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1 AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING
2 BONDS, SERIES 2015A”, dated May 1, 2015, “CITY OF AUSTIN, TEXAS,
3 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE
4 SERIES 2015B”, dated May 1, 2015, “CITY OF AUSTIN, TEXAS, ELECTRIC
5 UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2017”, dated
6 February 14, 2017, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM
7 REVENUE BONDS, TAXABLE SERIES 2019A”, dated June 13, 2019, “CITY OF
8 AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING
9 BONDS, SERIES 2019B,” dated August 21, 2019, “CITY OF AUSTIN, TEXAS,
10 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND
11 IMPROVEMENT BONDS, TAXABLE SERIES 2019C,” dated August 21, 2019,
12 “CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE
13 REFUNDING AND IMPROVEMENT BONDS, SERIES 2020A,” dated November
14 17, 2020, and CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM
15 REVENUE REFUNDING BONDS, TAXABLE SERIES 2020B,” dated November
16 17, 2020.

17 “Prior Supplements” means Ordinances No. 20070322-026, 20080228-078,
18 20100610-049, 20121108-070, 20121108-069, 20150423-032, 20150423-033,
19 20161006-14, 20190509-037, 20190619-080, 20190619-079, 20200917-058, and
20 20200917-059 authorizing the issuance of the Previously Issued Electric Utility
21 Obligations.

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

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

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

28 “Required Reserve Amount” means the total amount to be accumulated and
29 maintained in the Reserve Fund pursuant to the provisions of Section 14 of the
30 Twenty-First Supplement and the provisions of any subsequent Supplement.

31 “Reserve Fund” means the “Electric Utility System Revenue Obligation
32 Reserve Fund” to be established and maintained pursuant to the Prior Supplements
33 and Section 14 of the Twenty-First Supplement.

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

1 “Security Register” has the meaning given this term in Section 5 of the
2 Twenty-First Supplement.

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

8 “Twenty-First Supplement” means Ordinance No. _____ authorizing the
9 issuance of the Bonds and passed by the City Council on March 23, 2023.

10 The terms used in the Twenty-First Supplement and not otherwise defined
11 shall have the meanings given in the Master Ordinance or the Prior Supplements.

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

18 In accordance with the provisions of Texas Government Code, Chapter 1371,
19 the City has authorized by ordinance and provided for the issuance and sale of the
20 Tax-Exempt Notes and the refunding of the Tax-Exempt Notes for the purposes of
21 making such debt long-term fixed rate debt of the City and restructuring the debt
22 payable from the revenues of the System is in the best interest of the City, and the
23 manner in which such refunding is being executed does not make it practicable to
24 make the determinations otherwise required by Section 1207.008(a)(2), Texas
25 Government Code.

26 In accordance with the provisions of Texas Government Code, Chapter 1207,
27 the City Council is delegating to the Pricing Officer (as defined below) the authority
28 to establish the terms and details related to the issuance and sale of the Bonds
29 including: (i) the principal amount of the Refunded Obligations to be refunded,
30 (ii) the form and designation of the Bonds; (iii) the principal amount of the Bonds
31 and the amount of the Bonds to mature in each year; (iv) the dates, price, interest
32 rates, interest payment dates, principal payment dates, and redemption features of
33 the Bonds; and (v) any other details relating to the issuance, sale, delivery, and
34 exchange of the Bonds, all within specified parameters set forth in the Twenty-First
35 Supplement.

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

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

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

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

16 **SECTION 2: AUTHORIZATION; DESIGNATION; PRINCIPAL**
17 **AMOUNT; PURPOSE.** Revenue bonds of the City shall be and are authorized to
18 be issued in the not to exceed aggregate principal amount set forth in Section 4 of
19 this Twenty-First Supplement to be designated and bear the title "CITY OF
20 AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING
21 AND IMPROVEMENT BONDS, SERIES 2023" (the "Bonds"), for the purpose of
22 refinancing and refunding the Refunded Obligations, improving and extending the
23 System and paying costs of issuance, in conformity with the Constitution and laws
24 of the State of Texas, including Texas Government Code, Chapters 1207, 1371 and
25 1502.

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

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

6 **SECTION 4: DELEGATION OF AUTHORITY TO PRICING**
7 **OFFICER.**

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

26 (i) the aggregate original principal amount of the Bonds shall not exceed
27 \$505,000,000;

28 (ii) the true interest cost rate for the Bonds shall not exceed 7.00%;

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

32 (iv) the maximum maturity for the Bonds shall not extend beyond
33 November 15, 2053.

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

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. This delegation shall expire if not exercised by the Pricing Officer by September 22, 2023. The Bonds shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the "Purchasers"), at such price and with and subject to such terms as set forth in the Pricing Certificate. A finding or determination made by the Pricing Officer acting under authority of this Twenty-First Supplement with respect to all matters relating to the sale of the Bonds and the refunding of the Refunded Obligations shall have the same force and effect as a finding or determination made by the Council.

