ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND/OR IMPROVEMENT BONDS, SERIES 2026

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

SECTION 1: **DEFINITIONS AND FINDINGS**. The following terms shall have the meanings set forth below, unless the text specifically indicates otherwise:

"Bonds" means one or more series of the "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND/OR IMPROVEMENT BONDS" (as further designated by purpose and series) authorized for issuance by the Twenty-Fourth Supplement.

"Business Day" means a day other than a Sunday, Saturday, a legal holiday, or a day on which 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.

"Holders" means the registered owners or holders of the Bonds.

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

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

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

"Previously Issued Electric Utility Obligations" means the outstanding "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2008", dated March 1, 2008, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2010B (Direct Subsidy-Build America Bonds)", dated June 1, 2010, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2012A", dated December 1, 2012, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING

BONDS, TAXABLE SERIES 2012B", dated December 1, 2012, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2015B", dated May 1, 2015, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2017", dated February 14, 2017, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE BONDS, TAXABLE SERIES 2019A", dated June 13, 2019, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2019B," dated August 21, 2019, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, TAXABLE SERIES 2019C," dated August 21, 2019, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2020A," dated November 17, 2020, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2020B," dated November 17, 2020, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2023," dated May 17, 2023, "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2024," dated December 19, 2024, and "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025," dated December 03, 2025.

"Prior Supplements" means Ordinances No. 20080228-078, 20100610-049, 20121108-070, 20121108-069, 20150423-033, 20161006-14, 20190509-037, 20190619-080, 20190619-079, 20200917-058, 20200917-059, 20230323-006, 20241107-010, and 20251023-007 authorizing the issuance of the Previously Issued Electric Utility Obligations.

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

"Refunded Notes" means the principal amount of the Tax-Exempt Notes and/or the Taxable Notes, as specified in a Pricing Certificate.

"Refunded Obligations" means, collectively, the Refunded Bonds and the Refunded Notes.

"Required Reserve Amount" means the total amount to be accumulated and maintained in the Reserve Fund pursuant to the provisions of Section 14 of the Twenty-Fourth Supplement and the provisions of any subsequent Supplement.

"Reserve Fund" means the "Electric Utility System Revenue Obligation Reserve Fund" to be established and maintained pursuant to the Prior Supplements and Section 14 of the Twenty-Fourth Supplement.

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

"Security Register" has the meaning given this term in Section 5 of the Twenty-Fourth Supplement.

"Tax-Exempt Notes" means the City of Austin, Texas Combined Utility Systems Tax-Exempt Program Notes, Commercial Paper Program, up to an aggregate principal amount of $600,000,000 to finance the costs of additions, improvements and extensions to the City's water and wastewater system and the City's electric light and power system.

"Taxable Notes" means the City of Austin, Texas Combined Utility System Taxable Program Notes, Commercial Paper Program, up to an aggregate principal amount of $100,000,000 to finance the costs of additions, improvements and extensions to the City's water and wastewater system and the City's electric light and power system.

"Twenty-Fourth Supplement" means Ordinance No. 20261105-[___] authorizing the issuance of the Bonds and passed by the City Council on November 5, 2026.

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

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

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

DRAFT

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

In accordance with the provisions of Chapters 1207 and 1371 of the Texas Government Code, the City Council is delegating to the Pricing Officer (as defined below) the authority to execute a Pricing Certificate to establish the terms and details related to the issuance and sale of a series of Bonds including: (i) the principal amount of the Refunded Obligations to be refunded, (ii) the form and designation of each series of Bonds; (iii) the principal amount of each series of Bonds and the amount of such series of Bonds to mature in each year; (iv) the dates, price, interest rates, interest payment dates, principal payment dates, and redemption features of each series of Bonds; and (v) any other details relating to the issuance, sale, delivery, and exchange of such series of Bonds, all within specified parameters set forth in the Twenty-Fourth Supplement.

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

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

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

SECTION 2: **AUTHORIZATION; DESIGNATION; PRINCIPAL AMOUNT; PURPOSE**. Revenue bonds of the City shall be and are authorized to be issued in one or more series in a not to exceed aggregate principal amount set forth in Section 4 of this Twenty-Fourth Supplement to be designated and bear the title "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND/OR IMPROVEMENT BONDS, SERIES 2026" (the "Bonds"), for the purpose of refinancing and refunding the Refunded Obligations, improving and extending the System, and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1371, and 1502.

