provided such amendment to the Thirteenth

1102 Supplement is an amendment that can be made with the consent of a majority in
1103 Outstanding Principal Amount of the Bonds and such insurance company is not in default
1104 with respect to its obligations under its insurance policy.

1105 **SECTION 18: FINAL DEPOSITS; GOVERNMENTAL OBLIGATIONS.** All
1106 or any of the Bonds shall be deemed to be paid, retired and no longer outstanding within
1107 the meaning of the Thirteenth Supplement when payment of the principal of such Bonds,
1108 redemption premium, if any, on such Bonds, plus interest on the Bonds to the due date
1109 (whether such due date be by reason of maturity or otherwise) either (i) shall have been
1110 made or caused to be made in accordance with the terms of such Bonds (including the
1111 giving of any required notice of redemption), or (ii) shall have been provided by
1112 irrevocably depositing with, or making available to, the Paying Agent/Registrar, in trust
1113 and irrevocably set aside exclusively for such payment, (1) money sufficient to make
1114 such payment or (2) Government Obligations, certified by an independent public
1115 accounting firm of national reputation, to mature as to principal and interest in such
1116 amounts and at such times as will insure the availability, without reinvestment, of
1117 sufficient money to make such payment, and all necessary and proper fees, compensation
1118 and expenses of the Paying Agent/Registrar with respect to which such deposit is made
1119 shall have been paid or the payment thereof provided for the satisfaction of the Paying
1120 Agent/Registrar. At such time as a Bond shall be deemed to be paid under this Thirteenth
1121 Supplement, as aforesaid, it shall no longer be secured by or entitled to the benefit of the
1122 Thirteenth Supplement, the Master Ordinance or a lien on and pledge of the Net
1123 Revenues of the Electric Utility System, and shall be entitled to payment solely from
1124 such money or Government Obligations.

1125 Any moneys so deposited with the Paying Agent/Registrar, or an authorized
1126 escrow agent, may at the direction of the City also be invested in Government
1127 Obligations, maturing in the amounts and at the times as set forth in this Section, and all
1128 income from all Government Obligations not required for the payment of the Bonds, and
1129 interest on the Bonds, with respect to which such money has been so deposited, shall be
1130 turned over to the City or deposited as directed by the City. The City covenants that no
1131 deposit will be made or accepted under clause (ii) of this Section and no use made of any
1132 such deposit which would cause the Bonds to be treated as arbitrage bonds within the
1133 meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

1134 Notwithstanding any other provisions of the Thirteenth Supplement, all money or
1135 Government Obligations set aside and held in trust pursuant to the provisions of this
1136 Section for the payment of the Bonds, the redemption premium, if any, and interest on the
1137 Bonds, shall be applied to and used for the payment of such Bonds, the redemption
1138 premium, if any, and interest thereon and the income on such money or Government
1139 Obligations shall not be considered to be “Gross Revenues” under the Thirteenth
1140 Supplement.

1141 **SECTION 19: DAMAGED, MUTILATED, LOST, STOLEN, OR**
1142 **DESTROYED BONDS.** If any Outstanding Bond is damaged, mutilated, lost, stolen, or
1143 destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered,
1144 a new bond of the same principal amount, maturity, and interest rate, as the damaged,
1145 mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner
1146 provided in this Section. An application for the replacement of damaged, mutilated, lost,
1147 stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of
1148 loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to
1149 the City and to the Paying Agent/Registrar such security or indemnity as may be required
1150 by them to save each of them harmless from any loss or damage with respect thereto.
1151 Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to
1152 the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft,
1153 or destruction of such Bond, as the case may be. In every case of damage or mutilation
1154 of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the
1155 Bond so damaged or mutilated. Prior to the issuance of any replacement bond, the Paying
1156 Agent/Registrar shall charge the owner of such Bond with all legal, printing, and other
1157 expenses in connection therewith. Every replacement bond issued pursuant to the
1158 provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed
1159 shall constitute a contractual obligation of the City whether or not the lost, stolen, or
1160 destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be
1161 entitled to all the benefits of the Thirteenth Supplement equally and proportionately with
1162 any and all other Bonds issued under the Thirteenth Supplement.

