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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, SERIES 2020A” authorized for issuance by the Nineteenth Supplement.

“Holders” means the registered owners or holders of the Bonds.

“Maximum Debt Service Requirement” means, as of the date of calculation, an amount equal to the greatest Annual Debt Service Requirement for the current or any future Fiscal Year for the Parity Electric Utility Obligations then outstanding at the time the calculation is made.

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

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1 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2010A”, dated
2 June 1, 2010, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM
3 REVENUE REFUNDING BONDS, TAXABLE SERIES 2010B (Direct Subsidy-
4 Build America Bonds)”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS,
5 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES
6 2012A”, dated December 1, 2012, “CITY OF AUSTIN, TEXAS, ELECTRIC
7 UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES
8 2012B”, dated December 1, 2012, “CITY OF AUSTIN, TEXAS, ELECTRIC
9 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2015A”, dated
10 May 1, 2015, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM
11 REVENUE REFUNDING BONDS, TAXABLE SERIES 2015B”, dated May 1,
12 2015, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE
13 REFUNDING BONDS, SERIES 2017”, dated February 14, 2017, “CITY OF
14 AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE BONDS,
15 TAXABLE SERIES 2019A”, dated June 13, 2019, “CITY OF AUSTIN, TEXAS,
16 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES
17 2019B,” dated August 21, 2019 and “CITY OF AUSTIN, TEXAS, ELECTRIC
18 UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS,
19 TAXABLE SERIES 2019C,” dated August 21, 2019.

20 “Prior Supplements” means Ordinances No. 20070322-026, 20080228-078,
21 20100610-049, 20121108-070, 20121108-069, 20150423-032, 20150423-033,
22 20161006-14, 20190509-037, 20190619-080 and 20190619-079 authorizing the
23 issuance of the Previously Issued Electric Utility Obligations.

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

26 “Refunded Notes” means the principal amount of the Tax-Exempt Notes, as
27 specified in the Pricing Certificate.

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

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

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

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

3 “Security Register” has the meaning given this term in Section 5 of the
4 Nineteenth Supplement.

5 “Series 2020B Bonds” shall mean the “CITY OF AUSTIN, TEXAS,
6 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE
7 SERIES 2020B” authorized for issuance concurrently with the Bonds by the
8 Twentieth Supplement.

9 “Tax-Exempt Notes” means the City of Austin, Texas Combined Utility
10 Systems Tax-Exempt Program Notes, Commercial Paper Sub-Series, up to an
11 aggregate principal amount of \$400,000,000 to finance the costs of additions,
12 improvements and extensions to the City’s water and wastewater system and the
13 City’s electric light and power system.

14 “Twentieth Supplement” means Ordinance No. 2020 ____ - ____ authorizing the
15 issuance of the Series 2020B Bonds and passed by the City Council on September
16 17, 2020.

17 The terms used in the Nineteenth Supplement and not otherwise defined shall
18 have the meanings given in the Master Ordinance or the Prior Supplements.

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

25 In accordance with the provisions of V.T.C.A., Government Code, Chapter
26 1371, the City has authorized by ordinance and provided for the issuance and sale of
27 the Tax-Exempt Notes and the refunding of the Tax-Exempt Notes for the purposes
28 of making such debt long-term fixed rate debt of the City and restructuring the debt
29 payable from the revenues of the System is in the best interest of the City, and the
30 manner in which such refunding is being executed does not make it practicable to
31 make the determinations otherwise required by Section 1207.008(a)(2), Texas
32 Government Code.

33 In accordance with the provisions of Texas Government Code, Chapter 1207,
34 the City Council is delegating to the Pricing Officer (as defined below) the authority

1 to establish the terms and details related to the issuance and sale of the Bonds
2 including: (i) the principal amount of the Refunded Obligations to be refunded,
3 (ii) the form and designation of the Bonds; (iii) the principal amount of the Bonds
4 and the amount of the Bonds to mature in each year; (iv) the dates, price, interest
5 rates, interest payment dates, principal payment dates, and redemption features of
6 the Bonds; and (v) any other details relating to the issuance, sale, delivery, and
7 exchange of the Bonds, all within specified parameters set forth in the Nineteenth
8 Supplement.

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

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

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

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

24 **SECTION 2: AUTHORIZATION; DESIGNATION; PRINCIPAL**
25 **AMOUNT; PURPOSE.** Revenue bonds of the City shall be and are authorized to
26 be issued in the not to exceed aggregate principal amount set forth in Section 4 of
27 this Nineteenth Supplement to be designated and bear the title "CITY OF AUSTIN,
28 TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND
29 IMPROVEMENT BONDS, SERIES 2020A" (the "Bonds"), for the purpose of
30 refinancing and refunding the Refunded Obligations, improving and extending the
31 System and paying costs of issuance, in conformity with the Constitution and laws
32 of the State of Texas, including Texas Government Code, Chapters 1207, 1371 and
33 1502.

34 **SECTION 3: FULLY REGISTERED OBLIGATIONS; AUTHORIZED**
35 **DENOMINATIONS; STATED MATURITIES; DATE.** The Bonds shall be

1 issued as fully registered obligations, without coupons, shall be dated as provided in
2 the Pricing Certificate (the "Bond Date") and, other than the single fully registered
3 Initial Bond referenced in Section 9, shall be in denominations of \$5,000 or any
4 integral multiple of \$5,000 (within a Stated Maturity), shall be numbered
5 consecutively from One upward and shall become due and payable on May 15 and/or
6 November 15 in each of the years and in principal amounts (the "Stated Maturities")
7 and bear interest at the rate(s) per annum in accordance with the details of the Bonds
8 as set forth in the Pricing Certificate.

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

14 SECTION 4: DELEGATION OF AUTHORITY TO PRICING 15 OFFICER.

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

34 (i) the aggregate original principal amount of the Bonds shall not exceed
35 \$300,000,000;

36 (ii) the true interest cost rate for the Bonds shall not exceed 5.00%;

1 (iii) with respect to the Bonds issued to refund the Refunded Bonds, the
2 refunding must produce a net present value debt service savings of at least 4.25%,
3 net of any contribution by the City; and

4 (iv) the maximum maturity for the Bonds shall not extend beyond
5 November 15, 2050.

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

8 (b) In establishing the aggregate principal amount of the Bonds, the Pricing
9 Officer shall establish an amount not exceeding the amount authorized in Subsection
10 (a)(i) above, which shall be sufficient in amount to provide for the purposes for
11 which the Bonds are authorized and to pay costs of issuing the Bonds. This
12 delegation shall expire if not exercised by the Pricing Officer by March 17, 2021.
13 The Bonds shall be sold by negotiated sale to the underwriter(s) named in the Pricing
14 Certificate (the "Purchasers"), at such price and with and subject to such terms as set
15 forth in the Pricing Certificate. A finding or determination made by the Pricing
16 Officer acting under authority of this Nineteenth Supplement with respect to all
17 matters relating to the sale of the Bonds and the refunding of the Refunded
18 Obligations shall have the same force and effect as a finding or determination made
19 by the Council.