SECTION 5: TERMS OF PAYMENT; PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the Holders appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment shall be 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, and shall be without exchange or collection charges to the Holders.

The selection and appointment of the Paying Agent/Registrar for the Bonds shall be as provided in the Pricing Certificate. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the City by the Paying Agent/Registrar, all as provided in the Twenty-First Supplement, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement," substantially in the form attached as **Exhibit A**, and the reasonable rules and regulations as the Paying Agent/Registrar and the City may prescribe. The Pricing Officer is authorized to execute and deliver the Paying Agent/Registrar Agreement in connection with the delivery of the Bonds. The City covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in the capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a written notice of the change to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

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

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

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

1 request for exchange executed by the Holder or by the authorized agent of the person,
2 in form satisfactory to the Paying Agent/Registrar.

3 Upon surrender for transfer of any Bond (other than the Initial Bond(s)
4 authorized in Section 9 of the Twenty-First Supplement) at the Designated
5 Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar
6 shall register and deliver, in the name of the designated transferee or transferees, one
7 or more new Bonds, executed on behalf of, and furnished by, the City of authorized
8 denominations and having the same Stated Maturity and of a like aggregate principal
9 amount as the Bond or Bonds surrendered for transfer.

10 At the option of the Holder, Bonds (other than the Initial Bond(s) authorized
11 in Section 9 of the Twenty-First Supplement) may be exchanged for other Bonds of
12 authorized denominations and having the same Stated Maturity, bearing the same
13 rate of interest and of like aggregate principal amount as the Bonds surrendered for
14 exchange, upon surrender of the Bonds to be exchanged at the Designated
15 Payment/Transfer Office. Whenever any Bonds are surrendered for exchange, the
16 Paying Agent/Registrar shall register and deliver new Bonds, executed on behalf of,
17 and furnished by, the City, to the Holder requesting the exchange.

18 All Bonds issued upon any transfer or exchange of Bonds shall be delivered
19 at the Designated Payment/Transfer Office, or sent by United States Mail, first class
20 postage prepaid, to the Holder and, upon the delivery of such Bonds, the same shall
21 be valid obligations of the City, evidencing the same obligation to pay, and entitled
22 to the same benefits under the Twenty-First Supplement, as the Bonds surrendered
23 in the transfer or exchange.

24 All transfers or exchanges of Bonds shall be made without expense or service
25 charge to the Holder, except as otherwise provided in the Twenty-First Supplement,
26 except that the Paying Agent/Registrar shall require payment by the Holder
27 requesting the transfer or exchange of any tax or other governmental charges
28 required to be paid with respect to the transfer or exchange.

29 Bonds canceled by reason of an exchange or transfer pursuant to the
30 provisions of the Twenty-First Supplement are defined to be "Predecessor Bonds,"
31 evidencing all or a portion, as the case may be, of the same obligation to pay
32 evidenced by the Bond or Bonds registered and delivered in the exchange or transfer.
33 Additionally, the term "Predecessor Bonds" shall include any mutilated, lost,
34 destroyed, or stolen Bond for which a replacement Bond has been issued, registered
35 and delivered in lieu of a mutilated, lost, destroyed or stolen Bond pursuant to
36 Section 19 of the Twenty-First Supplement and the new replacement Bond shall be

1 considered to evidence the same obligation as the mutilated, lost, destroyed, or stolen
2 Bond.

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

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

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

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

35 **SECTION 8: EXECUTION; REGISTRATION.** The Bonds shall be
36 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal

1 reproduced or impressed on the Bonds and countersigned by the City Clerk. The
2 signature of said officers on the Bonds may be manual or facsimile. Bonds bearing
3 the manual or facsimile signatures of individuals who are or were the proper officers
4 of the City on the date of adoption of the Twenty-First Supplement shall be deemed
5 to be executed on behalf of the City, notwithstanding that any individual executing
6 the Bonds shall cease to hold the named offices at the time of delivery of the Bonds
7 to the initial purchaser(s) and with respect to Bonds delivered in subsequent
8 exchanges and transfers, all as authorized and provided in Texas Government Code,
9 Chapter 1201.

10 No Bond shall be entitled to any right or benefit under the Twenty-First
11 Supplement, or be valid or obligatory for any purpose, unless there appears on such
12 Bond either a certificate of registration substantially in the form provided in Section
13 10(c), manually executed by the Comptroller of Public Accounts of the State of
14 Texas or his or her authorized agent, or a certificate of registration substantially in
15 the form provided in Section 10(d), manually executed by an authorized officer,
16 employee or representative of the Paying Agent/Registrar, and either such certificate
17 upon any Bond signed shall be conclusive evidence, and the only evidence, that the
18 Bond has been certified, registered and delivered.

