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

“Bonds” means the “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2019C” authorized for issuance by the Eighteenth Supplement.

“Eighteenth Supplement” means Ordinance No. _____ authorizing the issuance of the Bonds and passed by the City Council on June 20, 2019.

“Master Ordinance” means Ordinance No. 010118-53A, passed by the City Council on January 18, 2001.

“Paying Agent/Registrar” means the financial institution specified in the Pricing Certificate.

“Previously Issued Electric Utility Obligations” mean the outstanding “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2007”, dated August 15, 2007, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2008”, dated March 1, 2008, “CITY OF AUSTIN, TEXAS, ELECTRIC

UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2010A”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2010B (Direct Subsidy-Build America Bonds)”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2012A”, dated December 1, 2012, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2012B”, dated December 1, 2012, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2015A”, dated May 1, 2015, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2015B”, dated May 1, 2015, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2017”, dated February 14, 2017, and “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE BONDS, TAXABLE SERIES 2019A”, dated June 13, 2019.

“Prior Supplements” means Ordinances No. 20070322-026, 20080228-078, 20100610-049, 20121108-070, 20121108-069, 20150423-032, 20150423-033, 20161006-14, and 20190509-037 authorizing the issuance of the Previously Issued Electric Utility Obligations.

“Refunded Bonds” means the principal amount of each series of bonds identified by the Pricing Officer in the Pricing Certificate.

“Refunded Notes” means the principal amount of the Taxable Notes, as specified in the Pricing Certificate.

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

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

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

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

65 “Security Register” has the meaning given this term in Section 5 of the
66 Eighteenth Supplement.

67 “Series 2019B Bonds” shall mean the “CITY OF AUSTIN, TEXAS,
68 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES
69 2019B” authorized for issuance concurrently with the Bonds by the Seventeenth
70 Supplement.

71 “Taxable Notes” means the City of Austin, Texas Combined Utility Systems
72 Taxable Program Notes, Commercial Paper Sub-Series, up to an aggregate principal
73 amount of \$75,000,000 to finance the costs of additions, improvements and
74 extensions to the City’s water and wastewater system and the City’s electric light
75 and power system.

76 The terms used in the Eighteenth Supplement and not otherwise defined shall
77 have the meanings given in the Master Ordinance or the Prior Supplements.

78 In accordance with the provisions of Texas Government Code, Chapter 1207,
79 the City is authorized to issue refunding bonds and deposit the proceeds of sale
80 directly with any place of payment for the Refunded Bonds, or other authorized
81 depository, and such deposit, when made in accordance with said statute, shall
82 constitute the making of firm banking and financial arrangements for the discharge
83 and final payment of the Refunded Bonds.

84 In accordance with the provisions of V.T.C.A., Government Code, Chapter
85 1371, the City has authorized by ordinance and provided for the issuance and sale of
86 the Taxable Notes and the refunding of the Taxable Notes for the purposes of making
87 such debt long-term fixed rate debt of the City and restructuring the debt payable
88 from the revenues of the System is in the best interest of the City, and the manner in
89 which such refunding is being executed does not make it practicable to make the
90 determinations otherwise required by Section 1207.008(a)(2), Texas Government
91 Code.

92 In accordance with the provisions of Texas Government Code, Chapter 1207,
93 the City Council is delegating to the Pricing Officer (as defined below) the authority
94 to establish the terms and details related to the issuance and sale of the Bonds
95 including: (i) the principal amount of the Refunded Obligations to be refunded,
96 (ii) the form and designation of the Bonds; (iii) the principal amount of the Bonds
97 and the amount of the Bonds to mature in each year; (iv) the dates, price, interest
98 rates, interest payment dates, principal payment dates, and redemption features of
99 the Bonds; and (v) any other details relating to the issuance, sale, delivery, and

exchange of the Bonds, all within specified parameters set forth in the Eighteenth Supplement.

The Refunded Notes are to be refunded and refinanced into long-term obligations at this time to enable the City's Electric Utility Department to continue utilizing its allocated share of Taxable Notes.

It is a public purpose and in the best interest of the City to refund the Refunded Bonds in order to achieve a present value debt service savings, with such savings, among other information and terms to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (designated below), all in accordance with the provisions of Section 1207.007, Texas Government Code.

In accordance with the provisions of Texas Government Code, Chapter 1502, the City is authorized to issue electric utility system revenue bonds for the purpose of providing money for constructing improvements and extensions to the City's electric utility system (the "System").

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

SECTION 2: AUTHORIZATION; DESIGNATION; PRINCIPAL AMOUNT; PURPOSE. Revenue bonds of the City shall be and are authorized to be issued in the not to exceed aggregate principal amount set forth in Section 4 of this Eighteenth Supplement to be designated and bear the title "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2019C" (the "Bonds"), for the purpose of refinancing and refunding the Refunded Obligations, improving and extending the System and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1371 and 1502.

SECTION 3: FULLY REGISTERED OBLIGATIONS; AUTHORIZED DENOMINATIONS; STATED MATURITIES; DATE. The Bonds shall be issued as fully registered obligations, without coupons, shall be dated as provided in the Pricing Certificate (the "Bond Date") and, other than the single fully registered Initial Bond referenced in Section 9, shall be in denominations of \$5,000 or any integral multiple of \$5,000 (within a Stated Maturity), shall be numbered consecutively from One upward and shall become due and payable on May 15 and/or November 15 in each of the years and in principal amounts (the "Stated Maturities")

and bear interest at the rate(s) per annum in accordance with the details of the Bonds as set forth in the Pricing Certificate.

The Bonds shall bear interest on the unpaid principal amounts from the date and at the rate(s) per annum as specified in the Pricing Certificate (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on May 15 and November 15 in each year, commencing on the date specified in the Pricing Certificate, until maturity or prior redemption.

SECTION 4: DELEGATION OF AUTHORITY TO PRICING OFFICER.

(a) As authorized by Sections 1207.007 and 1371.053, Texas Government Code, the City Manager, Chief Financial Officer or City Treasurer of the City (any of them, the "Pricing Officer") is authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in the Eighteenth Supplement, including selection of the principal amount of the Refunded Notes to be refunded, the specified maturities or series in whole or in part of the Refunded Bonds to be refunded, determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrar, the designation of an escrow agent satisfying the requirements of Chapter 1207, the terms of any bond insurance applicable to the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$120,000,000;

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

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

(iv) the maximum maturity for the Bonds shall not extend beyond November 15, _____.