1163 Notwithstanding the preceding provisions of this Section, if any such Bond shall
1164 have matured, and no default has occurred which is then continuing in the payment of the
1165 principal of, redemption premium, if any, or interest on the Bond, the City may authorize
1166 the payment of the same (without surrender thereof except in the case of a damaged or
1167 mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is
1168 furnished as above provided in this Section. Furthermore, in accordance with Texas
1169 Government Code, Section 1206.022, this Section shall constitute authority for the
1170 issuance of any such replacement bond without necessity of further action by the
1171 governing body of the City or any other body or person, and the duty of the replacement
1172 of such bonds is authorized and imposed upon the Paying Agent/Registrar, and the
1173 Paying Agent/Registrar shall authenticate and deliver such bonds in the form and manner
1174 and with the effect, as provided in Section 6 of the Thirteenth Supplement for Bonds
1175 issued in exchange for other Bonds.

1176 **SECTION 20: THIRTEENTH SUPPLEMENT TO CONSTITUTE A**
1177 **CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the Bonds,
1178 the Thirteenth Supplement shall be deemed to be and shall constitute a contract between
1179 the City and the Holders from time to time of the Bonds and the pledge made in the
1180 Thirteenth Supplement by the City and the covenants and agreements set forth in the

1181 Thirteenth Supplement to be performed by the City shall be for the equal and
1182 proportionate benefit, security, and protection of all Holders, without preference, priority,
1183 or distinction as to security or otherwise of any of the Bonds over any of the others by
1184 reason of time of issuance, sale, or maturity thereof or otherwise for any cause
1185 whatsoever, except as expressly provided in or permitted by the Thirteenth Supplement.

1186 **SECTION 21: CONTINUING DISCLOSURE UNDERTAKING.**

1187 (a) Definitions. As used in this Section, the following terms have the meanings
1188 ascribed to such terms below:

1189 “MSRB” means the Municipal Securities Rulemaking Board.

1190 “Rule” means SEC Rule 15c2-12, as amended from time to time.

1191 “SEC” means the United States Securities and Exchange Commission.

1192 (b) Annual Reports. The City shall provide annually to the MSRB (1) within
1193 six months after the end of each fiscal year of the City beginning in the year stated in the
1194 Pricing Certificate, financial information and operating data with respect to the City of
1195 the general type included in the final Official Statement approved by the Pricing Officer
1196 and described in the Pricing Certificate, and (2) if not provided as part such financial
1197 information and operating data in item (1), audited financial statements of the City within
1198 12 months after the end of each fiscal year beginning in the year stated in the Pricing
1199 Certificate. If the audit of such financial statements is not complete within twelve (12)
1200 months after any such fiscal year end, then the City shall file unaudited financial
1201 statements within such twelve-month period and audited financial statements for the
1202 applicable fiscal year, when and if the audit report on such statements becomes available.
1203 Any financial statements to be provided shall be (i) prepared in accordance with the
1204 accounting principles described in the Pricing Certificate or such other accounting
1205 principles as the City may be required to employ from time to time pursuant to state law
1206 or regulation, and (ii) audited, if the City commissions an audit of such statements and
1207 the audit is completed within the period during which they must be provided.

1208 If the City changes its fiscal year, it will notify the MSRB of the change (and of the
1209 date of the new fiscal year end) prior to the next date by which the City otherwise would
1210 be required to provide financial information and operating data pursuant to this Section.

1211 The financial information and operating data to be provided pursuant to this
1212 Section may be set forth in full in one or more documents or may be included by specific
1213 reference to any document available to the public on the MSRB’s Internet Web site or
1214 filed with the SEC.

1215 (c) Notice of Certain Events. The City shall provide notice of any of the
1216 following events with respect to the Bonds to the MSRB in a timely manner and not more
1217 than 10 Business Days after occurrence of the event:

- 1218 (1) Principal and interest payment delinquencies;
- 1219 (2) Non-payment related defaults, if material;
- 1220 (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- 1221 (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- 1222 (5) Substitution of credit or liquidity providers, or their failure to perform;
- 1223 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of
1224 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
1225 5701-TEB), or other material notices or determinations with respect to the tax status of
1226 the Bonds, or other material events affecting the tax status of the Bonds;
- 1227 (7) Modifications to rights of holders of the Bonds, if material;
- 1228 (8) Bond calls, if material, and tender offers;
- 1229 (9) Defeasances;
- 1230 (10) Release, substitution, or sale of property securing repayment of the Bonds, if
1231 material;
- 1232 (11) Rating changes;
- 1233 (12) Bankruptcy, insolvency, receivership, or similar event of the City, which
1234 shall occur as described below;
- 1235 (13) The consummation of a merger, consolidation, or acquisition involving the
1236 City or the sale of all or substantially all of its assets, other than in the ordinary course of
1237 business, the entry into of a definitive agreement to undertake such an action or the
1238 termination of a definitive agreement relating to any such actions, other than pursuant to
1239 its terms, if material; and
- 1240 (14) Appointment of a successor or additional paying agent/registrar or the
1241 change of name of a paying agent/registrar, if material.

1242
1243 For these purposes, any event described in the immediately preceding paragraph 12
1244 is considered to occur when any of the following occur: the appointment of a receiver,
1245 fiscal agent, or similar officer for the City in a proceeding under the United States
1246 Bankruptcy Code or in any other proceeding under state or federal law in which a court
1247 or governmental authority has assumed jurisdiction over substantially all of the assets or
1248 business of the City, or if such jurisdiction has been assumed by leaving the existing
1249 governing body and officials or officers in possession but subject to the supervision and
1250 orders of a court or governmental authority, or the entry of an order confirming a plan of
1251 reorganization, arrangement, or liquidation by a court or governmental authority having
1252 supervision or jurisdiction over substantially all of the assets or business of the City.

1253 The City shall notify the MSRB, in a timely manner, of any failure by the City to
1254 provide financial information or operating data in accordance with this Section by the
1255 time required by this Section.

1256 (d) Filings with the MSRB. All financial information, operating data, financial
1257 statements, notices, and other documents provided to the MSRB in accordance with this
1258 Section shall be provided in an electronic format prescribed by the MSRB and shall be
1259 accompanied by identifying information as prescribed by the MSRB.

1260 (e) Limitations, Disclaimers, and Amendments. The City shall be obligated to
1261 observe and perform the covenants specified in this Section with respect to the City and
1262 the Bonds while, but only while, the City remains an “obligated person” with respect to
1263 the Bonds within the meaning of the Rule, except that the City in any event will give the
1264 notice required by subsection (c) of this Section of any Bond calls and defeasance that
1265 cause the City to be no longer such an “obligated person.”

1266 The provisions of this Section are for the sole benefit of the Holders and beneficial
1267 owners of the Bonds, and nothing in this Section, express or implied, shall give any
1268 benefit or any legal or equitable right, remedy, or claim to any other person. The City
1269 undertakes to provide only the financial information, operating data, financial statements,
1270 and notices which it has expressly agreed to provide pursuant to this Section and does not
1271 undertake to provide any other information that may be relevant or material to a complete
1272 presentation of the financial results, condition, or prospects of the City or the State of
1273 Texas or undertake to update any information provided in accordance with this Section or
1274 otherwise, except as expressly provided in this Section. The City does not make any
1275 representation or warranty concerning such information or its usefulness to a decision to
1276 invest in or sell Bonds at any future date.

1277 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
1278 HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN
1279 CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART
1280 FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT
1281 FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT
1282 EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR
1283 TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO
1284 AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

1285 No default by the City in observing or performing its obligations under this Section
1286 shall constitute a breach of or default under this Ordinance for purposes of any other
1287 provision of this Ordinance.

1288 Nothing in this Section is intended or shall act to disclaim, waive, or otherwise
1289 limit the duties of the City under federal and state securities laws.