19 **SECTION 9: INITIAL BOND(S).** The Bonds shall be initially issued either
20 (i) as a single fully registered bond in the total principal amount specified in the
21 Pricing Certificate with principal amounts to become due and payable as provided
22 in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds,
23 being one bond for each stated maturity in the applicable principal amount and
24 denomination and to be numbered consecutively from T-1 and upward (the "Initial
25 Bond(s)"). In either case, the Initial Bond(s) shall be registered in the name of the
26 initial purchaser(s) or their designee. The Initial Bond(s) shall be the Bonds
27 submitted to the Office of the Attorney General of the State of Texas for approval,
28 certified and registered by the Office of the Comptroller of Public Accounts of the
29 State of Texas and delivered to the initial purchaser(s). Any time after the delivery
30 of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions
31 from the initial purchaser(s), or their designee, shall cancel the Initial Bond(s)
32 delivered and exchange for the Initial Bond(s) definitive Bonds of authorized
33 denominations, Stated Maturities, principal amounts and bearing applicable interest
34 rates for transfer and delivery to the Holders named at the addresses identified for
35 the Holders; all pursuant to and in accordance with the written instructions from the
36 initial purchaser(s), or their designee, and any other information and documentation
37 as the Paying Agent/Registrar may reasonably require.

38 **SECTION 10: FORMS.**

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

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

(b) Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
ELECTRIC UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BOND,
SERIES 2023

Bond Date:
May 1, 2023

Interest Rate:

Stated Maturity:

CUSIP NO:

Registered Owner:

Principal Amount:

DOLLARS

1 The City of Austin (the “City”), a body corporate and municipal corporation
2 in the Counties of Travis, Williamson and Hays, State of Texas, for value received,
3 promises to pay to the registered owner named above, or their registered assigns (the
4 “Registered Owner”), solely from the revenues identified in this Bond, on the Stated
5 Maturity date shown above the Principal Amount stated above (or so much of the
6 Principal Amount as shall not have been paid upon prior redemption), and to pay
7 interest (computed on the basis of a 360 day year of twelve 30 day months) on the
8 unpaid Principal Amount of this Bond from the interest payment date next preceding
9 the “Registration Date” of this Bond appearing below (unless this Bond bears a
10 “Registration Date” as of an interest payment date, in which case it shall bear interest
11 from such date, or unless the “Registration Date” of this Bond is prior to the initial
12 interest payment date, in which case it shall bear interest from the _____)
13 at the per annum rate of interest specified above; such interest being payable on May
14 15 and November 15 of each year, commencing November 15, 2023. Principal of
15 this Bond is payable at its Stated Maturity or redemption to the Registered Owner,
16 upon presentation and surrender, at the Designated Payment/Transfer Office of the
17 Paying Agent/Registrar executing the registration certificate appearing on this Bond,
18 or its successor; provided, however, while this Bond is registered to Cede & Co., the
19 payment of principal upon a partial redemption of the principal amount of this Bond
20 may be accomplished without presentation and surrender of this Bond. Interest is
21 payable to the registered owner of this Bond (or one or more Predecessor Bonds, as
22 defined in the Twenty-First Supplement) whose name appears on the “Security
23 Register” maintained by the Paying Agent/Registrar at the close of business on the
24 “Record Date”, which is the last business day of the month next preceding each
25 interest payment date and interest shall be paid by the Paying Agent/Registrar by
26 check sent United States Mail, first class postage prepaid, to the address of the
27 registered owner recorded in the Security Register or by such other method,
28 acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense
29 of, the registered owner. If the date for the payment of the principal of or interest on
30 the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking
31 institutions in the city where the Designated Payment/Transfer Office of the Paying
32 Agent/Registrar is located are authorized by law or executive order to close, then the
33 date for such payment shall be the next succeeding day which is not such a Saturday,
34 Sunday, legal holiday, or day when banking institutions are authorized to close; and
35 payment on such date shall have the same force and effect as if made on the original
36 date payment was due. All payments of principal of, premium, if any, and interest
37 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 Twenty-First 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 Twenty-First 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>Redemption Date</u>	<u>Principal Amount</u>	<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>
15, 20	\$,000	15, 20	\$,000
15, 20*	\$,000	15, 20	\$,000
		15, 20*	\$,000

*maturity

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

1 The Bonds maturing on and after _____15, 20__, may be redeemed
2 prior to their Stated Maturities, at the option of the City, in whole or in part in
3 principal amounts of \$5,000 or any integral multiple of \$5,000 (and if within a Stated
4 Maturity by lot by the Paying Agent/Registrar), on _____ 15, 20____
5 or on any date thereafter at the redemption price of par plus accrued interest to the
6 redemption date.

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

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

31 With respect to any optional redemption of the Bonds, unless the Paying
32 Agent/Registrar has received funds sufficient to pay the principal and premium, if
33 any, and interest on the Bonds to be redeemed before giving of a notice of
34 redemption, the notice may state the City may condition redemption on the receipt
35 of such funds by the Paying Agent/Registrar on or before the date fixed for the
36 redemption, or on the satisfaction of any other prerequisites set forth in the notice of
37 redemption. If a conditional notice of redemption is given and such prerequisites to
38 the redemption and sufficient funds are not received, the notice shall be of no force

1 and effect, the City shall not redeem the Bonds and the Paying Agent/Registrar shall
2 give notice, in the manner in which the notice of redemption was given, that the
3 Bonds have not been redeemed.