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

172 (b) In establishing the aggregate principal amount of the Bonds, the Pricing
173 Officer shall establish an amount not exceeding the amount authorized in Subsection
174 (a)(i) above, which shall be sufficient in amount to provide for the purposes for
175 which the Bonds are authorized and to pay costs of issuing the Bonds. This
176 delegation shall expire if not exercised by the Pricing Officer by February 28, 2020.
177 The Bonds shall be sold by negotiated sale to the underwriter(s) named in the Pricing
178 Certificate (the "Purchasers"), at such price and with and subject to such terms as set
179 forth in the Pricing Certificate. A finding or determination made by the Pricing
180 Officer acting under authority of this Eighteenth Supplement with respect to all
181 matters relating to the sale of the Bonds and the refunding of the Refunded
182 Obligations shall have the same force and effect as a finding or determination made
183 by the Council.

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

192 The selection and appointment of the Paying Agent/Registrar for the Bonds
193 shall be as provided in the Pricing Certificate. Books and records relating to the
194 registration, payment, exchange and transfer of the Bonds (the "Security Register")
195 shall at all times be kept and maintained on behalf of the City by the Paying
196 Agent/Registrar, all as provided in the Eighteenth Supplement, in accordance with
197 the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in
198 the form attached as **Exhibit A**, and the reasonable rules and regulations as the
199 Paying Agent/Registrar and the City may prescribe. The Pricing Officer is
200 authorized to execute and deliver the Paying Agent/Registrar Agreement in
201 connection with the delivery of the Bonds. The City covenants to maintain and
202 provide a Paying Agent/Registrar at all times until the Bonds are paid and
203 discharged, and any successor Paying Agent/Registrar shall be a bank, trust
204 company, financial institution or other entity qualified and authorized to serve in the
205 capacity and perform the duties and services of Paying Agent/Registrar. Upon any
206 change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly
207 cause a written notice of the change to be sent to each Holder by United States Mail,

first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities or redemption of the Bonds, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated office provided in the Pricing Certificate (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose names appear in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date), and such interest shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

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

SECTION 6: REGISTRATION, TRANSFER, EXCHANGE OF BONDS; PREDECESSOR BONDS. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each registered owner of the Bonds issued under and pursuant to the provisions of the Eighteenth Supplement. Any Bond may, in accordance with its terms and the terms of the Eighteenth Supplement, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by the

246 authorized agent of such person, upon surrender of the Bond to the Paying
247 Agent/Registrar for cancellation, accompanied by a written instrument of transfer or
248 request for exchange executed by the Holder or by the authorized agent of the person,
249 in form satisfactory to the Paying Agent/Registrar.

250 Upon surrender for transfer of any Bond (other than the Initial Bond(s)
251 authorized in Section 9 of the Eighteenth Supplement) at the Designated
252 Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar
253 shall register and deliver, in the name of the designated transferee or transferees, one
254 or more new Bonds, executed on behalf of, and furnished by, the City of authorized
255 denominations and having the same Stated Maturity and of a like aggregate principal
256 amount as the Bond or Bonds surrendered for transfer.

257 At the option of the Holder, Bonds (other than the Initial Bond(s) authorized
258 in Section 9 of the Eighteenth Supplement) may be exchanged for other Bonds of
259 authorized denominations and having the same Stated Maturity, bearing the same
260 rate of interest and of like aggregate principal amount as the Bonds surrendered for
261 exchange, upon surrender of the Bonds to be exchanged at the Designated
262 Payment/Transfer Office. Whenever any Bonds are surrendered for exchange, the
263 Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of,
264 and furnished by, the City, to the Holder requesting the exchange.

265 All Bonds issued upon any transfer or exchange of Bonds shall be delivered
266 at the Designated Payment/Transfer Office, or sent by United States Mail, first class
267 postage prepaid, to the Holder and, upon the delivery of such Bonds, the same shall
268 be valid obligations of the City, evidencing the same obligation to pay, and entitled
269 to the same benefits under the Eighteenth Supplement, as the Bonds surrendered in
270 the transfer or exchange.

271 All transfers or exchanges of Bonds shall be made without expense or service
272 charge to the Holder, except as otherwise provided in the Eighteenth Supplement,
273 except that the Paying Agent/Registrar shall require payment by the Holder
274 requesting the transfer or exchange of any tax or other governmental charges
275 required to be paid with respect to the transfer or exchange.

276 Bonds canceled by reason of an exchange or transfer pursuant to the
277 provisions of the Eighteenth Supplement are defined to be "Predecessor Bonds,"
278 evidencing all or a portion, as the case may be, of the same obligation to pay
279 evidenced by the Bond or Bonds registered and delivered in the exchange or transfer.
280 Additionally, the term "Predecessor Bonds" shall include any mutilated, lost,
281 destroyed, or stolen Bond for which a replacement Bond has been issued, registered

and delivered in lieu of a mutilated, lost, destroyed or stolen Bond pursuant to Section 19 of the Eighteenth Supplement and the new replacement Bond shall be considered to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

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

SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND TRANS-ACTIONS. Notwithstanding the provisions contained in Sections 5 and 6 of the Eighteenth Supplement relating to the payment and transfer/exchange of the Bonds, the City approves and authorizes the use of “Book-Entry-Only” securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the operational arrangements referenced in the Blanket Issuer Letter of Representations, by and between the City and DTC (the “Depository Agreement”).

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

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

318 **SECTION 8: EXECUTION; REGISTRATION.** The Bonds shall be
319 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal
320 reproduced or impressed on the Bonds and countersigned by the City Clerk. The
321 signature of said officers on the Bonds may be manual or facsimile. Bonds bearing
322 the manual or facsimile signatures of individuals who are or were the proper officers
323 of the City on the date of adoption of the Eighteenth Supplement shall be deemed to
324 be executed on behalf of the City, notwithstanding that any individual executing the
325 Bonds shall cease to hold the named offices at the time of delivery of the Bonds to
326 the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges
327 and transfers, all as authorized and provided in Texas Government Code, Chapter
328 1201.

329 No Bond shall be entitled to any right or benefit under the Eighteenth
330 Supplement, or be valid or obligatory for any purpose, unless there appears on such
331 Bond either a certificate of registration substantially in the form provided in Section
332 10(c), manually executed by the Comptroller of Public Accounts of the State of
333 Texas or his or her authorized agent, or a certificate of registration substantially in
334 the form provided in Section 10(d), manually executed by an authorized officer,
335 employee or representative of the Paying Agent/Registrar, and either such certificate
336 upon any Bond signed shall be conclusive evidence, and the only evidence, that the
337 Bond has been certified, registered and delivered.