1290 Notwithstanding any provisions in this Ordinance to the contrary, the provisions of
1291 this Section may be amended by the City from time to time to adapt to changed
1292 circumstances resulting from a change in legal requirements, a change in law, or a change
1293 in the identity, nature, status, or type of operations of the City, but only if (1) the
1294 provisions of this Section, as so amended, would have permitted an underwriter to
1295 purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule,
1296 taking into account any amendments or interpretations of the Rule to the date of such
1297 amendment, as well as such changed circumstances, and (2) either (a) the Holders of a
1298 majority in aggregate principal amount (or any greater amount required by any other
1299 provision of this Ordinance that authorizes such an amendment) of the Outstanding
1300 Bonds consent to such amendment or (b) a Person that is unaffiliated with the City and
1301 the State of Texas (such as nationally recognized bond counsel) determines that such
1302 amendment will not materially impair the interests of the Holders and beneficial owners
1303 of the Bonds. The provisions of this Section may also be amended from time to time or
1304 repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or
1305 a court of final jurisdiction determines that such provisions are invalid, but only if and to
1306 the extent that reservation of the City's right to do so would not prevent underwriters of
1307 the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such
1308 offering. If the City so amends the provisions of this Section, it shall include with any
1309 amended financial information or operating data next provided in accordance with
1310 subsection (b) an explanation, in narrative form, of the reasons for the amendment and of
1311 the impact of any change in the type of financial information or operating data so
1312 provided.

1313 **SECTION 22: REMEDY IN EVENT OF DEFAULT.** In addition to all rights
1314 and remedies provided by the laws of the State of Texas, the City covenants and agrees
1315 particularly that if the City (a) defaults in payments to be made to the Debt Service Fund
1316 as required by the Thirteenth Supplement or the Master Ordinance, (b) defaults in the
1317 observance or performance of any other of the covenants, conditions or obligations set
1318 forth in the Thirteenth Supplement or the Master Ordinance or (c) the City declares
1319 bankruptcy, the Holders of any of the Bonds shall be entitled to a writ of mandamus
1320 issued by a court of proper jurisdiction, compelling and requiring the City and its officers
1321 to observe and perform any covenant, condition or obligation prescribed in the Thirteenth
1322 Supplement or the Master Ordinance. No delay or omission to exercise any right or
1323 power accruing upon any default shall impair any such right or power, or shall be
1324 construed to be a waiver of any such default or acquiescence therein, and every such right
1325 and power may be exercised from time to time and as often as may be deemed expedient.

1326 The specific remedy provided in this Section shall be cumulative of all other
1327 existing remedies and the specification of such remedy shall not be deemed to be
1328 exclusive.

1329 **SECTION 23: SALE OF BONDS; OFFICIAL STATEMENT APPROVAL.**

1330 The Bonds are to be sold by the City to the Purchasers in accordance with a bond
1331 purchase agreement (the “Purchase Contract”), the terms and provisions of which
1332 Purchase Contract are to be determined by the Pricing Officer, in accordance with
1333 Section 4 of this Thirteenth Supplement. With regard to such terms and provisions of
1334 said Purchase Contract, the Pricing Officer may come to an agreement with the
1335 Purchasers on the following, among other matters:

- 1336 (1) The details of the purchase and sale of the Bonds;
- 1337 (2) The details of the public offering of the Bonds by the Purchasers;
- 1338 (3) The details of an Official Statement (and, if appropriate, any Preliminary
1339 Official Statement) relating to the Bonds and the City’s Rule 15c2-12 compliance;
- 1340 (4) A security deposit for the Bonds;
- 1341 (5) The representations and warranties of the City to the Purchasers;.
- 1342 (6) The details of the delivery of, and payment for, the Bonds;
- 1343 (7) The Purchasers’ obligations under the Purchase Contract;
- 1344 (8) The certain conditions to the obligations of the City under the Purchase
1345 Contract;
- 1346 (9) Termination of the Purchase Contract;
- 1347 (10) Particular covenants of the City;
- 1348 (11) The survival of representations made in the Purchase Contract;
- 1349 (12) The payment of any expenses relating to the Purchase Contract;
- 1350 (13) Notices; and
- 1351 (14) Any and all such other details that are found by the Pricing Officer to be
1352 necessary and advisable for the purchase and sale of the Bonds.

1353 The Pricing Officer may execute said Purchase Contract for and on behalf of the
1354 City and as the act and deed of this City Council.

1355 The Mayor and City Clerk of the City may manually or electronically execute and
1356 deliver for and on behalf of the City copies of a Preliminary Official Statement and
1357 Official Statement, prepared in connection with the offering of the Bonds by the

1358 Purchasers, in final form as may be required by the Purchasers, and such final Official
1359 Statement in the form and content as approved by the Pricing Officer or as manually or
1360 electronically executed by said officials shall be deemed to be approved by the City
1361 Council of the City and constitute the Official Statement authorized for distribution and
1362 use by the Purchasers.