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

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

21 Reference is made to the Ordinances, copies of which are on file with the
22 Paying Agent/Registrar, and to all of the provisions of which the Holder by the
23 acceptance of this Bond assents, for definitions of terms; the description of and the
24 nature and extent of the security for the Bonds; the properties constituting the
25 Electric Utility System; the Net Revenues pledged to the payment of the principal of
26 and interest on the Bonds; the nature and extent and manner of enforcement of the
27 lien and pledge securing the payment of the Bonds; the terms and conditions for the
28 issuance of additional revenue obligations; the terms and conditions relating to the
29 transfer or exchange of this Bond; the conditions upon which the Ordinances may
30 be amended or supplemented with or without the consent of the Holders; the rights,
31 duties, and obligations of the City and the Paying Agent/Registrar; the terms and
32 provisions upon which the liens, pledges, charges and covenants made in the
33 Ordinances may be discharged at or prior to the maturity of this Bond, and this Bond
34 deemed to be no longer Outstanding under the Ordinances; and for the other terms
35 and provisions contained in the Ordinances. Capitalized terms used in this Bond
36 have the same meanings assigned in the Ordinances.

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

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

27 It is certified, recited, represented and covenanted that the City is an organized
28 and legally existing municipal corporation under and by virtue of the Constitution
29 and laws of the State of Texas; that the issuance of the Bonds is authorized by law;
30 that all acts, conditions and things required to exist and be done precedent to and in
31 the issuance of the Bonds to render the same lawful and valid obligations of the City
32 have been properly done, have happened and have been performed in regular and
33 due time, form and manner as required by the Constitution and laws of the State of
34 Texas, and the Ordinances; that the Bonds do not exceed any constitutional or
35 statutory limitation; and that due provision has been made for the payment of the
36 Bonds by a pledge of the Net Revenues of the Electric Utility System. If any
37 provision in this Bond or any application of any provision of this Bond shall be
38 invalid, illegal, or unenforceable, the validity, legality, and enforceability of the

1 remaining provisions and applications shall not in any way be affected or impaired
2 by any such action. The terms and provisions of this Bond and the Ordinances shall
3 be construed in accordance with and shall be governed by the laws of the State of
4 Texas.

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

7 CITY OF AUSTIN, TEXAS
8
9

10 _____
Mayor

11 COUNTERSIGNED:
12

13 _____
14 City Clerk

15 (SEAL)

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

18 REGISTRATION CERTIFICATE OF
19 COMPTROLLER OF PUBLIC ACCOUNTS

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

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

23 WITNESS my signature and seal of office this _____.

24 _____
25 Comptroller of Public Accounts
26 of the State of Texas

27 (SEAL)

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

3 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

12 Registration Date: _____,
13 _____ as Paying Agent/Registrar

14 By _____
15 Authorized Signature
16

17 (e) Form of Assignment.

18 ASSIGNMENT

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

23 (Social Security or other identifying number: _____)
24 the within Bond and all rights under this Bond, and irrevocably constitutes and
25 appoints _____ attorney to transfer the within Bond on
26 the books kept for registration of the Bonds, with full power of substitution in the
27 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 2023

Bond Date:
_____, 2023

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 amounts in accordance with the following schedule:

STATED
MATURITY

PRINCIPAL
AMOUNTS

INTEREST
RATE

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

(or so much of the principal amount as shall not have been redeemed prior to maturity) and to pay interest, computed on the basis of a 360-day year of twelve 30-day months, on the unpaid principal amounts of this Bond from the _____ at the per annum rates of interest specified above; such interest being payable on May 15 and November 15 in each year, commencing November 15, 2023. Principal amounts of this Bond are payable in the year of maturity to the Registered Owner by _____ (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in

_____ (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Bond whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 11: CRITERIA FOR ISSUANCE OF PARITY ELECTRIC UTILITY OBLIGATIONS. The City has provided certain criteria and established certain covenants and agreements in relation to the issuance of Parity Electric Utility Obligations of the Electric Utility System pursuant to the Master Ordinance. The Twenty-First Supplement provides for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of the Bonds which are a series of Parity Electric Utility Obligations. The Master Ordinance is incorporated by reference and made a part of the Twenty-First Supplement for all purposes, except to the extent modified and supplemented by the Prior Supplements and the Twenty-First Supplement, and the Bonds are Parity Electric Utility Obligations under the Master Ordinance and the Prior Supplements. The City determines that it will have sufficient funds to meet the financial obligations of the Electric Utility System, including sufficient Net Revenues to pay the Annual Debt Service Requirements of the Bonds and the Series 2023 Bonds and to meet all financial obligations of the City relating to the Electric Utility System.