338 **SECTION 9: INITIAL BOND(S).** The Bonds shall be initially issued either
339 (i) as a single fully registered bond in the total principal amount specified in the
340 Pricing Certificate with principal installments to become due and payable as
341 provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully
342 registered bonds, being one bond for each stated maturity in the applicable principal
343 amount and denomination and to be numbered consecutively from T-1 and upward
344 (the "Initial Bond(s)"). In either case, the Initial Bond(s) shall be registered in the
345 name of the initial purchaser(s) or their designee. The Initial Bond(s) shall be the
346 Bonds submitted to the Office of the Attorney General of the State of Texas for
347 approval, certified and registered by the Office of the Comptroller of Public
348 Accounts of the State of Texas and delivered to the initial purchaser(s). Any time
349 after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to
350 written instructions from the initial purchaser(s), or their designee, shall cancel the
351 Initial Bond(s) delivered and exchange for the Initial Bond(s) definitive Bonds of
352 authorized denominations, Stated Maturities, principal amounts and bearing
353 applicable interest rates for transfer and delivery to the Holders named at the
354 addresses identified for the Holders; all pursuant to and in accordance with the
355 written instructions from the initial purchaser(s), or their designee, and any other

information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 10: FORMS.

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

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

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
ELECTRIC UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BOND,
TAXABLE SERIES 2019C

Bond Date: _____ Interest Rate: _____ Stated Maturity: _____ CUSIP NO: _____
_____, 2019 _____

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Austin (the “City”), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to pay to the registered owner named above, or their registered assigns (the “Registered Owner”), solely from the revenues identified in this Bond, on the Stated Maturity date shown above the Principal Amount stated above (or so much of the Principal Amount as shall not have been paid upon prior redemption), and to pay interest (computed on the basis of a 360 day year of twelve 30 day months) on the unpaid Principal Amount of this Bond from the interest payment date next preceding the “Registration Date” of this Bond appearing below (unless this Bond bears a “Registration Date” as of an interest payment date, in which case it shall bear interest from such date, or unless the “Registration Date” of this Bond is prior to the initial interest payment date, in which case it shall bear interest from the _____) at the per annum rate of interest specified above; such interest being payable on May 15 and November 15 of each year, commencing_____. Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing on this Bond, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount of this Bond may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Eighteenth Supplement) whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close,

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

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$ _____ (“Bonds”) for the purpose of improving and extending the System, refinancing and refunding the Refunded Notes and the Refunded Bonds (identified and defined in the Eighteenth Supplement) and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1371 and 1502, and pursuant to a Master Ordinance and Eighteenth Supplement adopted by the City Council of the City, together with the Pricing Certificate executed pursuant thereto (collectively referred to as the “Ordinances”).

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

*maturity

The particular Term Bonds of a stated maturity to be redeemed on each redemption date shall be chosen by lot by the Paying Agent/Registrar; provided, however, that the principal amount of Term Bonds for a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Bonds of like stated maturity which, at least 50 days prior to the mandatory redemption date, (1) shall have been acquired by the

City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not previously credited against a mandatory redemption requirement.]

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

At least 30 days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions contained in the Ordinances. If a Bond (or any portion of its principal sum) shall have been called for redemption and notice of such redemption given, then upon such redemption date such Bond (or the portion of its principal sum to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after said redemption date, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

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

With respect to any optional redemption of the Bonds, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if

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

The Bonds are special obligations of the City payable solely from and, together with the Series 2019B Bonds, Previously Issued Electric Utility Obligations and Prior Subordinate Lien Obligations currently Outstanding, equally and ratably secured by a parity lien on and pledge of, the Net Revenues of the Electric Utility System in the manner provided in the Ordinances. Additionally, the Bonds, and the Series 2019B Bonds, together with the Previously Issued Electric Utility Obligations, shall be secured by a lien on the funds, if any, deposited to the credit of the Debt Service Fund and Reserve Fund in accordance with the terms of the Ordinances. The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the Electric Utility System, except with respect to the Net Revenues. The holder of this Bond shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

Subject to satisfying the related terms and conditions, the City has reserved the right to issue additional revenue obligations payable from and equally and ratably secured by a parity lien on and pledge of the Net Revenues of the Electric Utility System, in the same manner and to the same extent as the Previously Issued Electric Utility Obligations and the Bonds and the Series 2019B Bonds.

Reference is made to the Ordinances, copies of which are on file with the Paying Agent/Registrar, and to all of the provisions of which the Holder by the acceptance of this Bond assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the properties constituting the Electric Utility System; the Net Revenues pledged to the payment of the principal of and interest on the Bonds; the nature and extent and manner of enforcement of the lien and pledge securing the payment of the Bonds; the terms and conditions for the issuance of additional revenue obligations; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Ordinances may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the City and the Paying Agent/Registrar; the terms and

provisions upon which the liens, pledges, charges and covenants made in the Ordinances may be discharged at or prior to the maturity of this Bond, and this Bond deemed to be no longer Outstanding under the Ordinances; and for the other terms and provisions contained in the Ordinances. Capitalized terms used in this Bond have the same meanings assigned in the Ordinances.

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

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

It is certified, recited, represented and covenanted that the City is an organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of

Texas, and the Ordinances; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the Bonds by a pledge of the Net Revenues of the Electric Utility System. If any provision in this Bond or any application of any provision of this Bond shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired by any such action. The terms and provisions of this Bond and the Ordinances shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF AUSTIN, TEXAS

Mayor

COUNTERSIGNED:

City Clerk

(SEAL)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been issued and registered in the name of the Registered Owner shown above under the provisions of the within mentioned Ordinances; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

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

Registration Date: _____,
_____ as Paying Agent/Registrar

By _____
Authorized Signature

(e) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto
(Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
the within Bond and all rights under this Bond, and irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the 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.

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

REGISTERED
NO. T-1

REGISTERED
\$

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
ELECTRIC UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BOND,
TAXABLE SERIES 2019C

Bond Date:
_____, 2019

Registered Owner:

Principal Amount:

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

STATED
MATURITY

PRINCIPAL
INSTALLMENTS

INTEREST
RATE

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

(or so much of the principal installment amount as shall not have been redeemed prior to maturity) and to pay interest, computed on the basis of a 360-day year of

twelve 30-day months, on the unpaid principal amounts of this Bond from the _____ at the per annum rates of interest specified above; such interest being payable on May 15 and November 15 in each year, commencing _____. Principal installments of this Bond are payable in the year of maturity to the Registered Owner by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in _____ (the "Designated Payment/Transfer Office"). Interest is payable to the registered owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 11: CRITERIA FOR ISSUANCE OF PARITY ELECTRIC UTILITY OBLIGATIONS. The City has provided certain criteria and established certain covenants and agreements in relation to the issuance of Parity Electric Utility Obligations of the Electric Utility System pursuant to the Master Ordinance. The Eighteenth Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are a series of Parity Electric Utility Obligations. The Master Ordinance is incorporated by reference and made a part of the Eighteenth Supplement for all purposes, except to the extent modified and supplemented by the Prior Supplements and the Eighteenth Supplement, and the Bonds are Parity Electric Utility Obligations under the Master Ordinance and the Prior Supplements. The City determines that it will have sufficient funds to meet the financial obligations of the Electric Utility System, including sufficient Net Revenues to pay the Annual Debt Service

Requirements of the Bonds and the Series 2019B Bonds and to meet all financial obligations of the City relating to the Electric Utility System.