DRAFT

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

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

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

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

DRAFT

(i) the aggregate original principal amount of all series of Bonds issued for new money purposes, including the refinancing of the Tax-Exempt Notes and Taxable Notes, shall not exceed $600,000,000;

(ii) the aggregate original principal amount of all series of Bonds issued for refunding purposes shall not exceed $95,000,000;

(iii) the true interest cost rate for any series of Bonds shall not exceed the maximum interest rate permitted by law;

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

(v) the maximum maturity for any series of Bonds shall not extend beyond November 15, 2056.

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

(b) In establishing the aggregate principal amount of a series of Bonds, the Pricing Officer shall establish an amount not exceeding the amounts authorized in Subsections (a)(i) and (a)(ii) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing such series of Bonds. This delegation shall expire if not exercised by the Pricing Officer by April 22, 2027. Each series of Bonds shall be sold by negotiated sale to the underwriter(s) named in a 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-Fourth Supplement with respect to all matters relating to the sale of such series of 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.

DRAFT

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-Fourth 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-Fourth Supplement. Any Bond may, in accordance with its terms and the terms of the Twenty-Fourth 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 request for exchange executed by the Holder or by the authorized agent of the person, in form satisfactory to the Paying Agent/Registrar.

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

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

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the Designated Payment/Transfer Office, or sent by United States Mail, first class postage prepaid, to the Holder and, upon the delivery of such Bonds, the same shall be valid obligations of the City, evidencing the same obligation to pay, and entitled to the same

benefits under the Twenty-Fourth Supplement, as the Bonds surrendered in the transfer or exchange.

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

Bonds canceled by reason of an exchange or transfer pursuant to the provisions of the Twenty-Fourth Supplement are defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the Bond or Bonds registered and delivered in the exchange or transfer. Additionally, the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu of a mutilated, lost, destroyed or stolen Bond pursuant to Section 20 of the Twenty-Fourth Supplement and the new replacement Bond shall be considered to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

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

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

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

DRAFT

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

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

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

SECTION 9: **INITIAL BOND(S)**. The Bonds shall be initially issued either (i) as a single fully registered bond in the total principal amount specified in the Pricing Certificate with principal amounts to become due and payable as provided in the Pricing Certificate and numbered T-1, or (ii) as multiple fully registered bonds, being one bond for each stated maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the "Initial Bond(s)"). In either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or their designee. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the

Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or their designee, shall cancel the Initial Bond(s) delivered and exchange for the Initial Bond(s) definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified for the Holders; all pursuant to and in accordance with the written instructions from the initial purchaser(s), or their designee, and any other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 10: **FORMS**.

(a) Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with appropriate insertions, omissions, substitutions, and other variations as are permitted or required by the Twenty-Fourth 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-Fourth 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 (Fixed Rate).

REGISTERED REGISTERED
NO._____ $_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,

ELECTRIC UTILITY SYSTEM REVENUE
REFUNDING AND IMPROVEMENT BOND,
SERIES 2026

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
_____, 2026	_____%	November 15, 20___	_____

Registered Owner:

Principal Amount: DOLLARS

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to pay to the registered owner named above, or their registered assigns (the "Registered Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date shown above the Principal Amount stated above (or so much of the Principal Amount as shall not have been paid upon prior redemption), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount of this Bond from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date, in which case it shall bear interest from the _____) at the per annum rate of interest specified above; such interest being payable on May 15 and November 15 of each year, commencing [May/November] 15, 2027. Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing on this Bond, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount of this Bond may be accomplished without presentation and surrender of this Bond. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Twenty-Fourth Supplement) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal

DRAFT

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

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_____ ("Bonds") for the purpose of refinancing and refunding the Refunded Obligations (identified and defined in the Twenty-Fourth Supplement), improving and extending the System, and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1371, and 1502, and pursuant to a Master Ordinance and Twenty-Fourth 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:

Term Bonds due Redemption Date	Principal Amount	Term Bonds due Redemption Date	Principal Amount
15, 20	$,000	15, 20	$,000
15, 20*	$,000	15, 20	$,000
		15, 20*	$,000

*maturity

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

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

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

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

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

With respect to any optional redemption of the Bonds, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Bonds to be redeemed before giving of a notice of redemption, the

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

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

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

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

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

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

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

DRAFT

way be affected or impaired by any such action. The terms and provisions of this Bond and the Ordinances shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF AUSTIN, TEXAS

_____
Mayor

COUNTERSIGNED:

_____
City Clerk

(SEAL)

(c) Form of Definitive Bond (Variable Rate).