SECTION 12: PLEDGE. The Net Revenues of the Electric Utility System are pledged to the payment of the Bonds, and the Bonds, together with the Prior Subordinate Lien Obligations and the Previously Issued Electric Utility Obligations currently Outstanding, shall be equally and ratably secured by a parity lien on and

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

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

31 **SECTION 13: DEBT SERVICE FUND.** By reason of the issuance of the
32 Bonds, the City need not establish any special accounts within the Debt Service Fund
33 and following the delivery of the Bonds, the City agrees and covenants to cause to
34 be deposited to the credit of the Debt Service Fund an amount equal to 100% of the
35 amount required to fully pay the interest on and principal of the Bonds falling due
36 on or before each maturity, mandatory redemption date and interest payment date,
37 and deposits shall be made in substantially equal monthly amounts on or before the

1 14th day of each month beginning on or before the 14th day of the month next
2 following the month the Bonds are delivered to the initial purchaser.

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

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

15 SECTION 14: **RESERVE FUND.**

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

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

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

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

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

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

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

29 If at any time the City is required to fund the Required Reserve Amount, or to
30 increase the Required Reserve Amount pursuant to a Supplement, the Required
31 Reserve Amount or increase in the Required Reserve Amount, as applicable, may
32 be funded in up to 12 substantially equal consecutive monthly deposits commencing
33 not later than the month following that receipt of audited financial statements for the
34 System for the preceding Fiscal Year.

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

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

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

26 (d) Reserve Amount Deficiency. In the event of a deficiency in the
27 Reserve Fund, or in the event that on the date of termination or expiration of any
28 Credit Facility there is not on deposit in the Reserve Fund sufficient Reserve Fund
29 Obligations, all in an aggregate amount at least equal to the Required Reserve
30 Amount, then the City shall, subject to satisfying or making provision for the uses
31 having a priority on the Gross Revenues before any deposits for the payment and
32 security of the Parity Electric Utility Obligations and after making required deposits
33 to the Debt Service Fund in accordance with the terms of the Twenty-First
34 Supplement and any Supplement, cause the aggregate Required Reserve Amount
35 then required to be on deposit in the Reserve Fund to be fully restored within 12
36 months from the date the deficiency, termination or expiration occurred by (i)
37 making substantially equal cash deposits to the Reserve Fund on or before the last
38 day of each month from the available Net Revenues, (ii) depositing Eligible

Investments or Credit Facility to the credit of the Reserve Fund or (iii) a combination of (i) and (ii).

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

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

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

SECTION 16: COVENANTS TO MAINTAIN TAX EXEMPT STATUS.

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

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

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

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

1 “Gross Proceeds” means any proceeds as defined in Section
2 1.148-1(b) of the Regulations, and any replacement proceeds as defined
3 in Section 1.148-1(c) of the Regulations, of the Bonds.

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

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

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

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

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

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

33 (c) No Private Use or Private Payments. Except as permitted by section
34 141 of the Code and the Regulations and rulings thereunder, the City shall at all
35 times prior to the last Stated Maturity of Bonds:

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

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

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

34 (e) Not to Invest at Higher Yield. Except to the extent permitted by
35 section 148 of the Code and the Regulations and rulings under the Code and the
36 Regulations, the City shall not at any time prior to the final Stated Maturity of the
37 Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross
38 Proceeds to replace money so invested), if as a result of such investment the Yield

1 from the Closing Date of all Investments acquired with Gross Proceeds (or with any
2 replacement money), whether then held or previously disposed of, exceeds the Yield
3 of the Bonds.

4 (f) Not Federally Guaranteed. Except to the extent permitted by section
5 149(b) of the Code and the Regulations and rulings thereunder, the City shall not
6 take or omit to take any action which would cause the Bonds to be federally
7 guaranteed within the meaning of section 149(b) of the Code and the Regulations
8 and rulings thereunder.

9 (g) Information Report. The City shall timely file the information
10 required by section 149(e) of the Code with the Secretary of the Treasury on Form
11 8038-G or such other form and in such place as the Secretary may prescribe.

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

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

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

30 (3) As additional consideration for the purchase of the Bonds
31 by the Purchasers and the loan of the money represented thereby and to
32 induce such purchase by measures designed to insure the excludability
33 of the interest on the Bonds from the gross income of the owners of the
34 Bonds for federal income tax purposes, the City shall pay to the United
35 States out of the Debt Service Fund or its general fund, as permitted by

1 applicable Texas statute, regulation or opinion of the Attorney General
2 of the State of Texas, the amount that when added to the future value
3 of previous rebate payments made for the Bonds equals (i) in the case
4 of a Final Computation Date as defined in Section 1.148-3(e)(2) of the
5 Regulations, 100% of the Rebate Amount on such date; and (ii) in the
6 case of any other Computation Date, 90% of the Rebate Amount on
7 such date. In all cases, the rebate payments shall be made at the times,
8 in the installments, to the place and in the manner as is or may be
9 required by section 148(f) of the Code and the Regulations and rulings
10 thereunder, and shall be accompanied by Form 8038-T or such other
11 forms and information as is or may be required by Section 148(f) of the
12 Code and the Regulations and rulings thereunder.