1363 **SECTION 24: SPECIAL ESCROW AGREEMENT.** A “Special Escrow
1364 Agreement” (the “Escrow Agreement”) by and between the City and an authorized
1365 escrow agent (the “Escrow Agent”), if any such agreement is required in connection with
1366 the issuance of the Bonds, shall be attached to, and approved in, the Pricing Certificate.
1367 Such Escrow Agreement is authorized to be finalized and executed by the Pricing Officer
1368 for and on behalf of the City and as the act and deed of this City Council; and such
1369 Escrow Agreement as executed by said Pricing Officer shall be deemed approved by the
1370 City Council and constitute the Escrow Agreement approved by this Ordinance. With
1371 regard to the finalization of certain terms and provisions of said Escrow Agreement, a
1372 Pricing Officer is authorized to come to an agreement with the Escrow Agent on the
1373 following details, among other matters:

- 1374 (1) The identification of the Refunded Bonds;
- 1375 (2) The creation and funding of the Escrow Fund or Funds; and
- 1376 (3) The Escrow Agent’s compensation, administration of the Escrow Fund or
1377 Funds, and the settlement of any paying agents’ charges relating to the Refunded Bonds.

1378 Furthermore, appropriate officials of the City in cooperation with the Escrow
1379 Agent are authorized and directed to make the necessary arrangements for the purchase
1380 of the escrowed securities referenced in the Escrow Agreement and the delivery of the
1381 escrowed securities to the Escrow Agent on the day of delivery of the Bonds to the
1382 Purchasers for deposit to the credit of the “CITY OF AUSTIN, TEXAS, ELECTRIC
1383 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2015 ESCROW
1384 FUND” (referred to as the “Escrow Fund”), or such other designation as specified on the
1385 Pricing Certificate; all as contemplated and provided in Texas Government Code,
1386 Chapter 1207, as amended, the Thirteenth Supplement, the Pricing Certificate, and the
1387 Escrow Agreement.

1388 On or immediately prior to the date of the delivery of the Bonds to the Purchasers,
1389 the Pricing Officer shall also cause to be deposited (and is authorized to cause to be
1390 deposited) (a) with the Escrow Agent from moneys on deposit in the debt service fund(s)
1391 maintained for the payment of the Refunded Bonds an amount which, together with the
1392 proceeds of sale, and the investment earnings thereon, will be sufficient to pay in full the
1393 Refunded Bonds (or the amount of accrued interest due thereon) scheduled to mature and
1394 authorized to be redeemed on the earliest date established in the Pricing Certificate for

1395 the redemption of any of the Refunded Bonds (or the earliest date of payment, to be made
1396 from moneys in the Escrow Fund(s), as established in the Pricing Certificate, of the
1397 amount of accrued interest due thereon).

1398 **SECTION 25: REFUNDED BONDS.** (a) In order to provide for the refunding,
1399 discharge, and retirement of the Refunded Bonds, the Refunded Bonds identified,
1400 described, and in the amounts set forth in the Pricing Certificate, are called for
1401 redemption on the first date such Refunded Bonds are subject to redemption or such other
1402 date specified by the Pricing Officer in the Pricing Certificate at the price of par plus
1403 accrued interest to the redemption date, and notice of such redemption shall be given in
1404 accordance with the applicable provisions of the ordinance adopted by the City Council
1405 of the City, which authorized the issuance of the Refunded Bonds. The Pricing Officer is
1406 authorized and directed to issue or cause to be issued a Notice of Redemption for the
1407 Refunded Bonds in substantially the form set forth as an Exhibit to the Pricing
1408 Certificate, to the paying agent/registrar for Refunded Bonds, in accordance with the
1409 redemption provisions applicable to the Refunded Bonds.

1410 (b) The paying agent/registrar for Refunded Bonds is directed to provide the
1411 appropriate notice of redemption as required by the ordinance authorizing the Refunded
1412 Bonds and is directed to make appropriate arrangements so that the Refunded Bonds may
1413 be redeemed on the redemption date.