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

28 The selection and appointment of the Paying Agent/Registrar for the Bonds
29 shall be as provided in the Pricing Certificate. Books and records relating to the
30 registration, payment, exchange and transfer of the Bonds (the "Security Register")
31 shall at all times be kept and maintained on behalf of the City by the Paying
32 Agent/Registrar, all as provided in the Nineteenth Supplement, in accordance with
33 the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in
34 the form attached as **Exhibit A**, and the reasonable rules and regulations as the
35 Paying Agent/Registrar and the City may prescribe. The Pricing Officer is
36 authorized to execute and deliver the Paying Agent/Registrar Agreement in

1 connection with the delivery of the Bonds. The City covenants to maintain and
2 provide a Paying Agent/Registrar at all times until the Bonds are paid and
3 discharged, and any successor Paying Agent/Registrar shall be a bank, trust
4 company, financial institution or other entity qualified and authorized to serve in the
5 capacity and perform the duties and services of Paying Agent/Registrar. Upon any
6 change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly
7 cause a written notice of the change to be sent to each Holder by United States Mail,
8 first class postage prepaid, which notice shall also give the address of the new Paying
9 Agent/Registrar.

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

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

1 **SECTION 6: REGISTRATION, TRANSFER, EXCHANGE OF**
2 **BONDS; PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain,
3 record, and maintain in the Security Register the name and address of each registered
4 owner of the Bonds issued under and pursuant to the provisions of the Nineteenth
5 Supplement. Any Bond may, in accordance with its terms and the terms of the
6 Nineteenth Supplement, be transferred or exchanged for Bonds of other authorized
7 denominations upon the Security Register by the Holder, in person or by the
8 authorized agent of such person, upon surrender of the Bond to the Paying
9 Agent/Registrar for cancellation, accompanied by a written instrument of transfer or
10 request for exchange executed by the Holder or by the authorized agent of the person,
11 in form satisfactory to the Paying Agent/Registrar.

12 Upon surrender for transfer of any Bond (other than the Initial Bond(s)
13 authorized in Section 9 of the Nineteenth Supplement) at the Designated
14 Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar
15 shall register and deliver, in the name of the designated transferee or transferees, one
16 or more new Bonds, executed on behalf of, and furnished by, the City of authorized
17 denominations and having the same Stated Maturity and of a like aggregate principal
18 amount as the Bond or Bonds surrendered for transfer.

19 At the option of the Holder, Bonds (other than the Initial Bond(s) authorized
20 in Section 9 of the Nineteenth Supplement) may be exchanged for other Bonds of
21 authorized denominations and having the same Stated Maturity, bearing the same
22 rate of interest and of like aggregate principal amount as the Bonds surrendered for
23 exchange, upon surrender of the Bonds to be exchanged at the Designated
24 Payment/Transfer Office. Whenever any Bonds are surrendered for exchange, the
25 Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of,
26 and furnished by, the City, to the Holder requesting the exchange.

27 All Bonds issued upon any transfer or exchange of Bonds shall be delivered
28 at the Designated Payment/Transfer Office, or sent by United States Mail, first class
29 postage prepaid, to the Holder and, upon the delivery of such Bonds, the same shall
30 be valid obligations of the City, evidencing the same obligation to pay, and entitled
31 to the same benefits under the Nineteenth Supplement, as the Bonds surrendered in
32 the transfer or exchange.

33 All transfers or exchanges of Bonds shall be made without expense or service
34 charge to the Holder, except as otherwise provided in the Nineteenth Supplement,
35 except that the Paying Agent/Registrar shall require payment by the Holder
36 requesting the transfer or exchange of any tax or other governmental charges
37 required to be paid with respect to the transfer or exchange.

1 Bonds canceled by reason of an exchange or transfer pursuant to the
2 provisions of the Nineteenth Supplement are defined to be "Predecessor Bonds,"
3 evidencing all or a portion, as the case may be, of the same obligation to pay
4 evidenced by the Bond or Bonds registered and delivered in the exchange or transfer.
5 Additionally, the term "Predecessor Bonds" shall include any mutilated, lost,
6 destroyed, or stolen Bond for which a replacement Bond has been issued, registered
7 and delivered in lieu of a mutilated, lost, destroyed or stolen Bond pursuant to
8 Section 19 of the Nineteenth Supplement and the new replacement Bond shall be
9 considered to evidence the same obligation as the mutilated, lost, destroyed, or stolen
10 Bond.

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

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

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

32 In the event DTC determines to discontinue serving as securities depository
33 for the Bonds or otherwise ceases to provide book entry clearance and settlement of
34 securities transactions in general or the City determines that DTC is incapable of
35 properly discharging its duties as securities depository for the Bonds, the City
36 covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in
37 definitive form and provide for the Bond certificates to be issued and delivered to

1 DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds
2 in definitive form shall be assigned, transferred and exchanged on the Security
3 Register maintained by the Paying Agent/Registrar and payment of such Bonds shall
4 be made in accordance with the provisions of Sections 5 and 6 of the Nineteenth
5 Supplement.

6 **SECTION 8: EXECUTION; REGISTRATION.** The Bonds shall be
7 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal
8 reproduced or impressed on the Bonds and countersigned by the City Clerk. The
9 signature of said officers on the Bonds may be manual or facsimile. Bonds bearing
10 the manual or facsimile signatures of individuals who are or were the proper officers
11 of the City on the date of adoption of the Nineteenth Supplement shall be deemed to
12 be executed on behalf of the City, notwithstanding that any individual executing the
13 Bonds shall cease to hold the named offices at the time of delivery of the Bonds to
14 the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges
15 and transfers, all as authorized and provided in Texas Government Code, Chapter
16 1201.

17 No Bond shall be entitled to any right or benefit under the Nineteenth
18 Supplement, or be valid or obligatory for any purpose, unless there appears on such
19 Bond either a certificate of registration substantially in the form provided in Section
20 10(c), manually executed by the Comptroller of Public Accounts of the State of
21 Texas or his or her authorized agent, or a certificate of registration substantially in
22 the form provided in Section 10(d), manually executed by an authorized officer,
23 employee or representative of the Paying Agent/Registrar, and either such certificate
24 upon any Bond signed shall be conclusive evidence, and the only evidence, that the
25 Bond has been certified, registered and delivered.

26 **SECTION 9: INITIAL BOND(S).** The Bonds shall be initially issued either
27 (i) as a single fully registered bond in the total principal amount specified in the
28 Pricing Certificate with principal installments to become due and payable as
29 provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully
30 registered bonds, being one bond for each stated maturity in the applicable principal
31 amount and denomination and to be numbered consecutively from T-1 and upward
32 (the "Initial Bond(s)"). In either case, the Initial Bond(s) shall be registered in the
33 name of the initial purchaser(s) or their designee. The Initial Bond(s) shall be the
34 Bonds submitted to the Office of the Attorney General of the State of Texas for
35 approval, certified and registered by the Office of the Comptroller of Public
36 Accounts of the State of Texas and delivered to the initial purchaser(s). Any time
37 after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to
38 written instructions from the initial purchaser(s), or their designee, shall cancel the

1 Initial Bond(s) delivered and exchange for the Initial Bond(s) definitive Bonds of
2 authorized denominations, Stated Maturities, principal amounts and bearing
3 applicable interest rates for transfer and delivery to the Holders named at the
4 addresses identified for the Holders; all pursuant to and in accordance with the
5 written instructions from the initial purchaser(s), or their designee, and any other
6 information and documentation as the Paying Agent/Registrar may reasonably
7 require.