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

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

29 (j) Elections. The City directs and authorizes the Mayor, Mayor Pro
30 Tem, City Manager, Interim City Manager, Chief Financial Officer, Deputy Chief
31 Financial Officer, or City Treasurer, individually or jointly, to make elections
32 permitted or required pursuant to the provisions of the Code or the Regulations, as
33 they deem necessary or appropriate in connection with the Bonds, in the Certificate
34 as to Tax Exemption or similar or other appropriate certificate, form or document.

35 (k) Bonds Not Hedge Bonds. (1) At the time the original obligations
36 refunded by the Bonds were issued, the City reasonably expected to spend at least
37 85% of the spendable proceeds of such original obligations within three years after

1 such obligations were issued and (2) not more than 50% of the proceeds of the
2 original obligations refunded by the Bonds were invested in Nonpurpose
3 Investments having a substantially guaranteed Yield for a period of four years or
4 more.

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

8 (m) The Issuer intends to reimburse itself, within eighteen months from
9 the later of the date of expenditure or the date the property financed is placed in
10 service (but in no event more than three years after original expenditures are paid),
11 for the prior lawful capital expenditure of funds from the proceeds of one or more
12 series of tax-exempt obligations that the Issuer currently contemplates issuing
13 obligations in the principal amount of not to exceed \$505,000,000 to finance a
14 portion of the costs of improving and extending the System.

15 SECTION 17: AMENDMENT OF TWENTY-FIRST SUPPLEMENT.

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

- 22 (1) Make any change in the maturity of any of the Outstanding Bonds;
- 23 (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- 24 (3) Reduce the amount of the principal payable on the Bonds;
- 25 (4) Modify the terms of payment of principal of, premium, if any, or
26 interest on the Outstanding Bonds or impose any conditions with respect to such
27 payment;
- 28 (5) Affect the rights of the owners of less than all of the Bonds then
29 Outstanding;
- 30 (6) Amend this subsection (a) of this Section; or
- 31 (7) Change the minimum percentage of the principal amount of Bonds
32 necessary for consent to any amendment;
- 33

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

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

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

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

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

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

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

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

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

21 (4) To modify any of the provisions of the Twenty-First
22 Supplement in any other respect whatever, provided that such
23 modification shall be, and be expressed to be, effective only after all
24 the Bonds outstanding at the date of the adoption of such modification
25 shall cease to be outstanding;

26 (5) Reserved;

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

34 (7) To make any changes, modifications or amendments as
35 may be necessary or desirable to obtain or maintain the granting of a

1 rating on the Bonds by a Rating Agency or to obtain or maintain a
2 Credit Agreement or a Credit Facility; and

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

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

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

1 Agent/Registrar. At such time as a Bond shall be deemed to be paid under this
2 Twenty-First Supplement, it shall no longer be secured by or entitled to the benefit
3 of the Twenty-First Supplement, the Master Ordinance or a lien on and pledge of the
4 Net Revenues of the Electric Utility System, and shall be entitled to payment solely
5 from the money or Government Obligations held by the Paying Agent/Registrar.

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

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

19 **SECTION 19: DAMAGED, MUTILATED, LOST, STOLEN, OR**
20 **DESTROYED BONDS.** If any Outstanding Bond is damaged, mutilated, lost,
21 stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed,
22 and delivered, a new bond of the same principal amount, maturity, and interest rate,
23 as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for the
24 Bond in the manner provided in this Section. An application for the replacement of
25 damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying
26 Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant
27 for a replacement bond shall furnish to the City and to the Paying Agent/Registrar
28 security or indemnity as may be required by them to save each of them harmless
29 from any loss, theft or damage with respect to any Bond being replaced. Also, in
30 every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the
31 City and to the Paying Agent/Registrar evidence to their satisfaction of the loss,
32 theft, or destruction of the Bond, as the case may be. In every case of damage or
33 mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for
34 cancellation the Bond so damaged or mutilated. Prior to the issuance of any
35 replacement bond, the Paying Agent/Registrar shall charge the owner of the Bond
36 with all legal, printing, and other expenses in connection with its replacement. Every
37 replacement bond issued pursuant to the provisions of this Section by virtue of the
38 fact that any Bond is lost, stolen, or destroyed shall constitute a contractual

1 obligation of the City whether or not the lost, stolen, or destroyed Bond shall be
2 found at any time, or be enforceable by anyone, and shall be entitled to all the
3 benefits of the Twenty-First Supplement equally and proportionately with any and
4 all other Bonds issued under the Twenty-First Supplement.