SECTION 12: PLEDGE. The Net Revenues of the Electric Utility System are pledged to the payment of the Bonds, and the Bonds, together with the Series 2019B Bonds, the Prior Subordinate Lien Obligations and the Previously Issued Electric Utility Obligations currently Outstanding, shall be equally and ratably secured by a parity lien on and pledge of the Net Revenues of the Electric Utility System in accordance with the terms of the Master Ordinance and the Eighteenth Supplement. Additionally, the Bonds, the Series 2019B Bonds and the Previously Issued Electric Utility Obligations shall be secured by a lien on the funds, if any, deposited to the credit of the Debt Service Fund and the Reserve Fund in accordance with and to the extent required by the terms of the Master Ordinance, the Prior Supplements and the Eighteenth Supplement. The Bonds are and will be secured by and payable only from the Net Revenues of the Electric Utility System, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, of the Electric Utility System. Council ordains that the Parity Electric Utility Obligations, and the interest on the Parity Electric Utility Obligations, shall constitute a lien on the Net Revenues of the Electric Utility System and shall be valid and binding and fully perfected from and after the date of adoption of the Eighteenth Supplement without physical delivery or transfer or transfer of control of the Net Revenues, the filing of the Eighteenth Supplement or any other act; all as provided in Texas Government Code, Chapter 1208. The owners of the Parity Electric Utility Obligations shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Master Ordinance, the Prior Supplements and the Eighteenth Supplement.

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

SECTION 13: DEBT SERVICE FUND. By reason of the issuance of the Bonds, the City need not establish any special accounts within the Debt Service Fund

and following the delivery of the Bonds, the City agrees and covenants to cause to be deposited to the credit of the Debt Service Fund an amount equal to 100% of the amount required to fully pay the interest on and principal of the Bonds falling due on or before each maturity, mandatory redemption date and interest payment date, and deposits shall be made in substantially equal monthly amounts on or before the 14th day of each month beginning on or before the 14th day of the month next following the month the Bonds are delivered to the initial purchaser.

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

Accrued interest, if any, received from the initial purchaser(s) of the Bonds shall be deposited in the Debt Service Fund, and shall be taken into consideration and reduce the amount of the monthly deposits that would otherwise be required to be deposited to the credit of such Debt Service Fund from the Net Revenues of the Electric Utility System.

SECTION 14: **RESERVE FUND.**

(a) Establishment. A Reserve Fund shall not be required to be established or maintained by the City for the payment of the Parity Electric Utility Obligations so long as the “Pledged Net Revenues” of the System for a Fiscal Year (the Net Revenues of the System in a Fiscal Year remaining after deducting the amounts, if any, expended to pay the annual debt service requirements for Prior Subordinate Lien Obligations in such Fiscal Year) equal or exceed 150% of the Annual Debt Service Requirements of the Parity Electric Utility Obligations due and payable in such Fiscal Year. If for any Fiscal Year such “Pledged Net Revenues” do not exceed 150% of the Annual Debt Service Requirements of the Parity Electric Utility Obligations, the City shall be obligated to establish and maintain on the books of the City a separate fund or account designated as the “Electric Utility System Revenue Obligation Reserve Fund” (the “Reserve Fund”). Upon being established and except as provided in subsection (f) below, the amount on deposit to the credit of the Reserve Fund shall be maintained for the benefit of the owners of the Parity Electric Utility Obligations. There shall be deposited into the Reserve Fund any Reserve Fund Obligations so designated by the City. The amounts deposited to the credit of the Reserve Fund shall be in a special fund maintained at an official depository of

City. Reserve Fund Obligations in the Reserve Fund shall be used for the purpose of retiring the last of the Parity Electric Utility Obligations as they become due or paying principal of and interest on the Parity Electric Utility Obligations when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose.

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

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

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

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

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

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

If at any time the City is required to fund the Required Reserve Amount, or to increase the Required Reserve Amount pursuant to a Supplement, the Required Reserve Amount or increase in the Required Reserve Amount, as applicable, may

787 be funded in up to 12 substantially equal consecutive monthly deposits commencing
788 not later than the month following that receipt of audited financial statements for the
789 System for the preceding Fiscal Year.

790 (b) Credit Facility. The City may initially fund the Reserve Fund or
791 replace or substitute a Credit Facility for cash or Eligible Investments on deposit in
792 the Reserve Fund or in substitution for or replacement of any existing Credit Facility.
793 Upon such replacement or substitution, the cash or Eligible Investments on deposit
794 in the Reserve Fund, taken together with the face amount of any existing Credit
795 Facilities, in excess of the Required Reserve Amount may be withdrawn by the City,
796 at its option, and transferred to the System Fund unless such excess was funded with
797 the proceeds of sale of Parity Electric Utility Obligations in which case such excess
798 shall be deposited to the credit of the Debt Service Fund; provided that the face
799 amount of any Credit Facility may be reduced at the option of the City in lieu of such
800 transfer.

801 (c) Priority of Draws. If the City is required to make a withdrawal from
802 the Reserve Fund for any of the purposes described in this Section, the City shall
803 promptly notify the issuer of the Credit Facility of the necessity for a withdrawal
804 from the Reserve Fund, and shall make the withdrawal FIRST from available
805 moneys and cash resulting from the sale or liquidation of Eligible Investments then
806 on deposit in the Reserve Fund, and NEXT from a drawing under any Credit Facility
807 to the extent of the deficiency.