8 **SECTION 10: FORMS.**

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

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

30 (b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

31 UNITED STATES OF AMERICA
32 STATE OF TEXAS
33 CITY OF AUSTIN, TEXAS,
34 ELECTRIC UTILITY SYSTEM REVENUE

1 REFUNDING AND IMPROVEMENT BOND,
2 SERIES 2020A

Bond Date: Interest Rate: Stated Maturity: CUSIP NO:
_____, 2020 _____

Registered Owner:

Principal Amount: DOLLARS

3 The City of Austin (the "City"), a body corporate and municipal corporation
4 in the Counties of Travis, Williamson and Hays, State of Texas, for value received,
5 promises to pay to the registered owner named above, or their registered assigns (the
6 "Registered Owner"), solely from the revenues identified in this Bond, on the Stated
7 Maturity date shown above the Principal Amount stated above (or so much of the
8 Principal Amount as shall not have been paid upon prior redemption), and to pay
9 interest (computed on the basis of a 360 day year of twelve 30 day months) on the
10 unpaid Principal Amount of this Bond from the interest payment date next preceding
11 the "Registration Date" of this Bond appearing below (unless this Bond bears a
12 "Registration Date" as of an interest payment date, in which case it shall bear interest
13 from such date, or unless the "Registration Date" of this Bond is prior to the initial
14 interest payment date, in which case it shall bear interest from the _____)
15 at the per annum rate of interest specified above; such interest being payable on May
16 15 and November 15 of each year, commencing_____.
17 Principal of this Bond is payable at its Stated Maturity or redemption to the
18 Registered Owner, upon presentation and surrender, at the Designated
19 Payment/Transfer Office of the Paying Agent/Registrar executing the registration
20 certificate appearing on this Bond, or its successor; provided, however, while this
21 Bond is registered to Cede & Co., the payment of principal upon a partial redemption
22 of the principal amount of this Bond may be accomplished without presentation and
23 surrender of this Bond. Interest is payable to the registered owner of this Bond (or
24 one or more Predecessor Bonds, as defined in the Nineteenth Supplement) whose
25 name appears on the "Security Register" maintained by the Paying Agent/Registrar
26 at the close of business on the "Record Date", which is the last business day of the
27 month next preceding each interest payment date and interest shall be paid by the
28 Paying Agent/Registrar by check sent United States Mail, first class postage prepaid,
29 to the address of the registered owner recorded in the Security Register or by such
30 other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk
31 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 Nineteenth 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 Nineteenth 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>Principal Amount</u>	<u>Term Bonds due</u>	<u>Principal Amount</u>
<u>Redemption Date</u>		<u>Redemption Date</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

1 be redeemed on a mandatory redemption date may be reduced, at the option of the
2 City, by the principal amount of Term Bonds of like stated maturity which, at least
3 50 days prior to the mandatory redemption date, (1) shall have been acquired by the
4 City at a price not exceeding the principal amount of such Term Bonds plus accrued
5 interest to the date of purchase, and delivered to the Paying Agent/Registrar for
6 cancellation or (2) shall have been redeemed pursuant to the optional redemption
7 provisions appearing below and not previously credited against a mandatory
8 redemption requirement.]

9 The Bonds maturing on and after _____15, 20____, may be redeemed
10 prior to their Stated Maturities, at the option of the City, in whole or in part in
11 principal amounts of \$5,000 or any integral multiple of \$5,000 (and if within a Stated
12 Maturity by lot by the Paying Agent/Registrar), on _____15, 20____
13 or on any date thereafter at the redemption price of par plus accrued interest to the
14 redemption date.

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

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

1 With respect to any optional redemption of the Bonds, unless the Paying
2 Agent/Registrar has received funds sufficient to pay the principal and premium, if
3 any, and interest on the Bonds to be redeemed before giving of a notice of
4 redemption, the notice may state the City may condition redemption on the receipt
5 of such funds by the Paying Agent/Registrar on or before the date fixed for the
6 redemption, or on the satisfaction of any other prerequisites set forth in the notice of
7 redemption. If a conditional notice of redemption is given and such prerequisites to
8 the redemption and sufficient funds are not received, the notice shall be of no force
9 and effect, the City shall not redeem the Bonds and the Paying Agent/Registrar shall
10 give notice, in the manner in which the notice of redemption was given, that the
11 Bonds have not been redeemed.

12 The Bonds are special obligations of the City payable solely from and,
13 together with the Series 2020B Bonds, Previously Issued Electric Utility Obligations
14 and Prior Subordinate Lien Obligations currently Outstanding, equally and ratably
15 secured by a parity lien on and pledge of, the Net Revenues of the Electric Utility
16 System in the manner provided in the Ordinances. Additionally, the Bonds, and the
17 Series 2020B Bonds, together with the Previously Issued Electric Utility
18 Obligations, shall be secured by a lien on the funds, if any, deposited to the credit of
19 the Debt Service Fund and Reserve Fund in accordance with the terms of the
20 Ordinances. The Bonds do not constitute a legal or equitable pledge, charge, lien or
21 encumbrance upon any property of the City or the Electric Utility System, except
22 with respect to the Net Revenues. The holder of this Bond shall never have the right
23 to demand payment of this obligation out of any funds raised or to be raised by
24 taxation.

25 Subject to satisfying the related terms and conditions, the City has reserved
26 the right to issue additional revenue obligations payable from and equally and ratably
27 secured by a parity lien on and pledge of the Net Revenues of the Electric Utility
28 System, in the same manner and to the same extent as the Previously Issued Electric
29 Utility Obligations and the Bonds and the Series 2020B Bonds.

30 Reference is made to the Ordinances, copies of which are on file with the
31 Paying Agent/Registrar, and to all of the provisions of which the Holder by the
32 acceptance of this Bond assents, for definitions of terms; the description of and the
33 nature and extent of the security for the Bonds; the properties constituting the
34 Electric Utility System; the Net Revenues pledged to the payment of the principal of
35 and interest on the Bonds; the nature and extent and manner of enforcement of the
36 lien and pledge securing the payment of the Bonds; the terms and conditions for the
37 issuance of additional revenue obligations; the terms and conditions relating to the
38 transfer or exchange of this Bond; the conditions upon which the Ordinances may

1 be amended or supplemented with or without the consent of the Holders; the rights,
2 duties, and obligations of the City and the Paying Agent/Registrar; the terms and
3 provisions upon which the liens, pledges, charges and covenants made in the
4 Ordinances may be discharged at or prior to the maturity of this Bond, and this Bond
5 deemed to be no longer Outstanding under the Ordinances; and for the other terms
6 and provisions contained in the Ordinances. Capitalized terms used in this Bond
7 have the same meanings assigned in the Ordinances.

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

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

34 It is certified, recited, represented and covenanted that the City is an organized
35 and legally existing municipal corporation under and by virtue of the Constitution
36 and laws of the State of Texas; that the issuance of the Bonds is authorized by law;
37 that all acts, conditions and things required to exist and be done precedent to and in
38 the issuance of the Bonds to render the same lawful and valid obligations of the City

1 have been properly done, have happened and have been performed in regular and
2 due time, form and manner as required by the Constitution and laws of the State of
3 Texas, and the Ordinances; that the Bonds do not exceed any constitutional or
4 statutory limitation; and that due provision has been made for the payment of the
5 Bonds by a pledge of the Net Revenues of the Electric Utility System. If any
6 provision in this Bond or any application of any provision of this Bond shall be
7 invalid, illegal, or unenforceable, the validity, legality, and enforceability of the
8 remaining provisions and applications shall not in any way be affected or impaired
9 by any such action. The terms and provisions of this Bond and the Ordinances shall
10 be construed in accordance with and shall be governed by the laws of the State of
11 Texas.

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

14 CITY OF AUSTIN, TEXAS

15
16
17 _____
Mayor

18 COUNTERSIGNED:
19

20 _____
21 City Clerk

22 (SEAL)

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

25 REGISTRATION CERTIFICATE OF
26 COMPTROLLER OF PUBLIC ACCOUNTS

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

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

1 WITNESS my signature and seal of office this _____.

2 _____
3 Comptroller of Public Accounts
4 of the State of Texas

5 (SEAL)

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

8 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

17 Registration Date: _____,
18 _____ as Paying Agent/Registrar

19 By _____
20 Authorized Signature
21

22 (e) Form of Assignment.