REGISTERED
NO._____

REGISTERED
$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
ELECTRIC UTILITY SYSTEM REVENUE
VARIABLE RATE REFUNDING AND IMPROVEMENT BOND,
SERIES 2026

DRAFT

Bond Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
_____, 2026	Variable _____%	November 15, 20___	_____

Registered Owner:

Principal Amount: DOLLARS

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received, promises to pay to the registered owner named above, or their registered assigns (the "Registered Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date shown above the Principal Amount stated above (or so much of the Principal Amount as shall not have been paid upon prior redemption), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount of this Bond from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date, in which case it shall bear interest from the _____).

Interest on this Bond is payable to the registered owner hereof by check, dated as of the Interest Payment Date, and sent by first–class mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address shown on the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of the Owner. The principal hereof is payable upon presentation and surrender of this Bond at the designated office of the Paying Agent/Registrar, or any successor Paying Agent/Registrar.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Ordinance and Pricing Certificate pursuant to which the Bonds are issued.

For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered on the *Record Date*, which shall be the close of business on the fifteenth day of the month immediately preceding such Interest Payment Date.

As used herein, *Interest Payment Date* shall mean (i) with respect to Bonds during the Initial Interest Period, May 15, 2027 and each November 15 and May 15 thereafter; (ii) with respect to Bonds bearing interest at the Term Rate [or SIFMA Index Rate], the

fifteenth day of the sixth calendar month following the month in which the Term Rate Conversion Date occurs and the fifteenth day of each sixth month thereafter; (iii) with respect to Bonds bearing interest at the Fixed Rate, each May 15 and November 15, beginning on the first such date occurring after the Fixed Rate Conversion Date and (iv) each mandatory tender date during the Stepped Rate Period.

This Bond is one of the series specified in its title issued in the aggregate principal amount of $_____ ("Bonds") for the purpose of refinancing and refunding the Refunded Obligations (identified and defined in the Twenty-Fourth Supplement), improving and extending the System, and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including Texas Government Code, Chapters 1207, 1371, and 1502, and pursuant to a Master Ordinance and Twenty-Fourth 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 are special obligations of the City payable solely from and, together with the Previously Issued Electric Utility Obligations currently Outstanding, equally and ratably secured by a parity lien on and pledge of, the Net Revenues of the Electric Utility System in the manner provided in the Ordinances. Additionally, the Bonds, together with the Previously Issued Electric Utility Obligations, shall be secured by a lien on the funds, if any, deposited to the credit of the Debt Service Fund and Reserve Fund in accordance with the terms of the Ordinances. The Bonds do not constitute a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or the Electric Utility System, except with respect to the Net Revenues. The holder of this Bond shall never have the right to demand payment of this obligation out of any funds raised or to be raised by taxation.

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

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

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

This Bond shall not be valid or obligatory for any purpose unless it is registered by the Comptroller of Public Accounts of Texas by certificate affixed or attached hereto or authenticated by the Paying Agent/Registrar by due execution of the Authentication Certificate provided herein.

Even though initially issued and from time to time Outstanding in a Variable Rate (defined herein) mode, the Bonds are not benefited by a third-party liquidity facility and are not subject to optional tender by the Holders thereof.

INTEREST PROVISIONS

This Bond bears interest at an Initial Rate, a Term Rate, or a SIFMA Index Rate (each a *Variable Rate*) or a Fixed Rate.

This Bond initially shall bear interest at the Initial Rate per annum from the Closing Date stated above through _____ (the *Initial Interest Period*). The Bonds shall be subject to mandatory tender, without right of retention by the owners thereof, on _____ and shall be tendered to the Remarketing Agent against payment therefor. Thereafter, this Bond shall bear interest at a Term Rate until converted to a Fixed Rate Period during which it shall bear interest at a Fixed Rate.

Subsequent to the Initial Interest Period, the rate of interest applicable to any Bond shall be determined in accordance with the applicable provisions of the Ordinance and, with respect to Term Rate Periods or Fixed Rate Periods, pursuant to the terms of the Remarketing Agreement between the City and the Remarketing Agent named by the City from time to time under the Ordinance (the *Remarketing Agent*).

Interest on Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

In addition to the Initial Rate, Bonds will bear interest from time to time, at Term Rates or Fixed Rates established in accordance with the Ordinance. While the Bonds bear interest at a Term Rate, the interest rate determined will remain in effect for a term of one year or any whole multiple of one year selected in accordance with the Ordinance.