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

815 (d) Reserve Amount Deficiency. In the event of a deficiency in the
816 Reserve Fund, or in the event that on the date of termination or expiration of any
817 Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund
818 Obligations, all in an aggregate amount at least equal to the Required Reserve
819 Amount, then the City shall, subject to satisfying or making provision for the uses
820 having a priority on the Gross Revenues before any deposits for the payment and
821 security of the Parity Electric Utility Obligations and after making required deposits
822 to the Debt Service Fund in accordance with the terms of the Eighteenth Supplement
823 and any Supplement, cause the aggregate Required Reserve Amount then required

to be on deposit in the Reserve Fund to be fully restored within 12 months from the date the deficiency, termination or expiration occurred by (i) making substantially equal cash deposits to the Reserve Fund on or before the last day of each month from the available Net Revenues, (ii) depositing Eligible Investments or Credit Facility to the credit of the Reserve Fund or (iii) a combination of (i) and (ii).

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

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

SECTION 15: PAYMENT OF BONDS. On or before the first scheduled interest payment date, and on or before each interest payment date and principal payment date after the first scheduled interest payment while any of the Bonds are Outstanding, the City shall cause an amount to be transferred to the Paying Agent/Registrar in immediately available funds from the Debt Service Fund sufficient to pay such interest on and such principal amount of the Bonds, as shall become due on such dates, respectively, at maturity or by redemption prior to maturity. The Paying Agent/Registrar shall destroy all paid Bonds and furnish the City with an appropriate certificate of cancellation or destruction.

SECTION 16: RESERVED.

SECTION 17: AMENDMENT OF EIGHTEENTH SUPPLEMENT.

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

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

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

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

(c) Time Period for Obtaining Consent. If within one year from (i) the date of the first publication of notice or (ii) the date of the mailing by the Paying Agent of written notice to the owners of the Bonds, whichever date first occurs if both methods of giving notice are used, the City shall receive an instrument or instruments executed by the owners of at least a majority in Outstanding Principal Amount of the Bonds consenting to and approving such amendment in substantially the form of the copy on file with each Paying Agent, the governing body of the City may pass the amendatory ordinance in substantially the same form.

(d) Revocation of Consent. Any consent given by the owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date for measuring the one year period to obtain consents noted in paragraph (c) above, and shall be conclusive and binding upon all future owners of the same Bonds during such period. At any time after six months from the date for measuring the one year period to obtain consents noted in paragraph (c) above, a consent may be revoked by the owner who gave the consent, or by a successor in

title, by filing written notice of a revocation with the Paying Agent for such Bonds and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the then Outstanding Bonds as determined in accordance with this Section have, prior to the attempted revocation, consented to and approved the amendment.

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

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

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

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

(3) To make such provisions for the purpose of curing any ambiguity, or curing, correcting or supplementing any defective provision contained in the Eighteenth Supplement, or in regard to clarifying matters or questions arising under the Eighteenth Supplement, as are necessary or desirable and not contrary to or inconsistent with the Eighteenth Supplement and which shall not adversely affect the interests of the owners of the Bonds then outstanding;

(4) To modify any of the provisions of the Eighteenth Supplement in any other respect whatever, provided that such modification shall be, and be expressed to be, effective only after all

the Bonds outstanding at the date of the adoption of such modification shall cease to be outstanding;

(5) Reserved;

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

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

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

(g) Ownership. For the purpose of this Section, the ownership and other matters relating to all Bonds shall be established by the Security Register maintained by the Paying Agent. Furthermore, the owner of any Bonds insured as to the payment of principal of and interest shall be deemed to be the insurance company providing the insurance coverage on such Bonds; provided such amendment to the Eighteenth Supplement is an amendment that can be made with the consent of a majority in Outstanding Principal Amount of the Bonds and such insurance company is not in default with respect to its obligations under its insurance policy.

965 **SECTION 18: FINAL DEPOSITS; GOVERNMENTAL**
966 **OBLIGATIONS.** All or any of the Bonds shall be deemed to be paid, retired and
967 no longer outstanding within the meaning of the Eighteenth Supplement when
968 payment of the principal of the Bonds, redemption premium, if any, on the Bonds,
969 plus interest on the Bonds to the due date (whether such due date be by reason of
970 maturity or otherwise) either (i) shall have been made or caused to be made in
971 accordance with the terms of the Bonds (including the giving of any required notice
972 of redemption), or (ii) shall have been provided by irrevocably depositing with, or
973 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside
974 exclusively for such payment, (1) money sufficient to make such payment or (2)
975 Government Obligations, certified by an independent public accounting firm of
976 national reputation, to mature as to principal and interest in such amounts and at such
977 times as will insure the availability, without reinvestment, of sufficient money to
978 make such payment, and all necessary and proper fees, compensation and expenses
979 of the Paying Agent/Registrar with respect to which such deposit is made shall have
980 been paid or the payment thereof provided for the satisfaction of the Paying
981 Agent/Registrar. At such time as a Bond shall be deemed to be paid under this
982 Eighteenth Supplement, it shall no longer be secured by or entitled to the benefit of
983 the Eighteenth Supplement, the Master Ordinance or a lien on and pledge of the Net
984 Revenues of the Electric Utility System, and shall be entitled to payment solely from
985 the money or Government Obligations held by the Paying Agent/Registrar.

986 Any moneys so deposited with the Paying Agent/Registrar, or an authorized
987 escrow agent, may at the direction of the City also be invested in Government
988 Obligations, maturing in the amounts and at the times as set forth in this Section,
989 and all income from all Government Obligations not required for the payment of the
990 Bonds, and interest on the Bonds, with respect to which the money has been
991 deposited, shall be turned over to the City or deposited as directed by the City.

992 Notwithstanding any other provisions of the Eighteenth Supplement, all
993 money or Government Obligations set aside and held in trust pursuant to the
994 provisions of this Section for the payment of the Bonds, the redemption premium, if
995 any, and interest on the Bonds, shall be applied to and used for the payment of those
996 Bonds, the redemption premium, if any, and interest thereon and the income on the
997 money or Government Obligations shall not be considered to be "Gross Revenues"
998 under the Eighteenth Supplement.

999 **SECTION 19: DAMAGED, MUTILATED, LOST, STOLEN, OR**
1000 **DESTROYED BONDS.** If any Outstanding Bond is damaged, mutilated, lost,
1001 stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed,
1002 and delivered, a new bond of the same principal amount, maturity, and interest rate,

as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for the Bond in the manner provided in this Section. An application for the replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar security or indemnity as may be required by them to save each of them harmless from any loss, theft or damage with respect to any Bond being replaced. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of the Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of the Bond with all legal, printing, and other expenses in connection with its replacement. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Eighteenth Supplement equally and proportionately with any and all other Bonds issued under the Eighteenth Supplement.