23 ASSIGNMENT

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

28 (Social Security or other identifying number: _____)
29 the within Bond and all rights under this Bond, and irrevocably constitutes and
30 appoints _____ attorney to transfer the within Bond on
31 the books kept for registration of the Bonds, with full power of substitution in the
32 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,
SERIES 2020A

Bond Date:
_____, 2020

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

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

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

1 Requirements of the Bonds and the Series 2020B Bonds and to meet all financial
2 obligations of the City relating to the Electric Utility System.

3 **SECTION 12: PLEDGE.** The Net Revenues of the Electric Utility System
4 are pledged to the payment of the Bonds, and the Bonds, together with the Series
5 2020B Bonds, the Prior Subordinate Lien Obligations and the Previously Issued
6 Electric Utility Obligations currently Outstanding, shall be equally and ratably
7 secured by a parity lien on and pledge of the Net Revenues of the Electric Utility
8 System in accordance with the terms of the Master Ordinance and the Nineteenth
9 Supplement. Additionally, the Bonds, the Series 2020B Bonds and the Previously
10 Issued Electric Utility Obligations shall be secured by a lien on the funds, if any,
11 deposited to the credit of the Debt Service Fund and the Reserve Fund in accordance
12 with and to the extent required by the terms of the Master Ordinance, the Prior
13 Supplements and the Nineteenth Supplement. The Bonds are and will be secured by
14 and payable only from the Net Revenues of the Electric Utility System, and are not
15 secured by or payable from a mortgage or deed of trust on any properties, whether
16 real, personal, or mixed, of the Electric Utility System. Council ordains that the
17 Parity Electric Utility Obligations, and the interest on the Parity Electric Utility
18 Obligations, shall constitute a lien on the Net Revenues of the Electric Utility System
19 and shall be valid and binding and fully perfected from and after the date of adoption
20 of the Nineteenth Supplement without physical delivery or transfer or transfer of
21 control of the Net Revenues, the filing of the Nineteenth Supplement or any other
22 act; all as provided in Texas Government Code, Chapter 1208. The owners of the
23 Parity Electric Utility Obligations shall never have the right to demand payment out
24 of funds raised or to be raised by taxation, or from any source other than specified
25 in the Master Ordinance, the Prior Supplements and the Nineteenth Supplement.

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

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

1 and following the delivery of the Bonds, the City agrees and covenants to cause to
2 be deposited to the credit of the Debt Service Fund an amount equal to 100% of the
3 amount required to fully pay the interest on and principal of the Bonds falling due
4 on or before each maturity, mandatory redemption date and interest payment date,
5 and deposits shall be made in substantially equal monthly amounts on or before the
6 14th day of each month beginning on or before the 14th day of the month next
7 following the month the Bonds are delivered to the initial purchaser.

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

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

20 SECTION 14: **RESERVE FUND.**

21 (a) Establishment. A Reserve Fund shall not be required to be established
22 or maintained by the City for the payment of the Parity Electric Utility Obligations
23 so long as the “Pledged Net Revenues” of the System for a Fiscal Year (the Net
24 Revenues of the System in a Fiscal Year remaining after deducting the amounts, if
25 any, expended to pay the annual debt service requirements for Prior Subordinate
26 Lien Obligations in such Fiscal Year) equal or exceed 150% of the Annual Debt
27 Service Requirements of the Parity Electric Utility Obligations due and payable in
28 such Fiscal Year. If for any Fiscal Year such “Pledged Net Revenues” do not exceed
29 150% of the Annual Debt Service Requirements of the Parity Electric Utility
30 Obligations, the City shall be obligated to establish and maintain on the books of the
31 City a separate fund or account designated as the “Electric Utility System Revenue
32 Obligation Reserve Fund” (the “Reserve Fund”). Upon being established and except
33 as provided in subsection (f) below, the amount on deposit to the credit of the
34 Reserve Fund shall be maintained for the benefit of the owners of the Parity Electric
35 Utility Obligations. There shall be deposited into the Reserve Fund any Reserve
36 Fund Obligations so designated by the City. The amounts deposited to the credit of
37 the Reserve Fund shall be in a special fund maintained at an official depository of

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

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

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

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

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

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

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

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

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

4 (b) Credit Facility. The City may initially fund the Reserve Fund or
5 replace or substitute a Credit Facility for cash or Eligible Investments on deposit in
6 the Reserve Fund or in substitution for or replacement of any existing Credit Facility.
7 Upon such replacement or substitution, the cash or Eligible Investments on deposit
8 in the Reserve Fund, taken together with the face amount of any existing Credit
9 Facilities, in excess of the Required Reserve Amount may be withdrawn by the City,
10 at its option, and transferred to the System Fund unless such excess was funded with
11 the proceeds of sale of Parity Electric Utility Obligations in which case such excess
12 shall be deposited to the credit of the Debt Service Fund; provided that the face
13 amount of any Credit Facility may be reduced at the option of the City in lieu of such
14 transfer.

15 (c) Priority of Draws. If the City is required to make a withdrawal from
16 the Reserve Fund for any of the purposes described in this Section, the City shall
17 promptly notify the issuer of the Credit Facility of the necessity for a withdrawal
18 from the Reserve Fund, and shall make the withdrawal FIRST from available
19 moneys and cash resulting from the sale or liquidation of Eligible Investments then
20 on deposit in the Reserve Fund, and NEXT from a drawing under any Credit Facility
21 to the extent of the deficiency.

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

29 (d) Reserve Amount Deficiency. In the event of a deficiency in the
30 Reserve Fund, or in the event that on the date of termination or expiration of any
31 Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund
32 Obligations, all in an aggregate amount at least equal to the Required Reserve
33 Amount, then the City shall, subject to satisfying or making provision for the uses
34 having a priority on the Gross Revenues before any deposits for the payment and
35 security of the Parity Electric Utility Obligations and after making required deposits
36 to the Debt Service Fund in accordance with the terms of the Nineteenth Supplement
37 and any Supplement, cause the aggregate Required Reserve Amount then required

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

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

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

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

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

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

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

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

1 “Computation Date” has the meaning set forth in Section
2 1.148-1(b) of the Regulations.

3 “Gross Proceeds” means any proceeds as defined in Section
4 1.148-1(b) of the Regulations, and any replacement proceeds as defined
5 in Section 1.148-1(c) of the Regulations, of the Bonds.

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

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

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

14 “Regulations” means any proposed, temporary, or final Income
15 Tax Regulations issued pursuant to Sections 103 and 141 through 150
16 of the Code, and Section 103 of the Internal Revenue Code of 1954,
17 which are applicable to the Bonds. Any reference to any specific
18 Regulation shall also mean, as appropriate, any proposed, temporary or
19 final Income Tax Regulation designed to supplement, amend or replace
20 the specific Regulation referenced.