At the option of the City, the Bonds bearing interest at a Variable Rate may be converted in whole or in part to bear interest at a Fixed Rate or Fixed Rates to the Maturity Date.

An interest rate mode will remain in effect until changed. During each Term Rate Period, and unless otherwise established by the City, the rate of interest on the Bonds shall be that rate which, in the determination of the Remarketing Agent, if borne by the Bonds on the date of such determination under prevailing market conditions, would result in the market value of the Bonds being equal to not less than 100% of the principal amount thereof. If the Remarketing Agent is unable, or fails, to determine the Term Rate, the Term Rate shall remain that in effect for the then current Term Rate Period. The provisions of this Bond, including, but not limited to this paragraph, are limited in all respects to those provisions of this Ordinance which limit the interest rate on the Bonds to the lesser of (a) [7.00%] per annum or (b) the maximum net effective interest rate permitted by law to be paid thereon as provided by Texas Government Code, Section 1204.006, as amended, or the maximum net effective interest rate permitted by applicable law at the time of issuance of the Bonds.

Bonds will be issued in denominations of $5,000 and integral multiples thereof.

WRITTEN NOTICE OF RATE MODE CHANGE

While the Bonds bear interest at a Variable Rate, the Paying Agent/Registrar shall give notice to the registered owners of the conversion from one interest rate mode to another at the times described in the Ordinance. ANY REGISTERED OWNER OF BONDS WHO MAY BE UNABLE TO TAKE TIMELY ACTION ON ANY NOTICE SHOULD CONSIDER WHETHER TO MAKE ARRANGEMENTS FOR ANOTHER PERSON TO ACT IN HIS OR HER STEAD. If a new interest rate mode for the Bonds is not selected in a timely fashion in accordance with the Ordinance, the interest rate mode then in effect will continue until changed by timely notice.

MANDATORY TENDER

While this Bond bears interest at a Variable Rate, this Bond is subject to mandatory tender for purchase by the Tender Agent at a Purchase Price equal to the principal amount hereof plus accrued interest hereon to the date of purchase, on the effective date of a change from one interest rate mode to a different interest rate mode.

The Bonds are subject to mandatory tender for purchase, without the right of Owners to retain Bonds, on the date specified in a notice to Owners, (i) on _____, which is the Interest Payment Date after the end of the Initial Interest Period ending on _____ and (ii) on each subsequent Conversion Date.

FAILED REMARKETING

Initial Interest Period. In the event that this Bond bears interest at an Initial Rate and it is not converted and remarketed to new purchasers on the scheduled date of mandatory tender, the City shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under the Ordinance or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the City's discretion upon delivery of at least one day's notice to the holder hereof), and (v) will be deemed to continue in an Initial Interest Period for all other purposes of the Ordinance, though bearing interest during such time at the Stepped Rate, until remarketed or redeemed in accordance with the terms of the Ordinance. In the event of a failed conversion and remarketing as described above, the City will cause this Bond to be converted and remarketed on the earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the City directs, at a rate not exceeding the Maximum Rate.

Term Rate Periods. If this Bond is subject to mandatory tender on the Term Rate Conversion Date because of conversion to a new Term Rate Period from an existing Term Rate Period, and this Bond is not converted and remarketed to new purchasers on the scheduled date of mandatory tender because of a failed remarketing, then the City shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under the Ordinance or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the City's discretion upon delivery of at least one day's notice to the holders thereof), and (v) will be deemed to continue in a Term Rate Period for all other purposes of this Ordinance, though bearing interest during such time at the Stepped Rate, calculated on the basis of a 360-day year of twelve 30-day months, until remarketed or redeemed in accordance with the terms of this Ordinance. In the event of a failed conversion and remarketing as described above, the City will cause this Bond to be converted and remarketed on the

earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the City directs, at a rate not exceeding the Maximum Rate.

UNDELIVERED BONDS

Bonds which are required to be tendered by the Owners thereof for purchase by the Tender Agent but which are not in fact delivered for purchase on the date and at the time required and for which there has been deposited an amount sufficient to pay the Purchase Price thereof, shall cease to accrue interest on the tender date, and the Owner thereof shall not be entitled to any payment other than the Purchase Price for such Bond. Such Bond shall no longer be outstanding and entitled to the benefits of the Ordinance, except for the payment of the Purchase Price from money held by the Tender Agent for such payment. On the tender date, the Tender Agent shall authenticate and deliver substitute Bonds in lieu of such Undelivered Bonds.