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

SECTION 20: EIGHTEENTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds, the Eighteenth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the pledge made in the Eighteenth Supplement by the City and the covenants and

1041 agreements set forth in the Eighteenth Supplement to be performed by the City shall
1042 be for the equal and proportionate benefit, security, and protection of all Holders,
1043 without preference, priority, or distinction as to security or otherwise of any of the
1044 Bonds over any of the others by reason of time of issuance, sale, or maturity of the
1045 Bond or otherwise for any cause, except as expressly provided in or permitted by the
1046 Eighteenth Supplement.

1047 **SECTION 21: CONTINUING DISCLOSURE UNDERTAKING.**

1048 (a) Definitions. As used in this Section, the following terms have the
1049 meanings ascribed to such terms below:

1050 “*Financial Obligation*” means a (a) debt obligation; (b) derivative instrument
1051 entered into in connection with, or pledged as security or a source of payment for,
1052 an existing or planned debt obligation; or (c) guarantee of a debt obligation or any
1053 such derivative instrument; provided that “financial obligation” shall not include
1054 municipal securities as to which a final official statement (as defined in the Rule)
1055 has been provided to the MSRB consistent with the Rule.

1056 “*MSRB*” means the Municipal Securities Rulemaking Board.

1057 “*Rule*” means SEC Rule 15c2-12, as amended from time to time.

1058 “*SEC*” means the United States Securities and Exchange Commission.

1059 (b) Annual Reports. The City shall provide annually to the MSRB (1)
1060 within six months after the end of each fiscal year of the City beginning in the year
1061 stated in the Pricing Certificate, financial information and operating data with
1062 respect to the City of the general type included in the final Official Statement
1063 approved by the Pricing Officer and described in the Pricing Certificate, and (2) if
1064 not provided as part such financial information and operating data in item (1),
1065 audited financial statements of the City within 12 months after the end of each fiscal
1066 year beginning in the year stated in the Pricing Certificate. If the audit of such
1067 financial statements is not complete within 12 months after any such fiscal year end,
1068 then the City shall file unaudited financial statements within such twelve-month
1069 period and audited financial statements for the applicable fiscal year, when and if
1070 the audit report on such statements becomes available. Any financial statements to
1071 be provided shall be (i) prepared in accordance with the accounting principles
1072 described in the Pricing Certificate or such other accounting principles as the City
1073 may be required to employ from time to time pursuant to state law or regulation, and
1074 (ii) audited, if the City commissions an audit of such statements and the audit is
1075 completed within the period during which they must be provided.

1076 If the City changes its fiscal year, it will notify the MSRB of the change (and
1077 of the date of the new fiscal year end) prior to the next date by which the City
1078 otherwise would be required to provide financial information and operating data
1079 pursuant to this Section.

1080 The financial information and operating data to be provided pursuant to this
1081 Section may be set forth in full in one or more documents or may be included by
1082 specific reference to any document available to the public on the MSRB's Internet
1083 Web site or filed with the SEC.

1084 (c) Notice of Certain Events. The City shall provide notice of any of the
1085 following events with respect to the Bonds to the MSRB in a timely manner and not
1086 more than 10 Business Days after occurrence of the event:

- 1087 (1) Principal and interest payment delinquencies;
- 1088 (2) Non-payment related defaults, if material;
- 1089 (3) Unscheduled draws on debt service reserves reflecting financial
1090 difficulties;
- 1091 (4) Unscheduled draws on credit enhancements reflecting financial
1092 difficulties;
- 1093 (5) Substitution of credit or liquidity providers, or their failure to perform;
- 1094 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of
1095 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
1096 5701-TEB), or other material notices or determinations with respect to the tax status
1097 of the Bonds, or other material events affecting the tax status of the Bonds;
- 1098 (7) Modifications to rights of holders of the Bonds, if material;
- 1099 (8) Bond calls, if material, and tender offers;
- 1100 (9) Defeasances;
- 1101 (10) Release, substitution, or sale of property securing repayment of the
1102 Bonds, if material;
- 1103 (11) Rating changes;
- 1104 (12) Bankruptcy, insolvency, receivership, or similar event of the City,
1105 which shall occur as described below;
- 1106 (13) The consummation of a merger, consolidation, or acquisition involving
1107 the City or the sale of all or substantially all of its assets, other than in the ordinary
1108 course of business, the entry into of a definitive agreement to undertake such an
1109 action or the termination of a definitive agreement relating to any such actions, other
1110 than pursuant to its terms, if material;
- 1111 (14) Appointment of a successor or additional paying agent/registrar or the
1112 change of name of a paying agent/registrar, if material;

1113 (15) Incurrence of a Financial Obligation of the City, if material, or
1114 agreement to covenants, events of default, remedies, priority rights, or other similar
1115 terms of a Financial Obligation of the City, any of which affect security holders, if
1116 material; and

1117 (16) Default, event of acceleration, termination event, modification of terms,
1118 or other similar events under the terms of a Financial Obligation of the City, any of
1119 which reflect financial difficulties.

1120
1121 For these purposes, (a) any event described in the immediately preceding
1122 paragraph 12 is considered to occur when any of the following occur: the
1123 appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding
1124 under the United States Bankruptcy Code or in any other proceeding under state or
1125 federal law in which a court or governmental authority has assumed jurisdiction over
1126 substantially all of the assets or business of the City, or if such jurisdiction has been
1127 assumed by leaving the existing governing body and officials or officers in
1128 possession but subject to the supervision and orders of a court or governmental
1129 authority, or the entry of an order confirming a plan of reorganization, arrangement,
1130 or liquidation by a court or governmental authority having supervision or jurisdiction
1131 over substantially all of the assets or business of the City and (b) the City intends the
1132 words used in the immediately preceding paragraphs (15) and (16) and the definition
1133 of Financial Obligation in this Section to have the means ascribed to them in SEC
1134 Release No. 34-83885, dated August 20, 2018.

1135 The City shall notify the MSRB, in a timely manner, of any failure by the City
1136 to provide financial information or operating data in accordance with this Section by
1137 the time required by this Section.

1138 (d) Filings with the MSRB. All financial information, operating data,
1139 financial statements, notices, and other documents provided to the MSRB in
1140 accordance with this Section shall be provided in an electronic format prescribed by
1141 the MSRB and shall be accompanied by identifying information as prescribed by the
1142 MSRB.

1143 (e) Limitations, Disclaimers, and Amendments. The City shall be
1144 obligated to observe and perform the covenants specified in this Section with respect
1145 to the City and the Bonds while, but only while, the City remains an “obligated
1146 person” with respect to the Bonds within the meaning of the Rule, except that the
1147 City in any event will give the notice required by subsection (c) of this Section of
1148 any Bond calls and defeasance that cause the City to be no longer such an “obligated
1149 person.”