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

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

1 (c) No Private Use or Private Payments. Except as permitted by section
2 141 of the Code and the Regulations and rulings thereunder, the City shall at all
3 times prior to the last Stated Maturity of Bonds:

4 (1) exclusively own, operate and possess all property the
5 acquisition, construction or improvement of which is to be financed or
6 refinanced directly or indirectly with Gross Proceeds of the Bonds
7 (including property financed with Gross Proceeds of the Refunded
8 Bonds), and not use or permit the use of such Gross Proceeds (including
9 all contractual arrangements with terms different than those applicable
10 to the general public) or any property acquired, constructed or improved
11 with such Gross Proceeds in any activity carried on by any person or
12 entity (including the United States or any agency, department and
13 instrumentality of the United States) other than a state or local
14 government, unless such use is solely as a member of the general
15 public; and

16 (2) not directly or indirectly impose or accept any charge or
17 other payment by any person or entity who is treated as using Gross
18 Proceeds of the Bonds or any property the acquisition, construction or
19 improvement of which is to be financed or refinanced directly or
20 indirectly with such Gross Proceeds (including property financed with
21 Gross Proceeds of the Refunded Bonds), other than taxes of general
22 application within the City or interest earned on investments acquired
23 with such Gross Proceeds pending application for their intended
24 purposes.

25 (d) No Private Loan. Except to the extent permitted by section 141 of the
26 Code and the Regulations and rulings thereunder, the City shall not use Gross
27 Proceeds of the Bonds to make or finance loans to any person or entity other than a
28 state or local government. For purposes of the preceding covenant, such Gross
29 Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired,
30 constructed or improved with such Gross Proceeds is sold or leased to such person
31 or entity in a transaction which creates a debt for federal income tax purposes; (2)
32 capacity in or service from such property is committed to such person or entity under
33 a take or pay, output or similar contract or arrangement; or (3) indirect benefits, or
34 burdens and benefits of ownership, of such Gross Proceeds or any property acquired,
35 constructed or improved with such Gross Proceeds are otherwise transferred in a
36 transaction which is the economic equivalent of a loan.

1 (e) Not to Invest at Higher Yield. Except to the extent permitted by
2 section 148 of the Code and the Regulations and rulings under the Code and the
3 Regulations, the City shall not at any time prior to the final Stated Maturity of the
4 Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross
5 Proceeds to replace money so invested), if as a result of such investment the Yield
6 from the Closing Date of all Investments acquired with Gross Proceeds (or with any
7 replacement money), whether then held or previously disposed of, exceeds the Yield
8 of the Bonds.

9 (f) Not Federally Guaranteed. Except to the extent permitted by section
10 149(b) of the Code and the Regulations and rulings thereunder, the City shall not
11 take or omit to take any action which would cause the Bonds to be federally
12 guaranteed within the meaning of section 149(b) of the Code and the Regulations
13 and rulings thereunder.

14 (g) Information Report. The City shall timely file the information
15 required by section 149(e) of the Code with the Secretary of the Treasury on Form
16 8038-G or such other form and in such place as the Secretary may prescribe.

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

19 (1) The City shall account for all Gross Proceeds (including
20 all receipts, expenditures and investments of Gross Proceeds) on its
21 books of account separately and apart from all other funds (and receipts,
22 expenditures and investments of all other funds) and shall retain all
23 records of accounting for at least six years after the day on which the
24 last outstanding Bond is discharged. However, to the extent permitted
25 by law, the City may commingle Gross Proceeds of the Bonds with
26 other money of the City, provided that the City separately accounts for
27 each receipt and expenditure of Gross Proceeds and the obligations
28 acquired with Gross Proceeds.

29 (2) Not less frequently than each Computation Date, the City
30 shall calculate the Rebate Amount in accordance with rules set forth in
31 section 148(f) of the Code and the Regulations and rulings thereunder.
32 The City shall maintain such calculations with its official transcript of
33 proceedings relating to the issuance of the Bonds until six years after
34 the final Computation Date.

1 (3) As additional consideration for the purchase of the Bonds
2 by the Purchasers and the loan of the money represented thereby and to
3 induce such purchase by measures designed to insure the excludability
4 of the interest on the Bonds from the gross income of the owners of the
5 Bonds for federal income tax purposes, the City shall pay to the United
6 States out of the Debt Service Fund or its general fund, as permitted by
7 applicable Texas statute, regulation or opinion of the Attorney General
8 of the State of Texas, the amount that when added to the future value
9 of previous rebate payments made for the Bonds equals (i) in the case
10 of a Final Computation Date as defined in Section 1.148-3(e)(2) of the
11 Regulations, 100% of the Rebate Amount on such date; and (ii) in the
12 case of any other Computation Date, 90% of the Rebate Amount on
13 such date. In all cases, the rebate payments shall be made at the times,
14 in the installments, to the place and in the manner as is or may be
15 required by section 148(f) of the Code and the Regulations and rulings
16 thereunder, and shall be accompanied by Form 8038-T or such other
17 forms and information as is or may be required by Section 148(f) of the
18 Code and the Regulations and rulings thereunder.

19 (4) The City shall exercise reasonable diligence to assure that
20 no errors are made in the calculations and payments required by
21 paragraphs (2) and (3), and if an error is made, to discover and promptly
22 correct such error within a reasonable amount of time thereafter (and in
23 all events within 180 days after discovery of the error), including
24 payment to the United States of any additional Rebate Amount owed to
25 it, interest on the Rebate Amount, and any penalty imposed under
26 Section 1.148-3(h) of the Regulations.

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

35 (j) Elections. The City directs and authorizes the Mayor, Mayor Pro
36 Tem, City Manager, Interim City Manager, Chief Financial Officer, Deputy Chief
37 Financial Officer, or City Treasurer, individually or jointly, to make elections
38 permitted or required pursuant to the provisions of the Code or the Regulations, as

1 they deem necessary or appropriate in connection with the Bonds, in the Certificate
2 as to Tax Exemption or similar or other appropriate certificate, form or document.

3 (k) Bonds Not Hedge Bonds. (1) At the time the original obligations
4 refunded by the Bonds were issued, the City reasonably expected to spend at least
5 85% of the spendable proceeds of such original obligations within three years after
6 such obligations were issued and (2) not more than 50% of the proceeds of the
7 original obligations refunded by the Bonds were invested in Nonpurpose
8 Investments having a substantially guaranteed Yield for a period of four years or
9 more.

10 (l) Current Refunding. The payment and discharge of the Refunded
11 Obligations will occur within ninety (90) days after the issuance of the Bonds and
12 the portion of the Bonds issued to refund such obligations is a current refunding.

13 SECTION 17: AMENDMENT OF NINETEENTH SUPPLEMENT.

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

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

31
32 unless such amendment or amendments be approved by the owners of all of
33 the Bonds affected by the change or amendment then Outstanding.

34 (b) Notice of Amendment Requiring Consent. If at any time the City shall
35 desire to amend the Nineteenth Supplement under this Section, the City shall cause

1 notice of the proposed amendment to be published in a financial newspaper or
2 journal published in the City of New York, New York, and a newspaper of general
3 circulation in the City, once during each calendar week for at least two successive
4 calendar weeks. The notice shall briefly set forth the nature of the proposed
5 amendment and shall state that a copy is on file with the Paying Agent for the
6 Bonds. Publication is not required, however, if notice in writing is given by mail,
7 first class postage prepaid, to each owner of the Bonds.

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

16 (d) Revocation of Consent. Any consent given by the owner of a Bond
17 pursuant to the provisions of this Section shall be irrevocable for a period of six
18 months from the date for measuring the one year period to obtain consents noted in
19 paragraph (c) above, and shall be conclusive and binding upon all future owners of
20 the same Bonds during such period. At any time after six months from the date for
21 measuring the one year period to obtain consents noted in paragraph (c) above, a
22 consent may be revoked by the owner who gave the consent, or by a successor in
23 title, by filing written notice of a revocation with the Paying Agent for such Bonds
24 and the City, but such revocation shall not be effective if the owners of at least a
25 majority in Outstanding Principal Amount of the then Outstanding Bonds as
26 determined in accordance with this Section have, prior to the attempted revocation,
27 consented to and approved the amendment.