1414 (c) The source of funds for payment of the principal of and interest on the
1415 Refunded Bonds on their respective maturity or redemption dates shall be from the funds
1416 deposited with the Escrow Agent or the paying agent/registrar for the Refunded Bonds
1417 pursuant to the provisions of Texas Government Code, Chapter 1207, as amended, this
1418 Ordinance and the Pricing Certificate.

1419 **SECTION 26: PROCEEDS OF SALE.** Immediately following the delivery of
1420 the Bonds, proceeds of sale (less those proceeds of sale designated to pay costs of
1421 issuance, proceeds of sale designated to fund the Reserve Fund and any accrued interest
1422 received from the Purchasers of the Bonds) shall be deposited with (i) U.S. Bank
1423 National Association (the “Deposit Agent”) for the payment and discharge of the
1424 Refunded Notes or (ii) the Escrow Agent for application and disbursement in accordance
1425 with the provisions of the Escrow Agreement or deposited with the paying agent/registrar
1426 for the Refunded Bonds for the payment and redemption of the Refunded Bonds. The
1427 proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying
1428 agent/registrar for the Refunded Bonds) for the refunding of the Refunded Bonds or with
1429 the Deposit Agent for the refunding of the Refunded Notes shall be disbursed for
1430 payment of costs of issuance, or deposited in the Debt Service Fund for the Bonds, all in
1431 accordance with written instructions from the City or its Financial Advisor. Accrued

1432 interest, if any, received from the Purchasers shall be deposited to the credit of the Debt
1433 Service Fund.

1434 Furthermore, appropriate officials of the City in cooperation with the Deposit
1435 Agent and the Escrow Agent, as applicable, are authorized and directed to make the
1436 necessary arrangements for the deposit of funds for the payment of the Refunded
1437 Obligations; all as contemplated and provided in Texas Government Code, Chapter 1207,
1438 and the Thirteenth Supplement.

1439 Additionally, the Pricing Officer shall determine the amount of any City
1440 contribution to the refunding from moneys on deposit in the interest and sinking fund(s)
1441 maintained for the payment of the applicable Refunded Obligations.

1442 **SECTION 27: CONTROL AND CUSTODY OF BONDS.** The Chief Financial
1443 Officer of the City shall be and is authorized to take and have charge of all necessary
1444 orders and records pending the delivery of the Bonds, and shall take and have charge and
1445 control of the Initial Bond(s) pending the approval by the Attorney General, the
1446 registration by the Comptroller of Public Accounts and the delivery of the Initial Bond(s)
1447 to the Underwriters.

1448 Furthermore, the Mayor, Mayor Pro Tem, City Manager, Chief Financial Officer,
1449 City Clerk, City Treasurer and City Attorney, any one or more of said officials, are
1450 authorized and directed to furnish and execute such documents relating to the City and its
1451 financial affairs as may be necessary for the issuance of the Bonds, the approval of the
1452 Attorney General and registration by the Comptroller of Public Accounts and, together
1453 with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the
1454 necessary arrangements for printing of definitive Bonds and the delivery of the Bonds to
1455 the Underwriters.

1456 **SECTION 28: LEGAL OPINION.** The obligation of the Underwriters to accept
1457 delivery of the Bonds is subject to being furnished a final opinion of Norton Rose
1458 Fulbright US LLP, Attorneys, approving the Bonds as to their validity, said opinion to be
1459 dated and delivered as of the date of delivery and payment for the Bonds. A true and
1460 correct reproduction of said opinion may be printed on the definitive Bonds or an
1461 executed counterpart of the opinion shall accompany the global Bonds deposited with
1462 The Depository Trust Company.

1463 **SECTION 29: CUSIP NUMBERS.** CUSIP numbers may be printed or typed on
1464 the definitive Bonds. It is expressly provided, however, that the presence or absence of
1465 CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards
1466 the legality of the Bonds and neither the City nor attorneys approving the Bonds as to
1467 legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the
1468 definitive Bonds.

1469 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS DAYS.**

1470 Whenever under the terms of the Thirteenth Supplement or the Bonds, the performance
1471 date of any provision of the Thirteenth Supplement or the Bonds, including the payment
1472 of principal of or interest on the Bonds, shall occur on a day other than a Business Day,
1473 then the performance of such provision, including the payment of principal of and interest
1474 on the Bonds, need not be made on such day but may be performed or paid, as the case
1475 may be, on the next succeeding Business Day with the same force and effect as if made
1476 on the date of performance or payment.