5 Notwithstanding the preceding provisions of this Section, if any Bond shall
6 have matured, and no default has occurred which is then continuing in the payment
7 of the principal of, redemption premium, if any, or interest on the Bond, the City
8 may authorize the payment of the same (without surrender thereof except in the case
9 of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided
10 security or indemnity is furnished as above provided in this Section. Furthermore,
11 in accordance with Texas Government Code, Section 1206.022, this Section shall
12 constitute authority for the issuance of any replacement bond without necessity of
13 further action by the governing body of the City or any other body or person, and
14 the duty of the replacement of the bonds is authorized and imposed upon the Paying
15 Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver
16 replacement bonds in the form and manner and with the effect, as provided in Section
17 6 of the Twenty-First Supplement for Bonds issued in exchange for other Bonds.

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

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

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

32 “*Financial Obligation*” means a (a) debt obligation; (b) derivative instrument
33 entered into in connection with, or pledged as security or a source of payment for,
34 an existing or planned debt obligation; or (c) guarantee of a debt obligation or any
35 such derivative instrument; provided that “financial obligation” shall not include

1 municipal securities as to which a final official statement (as defined in the Rule)
2 has been provided to the MSRB consistent with the Rule.

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

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

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

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

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

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

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

34 (1) Principal and interest payment delinquencies;

- 1 (2) Non-payment related defaults, if material;
2 (3) Unscheduled draws on debt service reserves reflecting financial
3 difficulties;
4 (4) Unscheduled draws on credit enhancements reflecting financial
5 difficulties;
6 (5) Substitution of credit or liquidity providers, or their failure to perform;
7 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of
8 proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form
9 5701-TEB), or other material notices or determinations with respect to the tax status
10 of the Bonds, or other material events affecting the tax status of the Bonds;
11 (7) Modifications to rights of holders of the Bonds, if material;
12 (8) Bond calls, if material, and tender offers;
13 (9) Defeasances;
14 (10) Release, substitution, or sale of property securing repayment of the
15 Bonds, if material;
16 (11) Rating changes;
17 (12) Bankruptcy, insolvency, receivership, or similar event of the City,
18 which shall occur as described below;
19 (13) The consummation of a merger, consolidation, or acquisition involving
20 the City or the sale of all or substantially all of its assets, other than in the ordinary
21 course of business, the entry into of a definitive agreement to undertake such an
22 action or the termination of a definitive agreement relating to any such actions, other
23 than pursuant to its terms, if material;
24 (14) Appointment of a successor or additional paying agent/registrar or the
25 change of name of a paying agent/registrar, if material;
26 (15) Incurrence of a Financial Obligation of the City, if material, or
27 agreement to covenants, events of default, remedies, priority rights, or other similar
28 terms of a Financial Obligation of the City, any of which affect security holders, if
29 material; and
30 (16) Default, event of acceleration, termination event, modification of terms,
31 or other similar events under the terms of a Financial Obligation of the City, any of
32 which reflect financial difficulties.
33

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

1 possession but subject to the supervision and orders of a court or governmental
2 authority, or the entry of an order confirming a plan of reorganization, arrangement,
3 or liquidation by a court or governmental authority having supervision or jurisdiction
4 over substantially all of the assets or business of the City and (b) the City intends the
5 words used in the immediately preceding paragraphs (15) and (16) and the definition
6 of Financial Obligation in this Section to have the means ascribed to them in SEC
7 Release No. 34-83885, dated August 20, 2018.

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

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

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

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

35 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE
36 HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER

1 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN
2 WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER
3 NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT
4 SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY
5 SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY
6 SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR
7 SPECIFIC PERFORMANCE.

8 No default by the City in observing or performing its obligations under this
9 Section shall constitute a breach of or default under this Twenty-First Supplement
10 for purposes of any other provision of this Twenty-First Supplement.

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

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

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

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

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

- 26 (1) The details of the purchase and sale of the Bonds;
- 27 (2) The details of the public offering of the Bonds by the Purchasers;
- 28 (3) The details of an Official Statement (and, if appropriate, any
29 Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12
30 compliance;
- 31 (4) A security deposit for the Bonds;
- 32 (5) The representations and warranties of the City to the Purchasers;.
- 33 (6) The details of the delivery of, and payment for, the Bonds;

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

11 Pricing Officer may execute the Purchase Contract for and on behalf of the

12 City and as the act and deed of Council.

13 The Mayor and City Clerk of the City may manually or electronically execute

14 and deliver for and on behalf of the City copies of a Preliminary Official Statement

15 and Official Statement, prepared in connection with the offering of the Bonds by the

16 Purchasers, in final form as may be required by the Purchasers, and the final Official

17 Statement in the form and content as approved by the Pricing Officer or as manually

18 or electronically executed by said officials shall be deemed to be approved by

19 Council and constitute the Official Statement authorized for distribution and use by

20 the Purchasers.