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

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

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

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

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

18 (4) To modify any of the provisions of the Nineteenth
19 Supplement in any other respect whatever, provided that such
20 modification shall be, and be expressed to be, effective only after all
21 the Bonds outstanding at the date of the adoption of such modification
22 shall cease to be outstanding;

23 (5) Reserved;

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

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

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

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

21 **SECTION 18: FINAL DEPOSITS; GOVERNMENTAL**
22 **OBLIGATIONS.** All or any of the Bonds shall be deemed to be paid, retired and
23 no longer outstanding within the meaning of the Nineteenth Supplement when
24 payment of the principal of the Bonds, redemption premium, if any, on the Bonds,
25 plus interest on the Bonds to the due date (whether such due date be by reason of
26 maturity or otherwise) either (i) shall have been made or caused to be made in
27 accordance with the terms of the Bonds (including the giving of any required notice
28 of redemption), or (ii) shall have been provided by irrevocably depositing with, or
29 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside
30 exclusively for such payment, (1) money sufficient to make such payment or (2)
31 Government Obligations, certified by an independent public accounting firm of
32 national reputation, to mature as to principal and interest in such amounts and at such
33 times as will insure the availability, without reinvestment, of sufficient money to
34 make such payment, and all necessary and proper fees, compensation and expenses
35 of the Paying Agent/Registrar with respect to which such deposit is made shall have
36 been paid or the payment thereof provided for the satisfaction of the Paying
37 Agent/Registrar. At such time as a Bond shall be deemed to be paid under this
38 Nineteenth Supplement, it shall no longer be secured by or entitled to the benefit of

1 the Nineteenth Supplement, the Master Ordinance or a lien on and pledge of the Net
2 Revenues of the Electric Utility System, and shall be entitled to payment solely from
3 the money or Government Obligations held by the Paying Agent/Registrar.

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

10 Notwithstanding any other provisions of the Nineteenth Supplement, all
11 money or Government Obligations set aside and held in trust pursuant to the
12 provisions of this Section for the payment of the Bonds, the redemption premium, if
13 any, and interest on the Bonds, shall be applied to and used for the payment of those
14 Bonds, the redemption premium, if any, and interest thereon and the income on the
15 money or Government Obligations shall not be considered to be "Gross Revenues"
16 under the Nineteenth Supplement.

17 **SECTION 19: DAMAGED, MUTILATED, LOST, STOLEN, OR**
18 **DESTROYED BONDS.** If any Outstanding Bond is damaged, mutilated, lost,
19 stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed,
20 and delivered, a new bond of the same principal amount, maturity, and interest rate,
21 as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for the
22 Bond in the manner provided in this Section. An application for the replacement of
23 damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying
24 Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant
25 for a replacement bond shall furnish to the City and to the Paying Agent/Registrar
26 security or indemnity as may be required by them to save each of them harmless
27 from any loss, theft or damage with respect to any Bond being replaced. Also, in
28 every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the
29 City and to the Paying Agent/Registrar evidence to their satisfaction of the loss,
30 theft, or destruction of the Bond, as the case may be. In every case of damage or
31 mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for
32 cancellation the Bond so damaged or mutilated. Prior to the issuance of any
33 replacement bond, the Paying Agent/Registrar shall charge the owner of the Bond
34 with all legal, printing, and other expenses in connection with its replacement. Every
35 replacement bond issued pursuant to the provisions of this Section by virtue of the
36 fact that any Bond is lost, stolen, or destroyed shall constitute a contractual
37 obligation of the City whether or not the lost, stolen, or destroyed Bond shall be
38 found at any time, or be enforceable by anyone, and shall be entitled to all the

1 benefits of the Nineteenth Supplement equally and proportionately with any and all
2 other Bonds issued under the Nineteenth Supplement.

3 Notwithstanding the preceding provisions of this Section, if any Bond shall
4 have matured, and no default has occurred which is then continuing in the payment
5 of the principal of, redemption premium, if any, or interest on the Bond, the City
6 may authorize the payment of the same (without surrender thereof except in the case
7 of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided
8 security or indemnity is furnished as above provided in this Section. Furthermore,
9 in accordance with Texas Government Code, Section 1206.022, this Section shall
10 constitute authority for the issuance of any replacement bond without necessity of
11 further action by the governing body of the City or any other body or person, and
12 the duty of the replacement of the bonds is authorized and imposed upon the Paying
13 Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver
14 replacement bonds in the form and manner and with the effect, as provided in Section
15 6 of the Nineteenth Supplement for Bonds issued in exchange for other Bonds.

16 **SECTION 20: NINETEENTH SUPPLEMENT TO CONSTITUTE A**
17 **CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the
18 Bonds, the Nineteenth Supplement shall be deemed to be and shall constitute a
19 contract between the City and the Holders from time to time of the Bonds and the
20 pledge made in the Nineteenth Supplement by the City and the covenants and
21 agreements set forth in the Nineteenth Supplement to be performed by the City shall
22 be for the equal and proportionate benefit, security, and protection of all Holders,
23 without preference, priority, or distinction as to security or otherwise of any of the
24 Bonds over any of the others by reason of time of issuance, sale, or maturity of the
25 Bond or otherwise for any cause, except as expressly provided in or permitted by the
26 Nineteenth Supplement.

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

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

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

1 “MSRB” means the Municipal Securities Rulemaking Board.

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

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

4 (b) Annual Reports. The City shall provide annually to the MSRB (1)
5 within six months after the end of each fiscal year of the City beginning in the year
6 stated in the Pricing Certificate, financial information and operating data with
7 respect to the City of the general type included in the final Official Statement
8 approved by the Pricing Officer and described in the Pricing Certificate, and (2) if
9 not provided as part such financial information and operating data in item (1),
10 audited financial statements of the City within 12 months after the end of each fiscal
11 year beginning in the year stated in the Pricing Certificate. If the audit of such
12 financial statements is not complete within 12 months after any such fiscal year end,
13 then the City shall file unaudited financial statements within such twelve-month
14 period and audited financial statements for the applicable fiscal year, when and if
15 the audit report on such statements becomes available. Any financial statements to
16 be provided shall be (i) prepared in accordance with the accounting principles
17 described in the Pricing Certificate or such other accounting principles as the City
18 may be required to employ from time to time pursuant to state law or regulation, and
19 (ii) audited, if the City commissions an audit of such statements and the audit is
20 completed within the period during which they must be provided.