1150 The provisions of this Section are for the sole benefit of the Holders and
1151 beneficial owners of the Bonds, and nothing in this Section, express or implied, shall
1152 give any benefit or any legal or equitable right, remedy, or claim to any other person.
1153 The City undertakes to provide only the financial information, operating data,
1154 financial statements, and notices which it has expressly agreed to provide pursuant
1155 to this Section and does not undertake to provide any other information that may be
1156 relevant or material to a complete presentation of the financial results, condition, or
1157 prospects of the City or the State of Texas or undertake to update any information
1158 provided in accordance with this Section or otherwise, except as expressly provided
1159 in this Section. The City does not make any representation or warranty concerning
1160 such information or its usefulness to a decision to invest in or sell Bonds at any future
1161 date.

1162 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
1163 HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER
1164 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN
1165 WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER
1166 NEGLIGENCE OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT
1167 SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY
1168 SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY
1169 SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR
1170 SPECIFIC PERFORMANCE.

1171 No default by the City in observing or performing its obligations under this
1172 Section shall constitute a breach of or default under this Eighteenth Supplement for
1173 purposes of any other provision of this Eighteenth Supplement.

1174 Nothing in this Section is intended or shall act to disclaim, waive, or otherwise
1175 limit the duties of the City under federal and state securities laws.

1176 Notwithstanding any provisions in this Eighteenth Supplement to the
1177 contrary, the provisions of this Section may be amended by the City from time to
1178 time to adapt to changed circumstances resulting from a change in legal
1179 requirements, a change in law, or a change in the identity, nature, status, or type of
1180 operations of the City, but only if (1) the provisions of this Section, as so amended,
1181 would have permitted an underwriter to purchase or sell Bonds in the primary
1182 offering of the Bonds in compliance with the Rule, taking into account any
1183 amendments or interpretations of the Rule to the date of the amendment, as well as
1184 such changed circumstances, and (2) either (a) the Holders of a majority in aggregate
1185 principal amount (or any greater amount required by any other provision of the
1186 Eighteenth Supplement that authorizes the amendment) of the Outstanding Bonds

consent to the amendment or (b) a Person that is unaffiliated with the City and the State of Texas (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the City if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the City's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in the offering. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

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

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

SECTION 23: SALE OF BONDS; OFFICIAL STATEMENT APPROVAL. The Bonds are to be sold by the City to the Purchasers in accordance with a bond purchase agreement (the "Purchase Contract"), the terms and provisions of which Purchase Contract are to be determined by the Pricing Officer, in accordance with Section 4 of this Eighteenth Supplement. With regard to such terms and provisions of the Purchase Contract, the Pricing Officer may come to an agreement with the Purchasers on the following, among other matters:

- 1225 (1) The details of the purchase and sale of the Bonds;
- 1226 (2) The details of the public offering of the Bonds by the Purchasers;
- 1227 (3) The details of an Official Statement (and, if appropriate, any
1228 Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12
1229 compliance;
- 1230 (4) A security deposit for the Bonds;
- 1231 (5) The representations and warranties of the City to the Purchasers;.
- 1232 (6) The details of the delivery of, and payment for, the Bonds;
- 1233 (7) The Purchasers' obligations under the Purchase Contract;
- 1234 (8) The certain conditions to the obligations of the City under the Purchase
1235 Contract;
- 1236 (9) Termination of the Purchase Contract;
- 1237 (10) Particular covenants of the City;
- 1238 (11) The survival of representations made in the Purchase Contract;
- 1239 (12) The payment of any expenses relating to the Purchase Contract;
- 1240 (13) Notices; and
- 1241 (14) Any and all such other details that are found by the Pricing Officer to
1242 be necessary and advisable for the purchase and sale of the Bonds.

1243 Pricing Officer may execute the Purchase Contract for and on behalf of the
1244 City and as the act and deed of Council.

1245 The Mayor and City Clerk of the City may manually or electronically execute
1246 and deliver for and on behalf of the City copies of a Preliminary Official Statement
1247 and Official Statement, prepared in connection with the offering of the Bonds by the
1248 Purchasers, in final form as may be required by the Purchasers, and the final Official
1249 Statement in the form and content as approved by the Pricing Officer or as manually
1250 or electronically executed by said officials shall be deemed to be approved by
1251 Council and constitute the Official Statement authorized for distribution and use by
1252 the Purchasers.

1253 **SECTION 24: ESCROW AGREEMENT.** An “Escrow Agreement” (the
1254 “Escrow Agreement”) by and between the City and an authorized escrow agent (the
1255 “Escrow Agent”), if any agreement is required in connection with the issuance of
1256 the Bonds, shall be attached to, and approved in, the Pricing Certificate. The Escrow
1257 Agreement is authorized to be finalized and executed by the Pricing Officer for and
1258 on behalf of the City and as the act and deed of Council; and the Escrow Agreement
1259 as executed by said Pricing Officer shall be deemed approved by Council and
1260 constitute the Escrow Agreement approved by this Eighteenth Supplement. With
1261 regard to the finalization of certain terms and provisions of the Escrow Agreement,
1262 a Pricing Officer is authorized to come to an agreement with the Escrow Agent on
1263 the following details, among other matters:

- 1264 (1) The identification of the Refunded Bonds;
- 1265 (2) The creation and funding of the Escrow Fund or Funds; and
- 1266 (3) The Escrow Agent’s compensation, administration of the Escrow Fund
1267 or Funds, and the settlement of any paying agents’ charges relating to the Refunded
1268 Bonds.

1269 Furthermore, appropriate officials of the City in cooperation with the Escrow
1270 Agent are authorized and directed to make the necessary arrangements for the
1271 purchase of the escrowed securities referenced in the Escrow Agreement and the
1272 delivery of the escrowed securities to the Escrow Agent on the day of delivery of the
1273 Bonds to the Purchasers for deposit to the credit of the “CITY OF AUSTIN, TEXAS,
1274 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND
1275 IMPROVEMENT BONDS, TAXABLE SERIES 2019C ESCROW FUND”
1276 (referred to as the “Escrow Fund”), or such other designation as specified on the
1277 Pricing Certificate; all as contemplated and provided in Texas Government Code,
1278 Chapter 1207, as amended, the Eighteenth Supplement, the Pricing Certificate, and
1279 the Escrow Agreement.