1477 **SECTION 31: LIMITATION OF BENEFITS WITH RESPECT TO THE**
1478 **THIRTEENTH SUPPLEMENT.** With the exception of the rights or benefits expressly
1479 conferred in the Thirteenth Supplement, nothing expressed or contained in the Thirteenth
1480 Supplement or implied from the provisions of the Thirteenth Supplement or the Bonds is
1481 intended or should be construed to confer upon or give to any person other than the City,
1482 the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or
1483 claim under or by reason of or in respect to the Thirteenth Supplement or any covenant,
1484 condition, stipulation, promise, agreement, or provision contained in the Thirteenth
1485 Supplement. The Thirteenth Supplement and all of the covenants, conditions,
1486 stipulations, promises, agreements, and provisions of the Thirteenth Supplement are
1487 intended to be and shall be for and inure to the sole and exclusive benefit of the City, the
1488 Holders, and the Paying Agent/Registrar as provided in the Thirteenth Supplement and in
1489 the Bonds.

1490 **SECTION 32: NOTICES TO HOLDERS WAIVER.** Wherever the Thirteenth
1491 Supplement provides for notice to Holders of any event, such notice shall be sufficiently
1492 given (unless otherwise expressly provided in the Thirteenth Supplement) if in writing
1493 and sent by United States Mail, first class postage prepaid, to the address of each Holder
1494 appearing in the Security Register at the close of business on the business day next
1495 preceding the mailing of such notice.

1496 In any case where notice to Holders is given by mail, neither the failure to mail
1497 such notice to any particular Holders, nor any defect in any notice so mailed, shall affect
1498 the sufficiency of such notice with respect to all other Bonds. Where the Thirteenth
1499 Supplement provides for notice in any manner, such notice may be waived in writing by
1500 the Holder entitled to receive such notice, either before or after the event with respect to
1501 which such notice is given, and such waiver shall be the equivalent of such notice.
1502 Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such
1503 filing shall not be a condition precedent to the validity of any action taken in reliance
1504 upon such waiver.

1505 SECTION 33: **GOVERNING LAW.** The Thirteenth Supplement shall be
1506 construed and enforced in accordance with the laws of the State of Texas and the United
1507 States of America.

1508 SECTION 34: **EFFECT OF HEADINGS.** The Section headings in the
1509 Thirteenth Supplement are for convenience only and shall not affect the construction of
1510 the Thirteenth Supplement.

1511 SECTION 35: **CONSTRUCTION OF TERMS.** If appropriate in the context of
1512 the Thirteenth Supplement, words of the singular number shall be considered to include
1513 the plural, words of the plural number shall be considered to include the singular, and
1514 words of the masculine, feminine or neuter gender shall be considered to include the
1515 other genders.

1516 SECTION 36: **SEVERABILITY.** If any provision or the application of any
1517 provision of the Thirteenth Supplement to any circumstance shall be held to be invalid,
1518 the remainder of the Thirteenth Supplement and the application of the Thirteenth
1519 Supplement to other circumstances shall nevertheless be valid, and the City Council
1520 declares that the Thirteenth Supplement would have been enacted without such invalid
1521 provision.

1522 SECTION 37: **PUBLIC MEETING.** It is officially found, determined, and
1523 declared that the meeting at which the Thirteenth Supplement is adopted was open to the
1524 public and public notice of the time, place, and subject matter of the public business to be
1525 considered at the meeting, including the Thirteenth Supplement, was given; all as
1526 required by Texas Government Code, Chapter 551.

1527 SECTION 38: **EFFECTIVE DATE.** The Thirteenth Supplement is passed on
1528 one reading as authorized by Texas Government Code, Section 1201.028, and shall be
1529 effective immediately upon its passage and adoption.

1530

PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

April 23, 2015

§
§
§

APPROVED:

STEVE ADLER
Mayor

ATTEST:

ANNE L. MORGAN
Interim City Attorney

JANNETTE S. GOODALL
City Clerk

(City Seal)

DRAFT

1531

1532

1533
1534
1535
1536

Exhibit A
Paying Agent/Registrar Agreement

DRAFT