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

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

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

- 32 (1) Principal and interest payment delinquencies;
33 (2) Non-payment related defaults, if material;
34 (3) Unscheduled draws on debt service reserves reflecting financial
35 difficulties;

- 1 (4) Unscheduled draws on credit enhancements reflecting financial
2 difficulties;
- 3 (5) Substitution of credit or liquidity providers, or their failure to perform;
- 4 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of
5 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
6 5701-TEB), or other material notices or determinations with respect to the tax status
7 of the Bonds, or other material events affecting the tax status of the Bonds;
- 8 (7) Modifications to rights of holders of the Bonds, if material;
- 9 (8) Bond calls, if material, and tender offers;
- 10 (9) Defeasances;
- 11 (10) Release, substitution, or sale of property securing repayment of the
12 Bonds, if material;
- 13 (11) Rating changes;
- 14 (12) Bankruptcy, insolvency, receivership, or similar event of the City,
15 which shall occur as described below;
- 16 (13) The consummation of a merger, consolidation, or acquisition involving
17 the City or the sale of all or substantially all of its assets, other than in the ordinary
18 course of business, the entry into of a definitive agreement to undertake such an
19 action or the termination of a definitive agreement relating to any such actions, other
20 than pursuant to its terms, if material;
- 21 (14) Appointment of a successor or additional paying agent/registrar or the
22 change of name of a paying agent/registrar, if material;
- 23 (15) Incurrence of a Financial Obligation of the City, if material, or
24 agreement to covenants, events of default, remedies, priority rights, or other similar
25 terms of a Financial Obligation of the City, any of which affect security holders, if
26 material; and
- 27 (16) Default, event of acceleration, termination event, modification of terms,
28 or other similar events under the terms of a Financial Obligation of the City, any of
29 which reflect financial difficulties.
- 30

31 For these purposes, (a) any event described in the immediately preceding
32 paragraph 12 is considered to occur when any of the following occur: the
33 appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding
34 under the United States Bankruptcy Code or in any other proceeding under state or
35 federal law in which a court or governmental authority has assumed jurisdiction over
36 substantially all of the assets or business of the City, or if such jurisdiction has been
37 assumed by leaving the existing governing body and officials or officers in
38 possession but subject to the supervision and orders of a court or governmental
39 authority, or the entry of an order confirming a plan of reorganization, arrangement,
40 or liquidation by a court or governmental authority having supervision or jurisdiction

1 over substantially all of the assets or business of the City and (b) the City intends the
2 words used in the immediately preceding paragraphs (15) and (16) and the definition
3 of Financial Obligation in this Section to have the means ascribed to them in SEC
4 Release No. 34-83885, dated August 20, 2018.

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

8 (d) Filings with the MSRB. All financial information, operating data,
9 financial statements, notices, and other documents provided to the MSRB in
10 accordance with this Section shall be provided in an electronic format prescribed by
11 the MSRB and shall be accompanied by identifying information as prescribed by the
12 MSRB.

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

20 The provisions of this Section are for the sole benefit of the Holders and
21 beneficial owners of the Bonds, and nothing in this Section, express or implied, shall
22 give any benefit or any legal or equitable right, remedy, or claim to any other person.
23 The City undertakes to provide only the financial information, operating data,
24 financial statements, and notices which it has expressly agreed to provide pursuant
25 to this Section and does not undertake to provide any other information that may be
26 relevant or material to a complete presentation of the financial results, condition, or
27 prospects of the City or the State of Texas or undertake to update any information
28 provided in accordance with this Section or otherwise, except as expressly provided
29 in this Section. The City does not make any representation or warranty concerning
30 such information or its usefulness to a decision to invest in or sell Bonds at any future
31 date.

32 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
33 HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER
34 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN
35 WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER
36 NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT

1 SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY
2 SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY
3 SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR
4 SPECIFIC PERFORMANCE.

5 No default by the City in observing or performing its obligations under this
6 Section shall constitute a breach of or default under this Nineteenth Supplement for
7 purposes of any other provision of this Nineteenth Supplement.

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

10 Notwithstanding any provisions in this Nineteenth Supplement to the
11 contrary, the provisions of this Section may be amended by the City from time to
12 time to adapt to changed circumstances resulting from a change in legal
13 requirements, a change in law, or a change in the identity, nature, status, or type of
14 operations of the City, but only if (1) the provisions of this Section, as so amended,
15 would have permitted an underwriter to purchase or sell Bonds in the primary
16 offering of the Bonds in compliance with the Rule, taking into account any
17 amendments or interpretations of the Rule to the date of the amendment, as well as
18 such changed circumstances, and (2) either (a) the Holders of a majority in aggregate
19 principal amount (or any greater amount required by any other provision of the
20 Nineteenth Supplement that authorizes the amendment) of the Outstanding Bonds
21 consent to the amendment or (b) a Person that is unaffiliated with the City and the
22 State of Texas (such as nationally recognized bond counsel) determines that the
23 amendment will not materially impair the interests of the Holders and beneficial
24 owners of the Bonds. The provisions of this Section may also be amended from time
25 to time or repealed by the City if the SEC amends or repeals the applicable provisions
26 of the Rule or a court of final jurisdiction determines that such provisions are invalid,
27 but only if and to the extent that reservation of the City's right to do so would not
28 prevent underwriters of the initial public offering of the Bonds from lawfully
29 purchasing or selling Bonds in the offering. If the City so amends the provisions of
30 this Section, it shall include with any amended financial information or operating
31 data next provided in accordance with subsection (b) an explanation, in narrative
32 form, of the reasons for the amendment and of the impact of any change in the type
33 of financial information or operating data so provided.

34 **SECTION 22: REMEDY IN EVENT OF DEFAULT.** In addition to all
35 rights and remedies provided by the laws of the State of Texas, the City covenants
36 and agrees particularly that if the City (a) defaults in payments to be made to the
37 Debt Service Fund as required by the Nineteenth 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 Nineteenth 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 Nineteenth 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 Nineteenth 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:

- (1) The details of the purchase and sale of the Bonds;
- (2) The details of the public offering of the Bonds by the Purchasers;
- (3) The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;
- (4) A security deposit for the Bonds;
- (5) The representations and warranties of the City to the Purchasers;.
- (6) The details of the delivery of, and payment for, the Bonds;
- (7) The Purchasers' obligations under the Purchase Contract;
- (8) The certain conditions to the obligations of the City under the Purchase Contract;

- 1 (9) Termination of the Purchase Contract;
- 2 (10) Particular covenants of the City;
- 3 (11) The survival of representations made in the Purchase Contract;
- 4 (12) The payment of any expenses relating to the Purchase Contract;
- 5 (13) Notices; and
- 6 (14) Any and all such other details that are found by the Pricing Officer to
- 7 be necessary and advisable for the purchase and sale of the Bonds.

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

10 The Mayor and City Clerk of the City may manually or electronically execute
11 and deliver for and on behalf of the City copies of a Preliminary Official Statement
12 and Official Statement, prepared in connection with the offering of the Bonds by the
13 Purchasers, in final form as may be required by the Purchasers, and the final Official
14 Statement in the form and content as approved by the Pricing Officer or as manually
15 or electronically executed by said officials shall be deemed to be approved by
16 Council and constitute the Official Statement authorized for distribution and use by
17 the Purchasers.

18 **SECTION 24: ESCROW AGREEMENT.** An “Escrow Agreement” (the
19 “Escrow Agreement”) by and between the City and an authorized escrow agent (the
20 “Escrow Agent”), if any agreement is required in connection with the issuance of
21 the Bonds, shall be attached to, and approved in, the Pricing Certificate. The Escrow
22 Agreement is authorized to be finalized and executed by the Pricing Officer for and
23 on behalf of the City and as the act and deed of Council; and the Escrow Agreement
24 as executed by said Pricing Officer shall be deemed approved by Council and
25 constitute the Escrow Agreement approved by this Nineteenth Supplement. With
26 regard to the finalization of certain terms and provisions of the Escrow Agreement,
27 a Pricing Officer is authorized to come to an agreement with the Escrow Agent on
28 the following details, among other matters:

- 29 (1) The identification of the Refunded Bonds;
- 30 (2) The creation and funding of the Escrow Fund or Funds; and

1 (3) The Escrow Agent’s compensation, administration of the Escrow Fund
2 or Funds, and the settlement of any paying agents’ charges relating to the Refunded
3 Bonds.