1280 On or immediately prior to the date of the delivery of the Bonds to the
1281 Purchasers, the Pricing Officer shall also cause to be deposited (and is authorized
1282 to cause to be deposited) (a) with the Escrow Agent from moneys on deposit in the
1283 debt service fund(s) maintained for the payment of the Refunded Bonds an amount
1284 which, together with the proceeds of sale, and the investment earnings thereon, will
1285 be sufficient to pay in full the Refunded Bonds (or the amount of accrued interest
1286 due thereon) scheduled to mature and authorized to be redeemed on the earliest date
1287 established in the Pricing Certificate for the redemption of any of the Refunded
1288 Bonds (or the earliest date of payment, to be made from moneys in the Escrow

Fund(s), as established in the Pricing Certificate, of the amount of accrued interest due thereon).

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

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

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

SECTION 26: PROCEEDS OF SALE. Immediately following the delivery of the Bonds, proceeds of sale (less those proceeds of sale designated to finance the improvements and extensions to the System, proceeds of sale designated to pay costs of issuance, proceeds of sale designated to fund the Reserve Fund and any accrued interest received from the Purchasers of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Escrow Agreement or deposited with the paying agent/registrar for the Refunded Bonds for the payment and redemption of the Refunded Bonds or with the place of payment (the "Deposit Agent") for the Refunded Notes identified in the Pricing Certificate. The proceeds of sale of the Bonds not so deposited with the Escrow Agent (or the paying agent/registrar for the Refunded Bonds) for the refunding of the Refunded Bonds or with the Deposit Agent for the refunding of the Refunded Notes shall be deposited into a construction fund to be used for making

improvements and extensions to the System, disbursed for payment of costs of issuance or deposited in the Debt Service Fund for the Bonds, all in accordance with written instructions from the City or its Financial Advisor. Accrued interest, if any, received from the Purchasers shall be deposited to the credit of the Debt Service Fund.

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

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

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

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

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

1360 **SECTION 29: CUSIP NUMBERS.** CUSIP numbers may be printed or
1361 typed on the definitive Bonds. It is expressly provided, however, that the presence
1362 or absence of CUSIP numbers on the definitive Bonds shall be of no significance or
1363 effect as regards the legality of the Bonds and neither the City nor attorneys
1364 approving the Bonds as to legality are to be held responsible for CUSIP numbers
1365 incorrectly printed or typed on the definitive Bonds.

1366 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS**
1367 **DAYS.** Whenever under the terms of the Eighteenth Supplement or the Bonds, the
1368 performance date of any provision of the Eighteenth Supplement or the Bonds,
1369 including the payment of principal of or interest on the Bonds, shall occur on a day
1370 other than a Business Day, then the performance of such provision, including the
1371 payment of principal of and interest on the Bonds, need not be made on such day but
1372 may be performed or paid, as the case may be, on the next succeeding Business Day
1373 with the same force and effect as if made on the date of performance or payment.

1374 **SECTION 31: LIMITATION OF BENEFITS WITH RESPECT TO**
1375 **THE EIGHTEENTH SUPPLEMENT.** With the exception of the rights or
1376 benefits expressly conferred in the Eighteenth Supplement, nothing expressed or
1377 contained in the Eighteenth Supplement or implied from the provisions of the
1378 Eighteenth Supplement or the Bonds is intended or should be construed to confer
1379 upon or give to any person other than the City, the Holders, and the Paying
1380 Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of
1381 or in respect to the Eighteenth Supplement or any covenant, condition, stipulation,
1382 promise, agreement, or provision contained in the Eighteenth Supplement. The
1383 Eighteenth Supplement and all of the covenants, conditions, stipulations, promises,
1384 agreements, and provisions of the Eighteenth Supplement are intended to be and
1385 shall be for and inure to the sole and exclusive benefit of the City, the Holders, and
1386 the Paying Agent/Registrar as provided in the Eighteenth Supplement and in the
1387 Bonds.

1388 **SECTION 32: NOTICES TO HOLDERS WAIVER.** Wherever the
1389 Eighteenth Supplement provides for notice to Holders of any event, such notice shall
1390 be sufficiently given (unless otherwise expressly provided in the Eighteenth
1391 Supplement) if in writing and sent by United States Mail, first class postage prepaid,
1392 to the address of each Holder appearing in the Security Register at the close of
1393 business on the business day next preceding the mailing of such notice.

1394 In any case where notice to Holders is given by mail, neither the failure to
1395 mail such notice to any particular Holders, nor any defect in any notice so mailed,
1396 shall affect the sufficiency of such notice with respect to all other Bonds. Where the

1397 Eighteenth Supplement provides for notice in any manner, such notice may be
1398 waived in writing by the Holder entitled to receive such notice, either before or after
1399 the event with respect to which such notice is given, and such waiver shall be the
1400 equivalent of such notice. Waivers of notice by Holders shall be filed with the
1401 Paying Agent/Registrar, but such filing shall not be a condition precedent to the
1402 validity of any action taken in reliance upon such waiver.

1403 **SECTION 33: GOVERNING LAW.** The Eighteenth Supplement shall be
1404 construed and enforced in accordance with the laws of the State of Texas and the
1405 United States of America.

1406 **SECTION 34: EFFECT OF HEADINGS.** The Section headings in the
1407 Eighteenth Supplement are for convenience only and shall not affect the construction
1408 of the Eighteenth Supplement.

1409 **SECTION 35: CONSTRUCTION OF TERMS.** If appropriate in the
1410 context of the Eighteenth Supplement, words of the singular number shall be
1411 considered to include the plural, words of the plural number shall be considered to
1412 include the singular, and words of the masculine, feminine or neuter gender shall be
1413 considered to include the other genders. References to an officer or designated
1414 position (e.g., City Manager) include any person acting in that capacity, whether on
1415 an acting, interim or permanent basis.

1416 **SECTION 36: SEVERABILITY.** If any provision or the application of any
1417 provision of the Eighteenth Supplement to any circumstance shall be held to be
1418 invalid, the remainder of the Eighteenth Supplement and the application of the
1419 Eighteenth Supplement to other circumstances shall nevertheless be valid, and the
1420 City Council declares that the Eighteenth Supplement would have been enacted
1421 without such invalid provision.

1422 **SECTION 37: PUBLIC MEETING.** It is officially found, determined, and
1423 declared that the meeting at which the Eighteenth Supplement is adopted was open
1424 to the public and public notice of the time, place, and subject matter of the public
1425 business to be considered at the meeting, including the Eighteenth Supplement, was
1426 given; all as required by Texas Government Code, Chapter 551.

1427 **SECTION 38: EFFECTIVE DATE.** The Eighteenth Supplement is passed
1428 on one reading as authorized by Texas Government Code, Section 1201.028, and
1429 shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

June 20, 2019

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§
§

APPROVED:

STEVE ADLER
Mayor

ATTEST:

ANNE L. MORGAN
City Attorney

JANNETTE S. GOODALL
City Clerk

(City Seal)

1430