

ESCROW AGREEMENT

CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS 2024 ESCROW

THIS ESCROW AGREEMENT, dated as of June 1, 2024 (herein, together with any amendments or supplements hereto, called the "Agreement") is entered into by and between the City of Austin, Texas (herein called the "Issuer") and U.S. Bank Trust Company, National Association, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made a part hereof.

WITNESSETH:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations described in the Verification Report of Robert Thomas CPA, LLC., a true and correct copy of which is attached hereto as Exhibit "B" and made a part hereof (the "Report"); and

WHEREAS, as used in this Agreement, the term "Refunded Obligations" means all of the obligations described in the Report; and

WHEREAS, the Refunded Obligations are scheduled to mature on such dates, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption date of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, or a trust company or commercial bank other than any place of payment for any of the Refunded Obligations that does not act as a depository for the Issuer, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 authorizes the Issuer to acquire direct obligations of the United States Government for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Issuer intends to purchase the investment securities described in the Report (the "Escrowed Securities") to be deposited to the credit of the "Escrow Fund" created by this Agreement; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent, trust company or commercial bank with respect to the safekeeping, investment, administration and disposition of any such deposits, upon such terms and conditions as the Issuer and such paying agent may agree; and

WHEREAS, in the ordinance of the Issuer authorizing the issuance of the hereinafter defined Refunding Obligations, the Issuer named the Escrow Agent to act as escrow agent for the Refunded Obligations; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the issuance, sale, and delivery of the City of Austin, Texas Water and Wastewater System Revenue Refunding and Improvement Bonds, Series 2024 (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their maturity or date of redemption and the interest thereon to such dates; and

WHEREAS, to facilitate the refunding of the Refunded Obligations, the Issuer desires to establish the Escrow Fund at the designated corporate trust office of the Escrow Agent.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Paying Agent" shall have the meaning given said term in Section 3.03 of this Agreement.

Section 1.02. Other Definitions. The terms "Agreement", "Issuer", "Escrow Agent", "Escrowed Securities", "Refunded Obligations", "Refunding Obligations", and "Report", when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law. The recitals contained in the preamble to this Agreement are hereby incorporated into the body of this Agreement.

ARTICLE II

DEPOSIT OF FUNDS

Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds representing the amounts and Escrowed Securities necessary to pay in full the principal of and interest on the Refunded Obligations on their date of redemption. The Escrow Agent acknowledges that the funds and Escrowed Securities described in the Report will be deposited with the Escrow Agent upon their receipt, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III

CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the City of Austin, Texas Water and Wastewater System Revenue Refunding and Improvement Bonds Series 2024 Escrow Fund (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will cause as the funds and Escrowed Securities deposited with the Escrow Agent described in the Report (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations and interest thereon in the amounts and on the dates shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the cash and Escrowed Securities deposited on the closing date with the Escrow Agent are sufficient without further reinvestment to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations are redeemed prior to their scheduled maturities. If, for any reason, at any time, the cash balances and investments on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund and any other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with

the Escrow Agent; it shall never allow the assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the United States of America and the State of Texas to secure and be pledged as collateral for public funds having a market value at least equal to such cash balances.

ARTICLE IV

LIMITATION ON INVESTMENTS

Section 4.01. Initial Investment and Permitted Reinvestments. (a) Except for the initial investment of proceeds of the Refunding Obligations in the Escrowed Securities and the reinvestments described in or contemplated by the Report, which are hereby specifically permitted, and except as in Sections 4.01(b) and 4.01(c) specifically permitted, neither the Escrow Agent, the Issuer, nor any other entity shall have any right, power, or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer, or otherwise dispose of the Escrowed Securities. However, in addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances as shown in the Report in United States Treasury Obligations - State and Local Government Series with an interest rate equal to zero percent (0%) to the extent such Treasury Obligations are available from the Department of the Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

(b) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer, at its option, may substitute cash or non-interest bearing direct obligations of the United States Treasury (*i.e.*, Treasury obligations that mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) for non-interest bearing Escrowed Securities, if any, listed in the Report attached hereto, but only if such cash and/or substituted non-interest bearing direct obligations of the United States Treasury:

- (1) are in an amount, and/or mature in an amount, that, together with any cash substituted for such obligations, is equal to or greater than the amount payable on the maturity date of the obligations listed in the Report for which such obligation is substituted,
- (2) mature on or before the maturity date of the obligation listed in the Report for which such obligation is substituted, and

(3) produce the amount necessary to pay the interest on and principal of the Refunded Bonds, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If any such cash and/or obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such cash and/or obligations the same Escrowed Securities for which such cash and/or obligations originally were substituted.

(c) At the direction of the Issuer, the Escrow Agent shall redeem or sell all or any part of the Escrowed Securities and reinvest the proceeds thereof, together with all or any part of any cash held in the Escrow Fund, in noncallable direct obligations of the United States of America, provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public accountant that after such reinvestment the principal amount of substituted securities, together with the interest thereon and any other available cash in the Escrow Fund, will be sufficient to pay, without reinvestment, as the same become due in accordance with the Report attached hereto, the principal of, redemption premium, if any, and interest on the Refunded Bonds which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (i) such investment will not make the interest on the Refunded Bonds subject to federal income taxation, and (ii) such reinvestment complies with the laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Bonds.