4 Furthermore, appropriate officials of the City in cooperation with the Escrow
5 Agent are authorized and directed to make the necessary arrangements for the
6 purchase of the escrowed securities referenced in the Escrow Agreement and the
7 delivery of the escrowed securities to the Escrow Agent on the day of delivery of the
8 Bonds to the Purchasers for deposit to the credit of the “CITY OF AUSTIN, TEXAS,
9 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND
10 IMPROVEMENT BONDS, SERIES 2020A ESCROW FUND” (referred to as the
11 “Escrow Fund”), or such other designation as specified on the Pricing Certificate;
12 all as contemplated and provided in Texas Government Code, Chapter 1207, as
13 amended, the Nineteenth Supplement, the Pricing Certificate, and the Escrow
14 Agreement.

15 On or immediately prior to the date of the delivery of the Bonds to the
16 Purchasers, the Pricing Officer shall also cause to be deposited (and is authorized
17 to cause to be deposited) (a) with the Escrow Agent from moneys on deposit in the
18 debt service fund(s) maintained for the payment of the Refunded Bonds an amount
19 which, together with the proceeds of sale, and the investment earnings thereon, will
20 be sufficient to pay in full the Refunded Bonds (or the amount of accrued interest
21 due thereon) scheduled to mature and authorized to be redeemed on the earliest date
22 established in the Pricing Certificate for the redemption of any of the Refunded
23 Bonds (or the earliest date of payment, to be made from moneys in the Escrow
24 Fund(s), as established in the Pricing Certificate, of the amount of accrued interest
25 due thereon).

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

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

5 (c) The source of funds for payment of the principal of and interest on the
6 Refunded Bonds on their respective maturity or redemption dates shall be from the
7 funds deposited with the Escrow Agent or the paying agent/registrar for the
8 Refunded Bonds pursuant to the provisions of Texas Government Code, Chapter
9 1207, as amended, this Nineteenth Supplement and the Pricing Certificate.

10 **SECTION 26: PROCEEDS OF SALE.** Immediately following the delivery
11 of the Bonds, proceeds of sale (less those proceeds of sale designated to finance the
12 improvements and extensions to the System, proceeds of sale designated to pay costs
13 of issuance, proceeds of sale designated to fund the Reserve Fund and any accrued
14 interest received from the Purchasers of the Bonds) shall be deposited with the
15 Escrow Agent for application and disbursement in accordance with the provisions
16 of the Escrow Agreement or deposited with the paying agent/registrar for the
17 Refunded Bonds for the payment and redemption of the Refunded Bonds or with the
18 place of payment (the "Deposit Agent") for the Refunded Notes identified in the
19 Pricing Certificate. The proceeds of sale of the Bonds not so deposited with the
20 Escrow Agent (or the paying agent/registrar for the Refunded Bonds) for the
21 refunding of the Refunded Bonds or with the Deposit Agent for the refunding of the
22 Refunded Notes shall be deposited into a construction fund to be used for making
23 improvements and extensions to the System, disbursed for payment of costs of
24 issuance or deposited in the Debt Service Fund for the Bonds, all in accordance with
25 written instructions from the City or its Financial Advisor. Accrued interest, if any,
26 received from the Purchasers shall be deposited to the credit of the Debt Service
27 Fund.

28 Furthermore, appropriate officials of the City in cooperation with the Escrow
29 Agent and the Deposit Agent, as applicable, are authorized and directed to make the
30 necessary arrangements for the deposit of funds for the payment of the Refunded
31 Obligations; all as contemplated and provided in Texas Government Code, Chapter
32 1207, and the Nineteenth Supplement.

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

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

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

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

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

30 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS**
31 **DAYS.** Whenever under the terms of the Nineteenth Supplement or the Bonds, the
32 performance date of any provision of the Nineteenth Supplement or the Bonds,
33 including the payment of principal of or interest on the Bonds, shall occur on a day
34 other than a Business Day, then the performance of such provision, including the
35 payment of principal of and interest on the Bonds, need not be made on such day but
36 may be performed or paid, as the case may be, on the next succeeding Business Day
37 with the same force and effect as if made on the date of performance or payment.

1 **SECTION 31: LIMITATION OF BENEFITS WITH RESPECT TO**
2 **THE NINETEENTH SUPPLEMENT.** With the exception of the rights or benefits
3 expressly conferred in the Nineteenth Supplement, nothing expressed or contained
4 in the Nineteenth Supplement or implied from the provisions of the Nineteenth
5 Supplement or the Bonds is intended or should be construed to confer upon or give
6 to any person other than the City, the Holders, and the Paying Agent/Registrar, any
7 legal or equitable right, remedy, or claim under or by reason of or in respect to the
8 Nineteenth Supplement or any covenant, condition, stipulation, promise, agreement,
9 or provision contained in the Nineteenth Supplement. The Nineteenth Supplement
10 and all of the covenants, conditions, stipulations, promises, agreements, and
11 provisions of the Nineteenth Supplement are intended to be and shall be for and inure
12 to the sole and exclusive benefit of the City, the Holders, and the Paying
13 Agent/Registrar as provided in the Nineteenth Supplement and in the Bonds.

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

20 In any case where notice to Holders is given by mail, neither the failure to
21 mail such notice to any particular Holders, nor any defect in any notice so mailed,
22 shall affect the sufficiency of such notice with respect to all other Bonds. Where the
23 Nineteenth Supplement provides for notice in any manner, such notice may be
24 waived in writing by the Holder entitled to receive such notice, either before or after
25 the event with respect to which such notice is given, and such waiver shall be the
26 equivalent of such notice. Waivers of notice by Holders shall be filed with the
27 Paying Agent/Registrar, but such filing shall not be a condition precedent to the
28 validity of any action taken in reliance upon such waiver.

29 **SECTION 33: GOVERNING LAW.** The Nineteenth Supplement shall be
30 construed and enforced in accordance with the laws of the State of Texas and the
31 United States of America.

32 **SECTION 34: EFFECT OF HEADINGS.** The Section headings in the
33 Nineteenth Supplement are for convenience only and shall not affect the
34 construction of the Nineteenth Supplement.

35 **SECTION 35: CONSTRUCTION OF TERMS.** If appropriate in the
36 context of the Nineteenth Supplement, words of the singular number shall be

1 considered to include the plural, words of the plural number shall be considered to
2 include the singular, and words of the masculine, feminine or neuter gender shall be
3 considered to include the other genders. References to an officer or designated
4 position (e.g., City Manager) include any person acting in that capacity, whether on
5 an acting, interim or permanent basis.

6 SECTION 36: **SEVERABILITY.** If any provision or the application of any
7 provision of the Nineteenth Supplement to any circumstance shall be held to be
8 invalid, the remainder of the Nineteenth Supplement and the application of the
9 Nineteenth Supplement to other circumstances shall nevertheless be valid, and the
10 City Council declares that the Nineteenth Supplement would have been enacted
11 without such invalid provision.

12 SECTION 37: **PUBLIC MEETING.** It is officially found, determined, and
13 declared that the meeting at which the Nineteenth Supplement is adopted was open
14 to the public and public notice of the time, place, and subject matter of the public
15 business to be considered at the meeting, including the Nineteenth Supplement, was
16 given; all as required by Texas Government Code, Chapter 551.

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

PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

September 17, 2020

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§
§

STEVE ADLER
Mayor

APPROVED:

ATTEST:

ANNE L. MORGAN
City Attorney

JANNETTE S. GOODALL
City Clerk

(City Seal)

1
2
3

EXHIBIT A

FORM OF PAYING AGENT/REGISTRAR AGREEMENT

DRAFT