21 **SECTION 24: ESCROW AGREEMENT.** An "Escrow Agreement" (the

22 "Escrow Agreement") by and between the City and an authorized escrow agent (the

23 "Escrow Agent"), if any agreement is required in connection with the issuance of

24 the Bonds, shall be attached to, and approved in, the Pricing Certificate. The Escrow

25 Agreement is authorized to be finalized and executed by the Pricing Officer for and

26 on behalf of the City and as the act and deed of Council; and the Escrow Agreement

27 as executed by said Pricing Officer shall be deemed approved by Council and

28 constitute the Escrow Agreement approved by this Twenty-First Supplement. With

29 regard to the finalization of certain terms and provisions of the Escrow Agreement,

30 a Pricing Officer is authorized to come to an agreement with the Escrow Agent on

31 the following details, among other matters:

- 32 (1) The identification of the Refunded Bonds;

1 (2) The creation and funding of the Escrow Fund or Funds; and

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

5 Furthermore, appropriate officials of the City in cooperation with the Escrow
6 Agent are authorized and directed to make the necessary arrangements for the
7 purchase of the escrowed securities referenced in the Escrow Agreement and the
8 delivery of the escrowed securities to the Escrow Agent on the day of delivery of the
9 Bonds to the Purchasers for deposit to the credit of the "CITY OF AUSTIN, TEXAS,
10 ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND
11 IMPROVEMENT BONDS, SERIES 2023 ESCROW FUND" (referred to as the
12 "Escrow Fund"), or such other designation as specified on the Pricing Certificate;
13 all as contemplated and provided in Texas Government Code, Chapter 1207, as
14 amended, the Twenty-First Supplement, the Pricing Certificate, and the Escrow
15 Agreement.

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

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

1 for Refunded Bonds, in accordance with the redemption provisions applicable to the
2 Refunded Bonds.

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

7 (c) The source of funds for payment of the principal of and interest on the
8 Refunded Bonds on their respective maturity or redemption dates shall be from the
9 funds deposited with the Escrow Agent or the paying agent/registrar for the
10 Refunded Bonds pursuant to the provisions of Texas Government Code, Chapter
11 1207, as amended, this Twenty-First Supplement and the Pricing Certificate.

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

30 Furthermore, appropriate officials of the City in cooperation with the Escrow
31 Agent and the Deposit Agent, as applicable, are authorized and directed to make the
32 necessary arrangements for the deposit of funds for the payment of the Refunded
33 Obligations; all as contemplated and provided in Texas Government Code, Chapter
34 1207, and the Twenty-First Supplement.

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

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

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

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

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

31 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS**
32 **DAYS.** Whenever under the terms of the Twenty-First Supplement or the Bonds,
33 the performance date of any provision of the Twenty-First Supplement or the Bonds,
34 including the payment of principal of or interest on the Bonds, shall occur on a day
35 other than a Business Day, then the performance of such provision, including the
36 payment of principal of and interest on the Bonds, need not be made on such day but

1 may be performed or paid, as the case may be, on the next succeeding Business Day
2 with the same force and effect as if made on the date of performance or payment.

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

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

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

32 **SECTION 33: GOVERNING LAW.** The Twenty-First Supplement shall
33 be construed and enforced in accordance with the laws of the State of Texas and the
34 United States of America.

1 **SECTION 34: EFFECT OF HEADINGS.** The Section headings in the
2 Twenty-First Supplement are for convenience only and shall not affect the
3 construction of the Twenty-First Supplement.

4 **SECTION 35: CONSTRUCTION OF TERMS.** If appropriate in the
5 context of the Twenty-First Supplement, words of the singular number shall be
6 considered to include the plural, words of the plural number shall be considered to
7 include the singular, and words of the masculine, feminine or neuter gender shall be
8 considered to include the other genders. References to an officer or designated
9 position (e.g., City Manager) include any person acting in that capacity, whether on
10 an acting, interim or permanent basis.

11 **SECTION 36: SEVERABILITY.** If any provision or the application of any
12 provision of the Twenty-First Supplement to any circumstance shall be held to be
13 invalid, the remainder of the Twenty-First Supplement and the application of the
14 Twenty-First Supplement to other circumstances shall nevertheless be valid, and the
15 City Council declares that the Twenty-First Supplement would have been enacted
16 without such invalid provision.

17 **SECTION 37: PUBLIC MEETING.** It is officially found, determined, and
18 declared that the meeting at which the Twenty-First Supplement is adopted was open
19 to the public and public notice of the time, place, and subject matter of the public
20 business to be considered at the meeting, including the Twenty-First Supplement,
21 was given; all as required by Texas Government Code, Chapter 551.

22 **SECTION 38: EFFECTIVE DATE.** The Twenty-First Supplement is
23 passed on one reading as authorized by Texas Government Code, Section 1201.028,
24 and shall be effective immediately upon its passage and adoption.

PASSED AND APPROVED

CITY OF AUSTIN, TEXAS

March 23, 2023

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§

APPROVED:

KIRK WATSON
Mayor

ATTEST:

ANNE L. MORGAN
City Attorney

MYRNA RIOS
City Clerk

(City Seal)