Section 4.02. Excess Balances. The Escrow Agent may from time to time transfer amounts held in the Escrow Fund to or on the order of the Issuer provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion by an independent certified public account that, after the transfer of such excess, the principal amount of securities in the Escrow Fund, together with the interest thereon and other available money, will be sufficient to pay, without reinvestment, as the same become due, in accordance with the Report attached hereto, the principal of, redemption premium, if any, and interest on the Refunded Bonds relating to the Escrow Fund which have not previously been paid, and

(2) an unqualified opinion of nationally recognized bond counsel to the effect that (a) such transfer will not make the interest on the Refunded Bonds subject to federal income taxation and (b) such transfer complies with the laws of the State of Texas and with all relevant documents relating to the issuance of such Refunding Obligations.

Section 4.03. Excess Balances. The maturing principal of and interest on the Escrowed Securities may be applied to the payment of any Refunded Bonds and no allocation or segregation of the receipts of principal or interest from such Escrowed Securities is required.

Section 4.04. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder that would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V

APPLICATION OF CASH BALANCES

No withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund, except as provided in Sections 3.01, 3.02, 4.01 and 4.02 hereof.

ARTICLE VI

RECORDS

The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

ARTICLE VII

CONCERNING THE PAYING AGENTS AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it is a Paying Agent for certain of the Refunded Obligations, it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor is bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor, as applicable). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement the amount shown in the Fee Schedule attached hereto as Exhibit "C", the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services (including, but not limited to attorneys' fees) and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses. The Escrow Agent's right to compensation and reimbursement of its costs and expenses shall survive its resignation or removal as Escrow Agent and the termination of this Agreement. In addition, Wilmington Trust, National Association, is the Paying Agent for certain of the Refunded Obligations, and payment of future paying agency services to be performed by Wilmington Trust, National Association shall be made as provided in subsection (c) below.

(b) Upon receipt of the aforesaid specific sums stated in subsection (a) of this Section 7.03 for Escrow Agent services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

(c) The services to be provided by the Paying Agent shall be paid by the Issuer in the amounts as agreed upon by the Issuer and the Paying Agent.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation of law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee.

Section 7.05. Indemnification. To the extent permitted by the laws of the State of Texas, the Issuer agrees to indemnify the Escrow Agent for, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Escrow Agent arising out of or in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing provision shall survive the resignation or substitution of the Escrow Agent or the termination of this Agreement.

Section 7.06. Verifications of Statutory Representations and Covenants. The Escrow Agent makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate means an entity that controls, is controlled by, or is under common control with the Escrow Agent within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

- (a) Not a Sanctioned Company. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Agent and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (b) No Boycott of Israel. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

- (c) No Discrimination Against Firearm Entities. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
- (d) No Boycott of Energy Companies. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

Section 7.07. Attorney General Standing Letter. The Escrow Agent represents that it has, or will have prior to the closing date, on file with the Texas Attorney General a standing letter addressing the representations and verifications contained in Section 7.06 of this Agreement in a form accepted by the Texas Attorney General. In addition, the Escrow Agent or the parent company, a wholly- or majority-owned subsidiary or another affiliate of such Agent receives or has received a letter from the Texas Comptroller of Public Accounts pursuant to Chapter 809, Texas Government Code seeking written verification that it does not boycott energy companies (a “Comptroller Request Letter”), the Agent shall promptly notify the Issuer and the Issuer’s bond counsel (if it has not already done so) and provide to the Issuer or the Issuer’s bond counsel, prior to the closing date and additionally upon request by the Issuer or the Issuer’s bond counsel, written verification to the effect that its standing letter described in the preceding sentence remains in effect and may be relied upon by the Issuer and the Texas Attorney General (the “Bringdown Verification”). The Bringdown Verification shall also confirm that the Agent (or the parent company, a wholly- or majority-owned subsidiary or other affiliate of the Agent that received the Comptroller Request Letter) intends to timely respond or has timely responded to the Comptroller Request Letter. The Bringdown Verification may be in the form of an e-mail.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; Standard & Poor's Ratings Service, Attn: Municipal Bond Department, 55 Water Street, New York, New York 10041; and Fitch Ratings, Attn: Municipal Structured Finance, One State Street Plaza, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument. The delivery of copies of this Agreement as executed by Adobe Acrobat PDF or similar electronic form of execution, or by electronic reproduction of a manual signature transmitted via electronic mail or facsimile, shall constitute effective execution and delivery as to the parties and may be used in lieu of originals for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of the date first written above.

CITY OF AUSTIN, TEXAS

By _____
City Manager

ATTEST:

City Clerk

(SEAL)

DRAFT

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,
as Escrow Agent

By _____

Title: _____

DRAFT

INDEX TO EXHIBITS

Exhibit "A" Addresses of the Issuer and the Escrow Agent

Exhibit "B" Verification Report

Exhibit "C" Escrow Agent Fee Schedule

DRAFT

EXHIBIT "A"

ADDRESSES OF THE ISSUER
AND ESCROW AGENT

ISSUER

City of Austin, Texas
301 West Second Street, Third Floor
Austin, Texas 78701

Attention: Chief Financial Officer

ESCROW AGENT

U.S. Bank Trust Company, National Association
13737 Noel Road, Suite 800
Dallas, Texas 75240

Attention: Corporate Trust Group

EXHIBIT "B"

VERIFICATION REPORT OF
ROBERT THOMAS CPA, LLC.

DRAFT

EXHIBIT "C"

Escrow Agent Fee Schedule

DRAFT