REDEMPTION PROVISIONS

Optional Redemption. Prior to the Fixed Rate Conversion Date, Bonds bearing interest at the Initial Rate during the Initial Interest Period and at a Term Rate during a Term Rate Period are subject to redemption, if at all, at the times, at the prices, and in the manner determined by the City at the time of initial delivery or on a Term Rate Conversion Date (and as evidenced in a Pricing Certificate); provided, however, that the Bonds are callable, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date, on any Conversion Date. While the Bonds bear interest at the Initial Rate during the Initial Interest Period, the Bonds are not subject to redemption at the option of the City.

Bonds bearing interest at a Stepped Rate are subject to redemption, in whole or in part, at the option of the City, on any date at a redemption price equal to the principal amount thereof plus interest accrued thereon at the Stepped Rate to the redemption date.

Bonds bearing interest at a Fixed Rate or Fixed Rates are subject to redemption on the dates and at the prices determined by the City on the Fixed Rate Conversion Date.

Mandatory Redemption. The Bonds are subject to mandatory redemption, at a price equal to the principal amount thereof plus interest accrued thereon, on [May 15/November 15] of each year in the following minimum principal amounts:

Year	Amount ($)
*	

*Stated Maturity

The principal amount of Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the City, by the principal amount of any Bonds which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the City and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with money in the Bond Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

Bonds to be redeemed in any year by mandatory redemption shall be redeemed at par, plus accrued interest to the date of redemption, and shall be selected by lot (provided that redemption of Bonds on a Conversion Date where there exists no Holder optional right to retain shall be effective solely at the option of the City). The City, at its option, may credit against any mandatory redemption requirement, Bonds which have been purchased by the City, using funds other than remarketing proceeds, if any, at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase and canceled by or on behalf of the City, or have been redeemed and not theretofore applied as a credit against any mandatory redemption requirement.

Notice of optional and scheduled mandatory redemption shall be given by first–class mail, postage prepaid, (i) with respect to Bonds bearing interest at a Stepped Rate, at least 1 day prior to the redemption date and (ii) with respect to Bonds bearing interest at a Term Rate or Fixed Rate, at least 30 days before the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

Notwithstanding the foregoing (and provided the Holders of Bonds subject to tender have not been granted an optional right to retain), a notice of mandatory tender delivered in accordance with the Ordinance shall serve as notice of redemption of Bonds,

if any such redemption is to occur at the option of the City, on the Interest Payment Date occurring immediately after the conclusion of such applicable Interest Period.

GENERAL PROVISIONS

As provided in the Ordinance, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity and interest rate mode, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

DELIVERY OF NOTICES AND BONDS

Any Bonds required to be delivered to the Tender Agent for purchase, and any notices required to be delivered to the Tender Agent hereunder shall be delivered to: _____.

Bonds required to be tendered for purchase shall be delivered to the Tender Agent prior to 5:00 p.m. on the Business Day next preceding the date of purchase.

The City will identify the Remarketing Agent for the Bonds in the ordinance authorizing the conversion upon expiration of the Initial Interest Period.

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

The City and the Paying Agent/Registrar, and any agent of either, may treat the registered owner of this Bond whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest on this Bond, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal of this Bond at

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

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

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

CITY OF AUSTIN, TEXAS

DRAFT

_____
Mayor

COUNTERSIGNED:

_____
City Clerk

(SEAL)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

_____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

Registration Date: _____

_____,
as Paying Agent/Registrar

By _____
Authorized Signature

(f) Form of Assignment.

ASSIGNMENT

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

DATED: _____

_____
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.

Signature guaranteed:

_____

(g) The Initial Bond(s) for a fixed rate series 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 2026

DRAFT

Bond Date:
_____, 2026

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 [May/November] 15, 2027. 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-Fourth 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-Fourth Supplement for all purposes, except to the extent modified and supplemented by the Prior Supplements and the Twenty-Fourth 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 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 Previously Issued Electric Utility Obligations currently Outstanding, shall be equally and ratably secured by a parity lien on and pledge of the Net Revenues of the Electric Utility System in accordance with the terms of the Master Ordinance and the Twenty-Fourth Supplement. Additionally, the Bonds and the Previously Issued Electric Utility Obligations shall be secured by a lien on the funds, if any, deposited to the credit of the Debt Service Fund and the Reserve Fund in accordance with and to the extent required by the terms of the Master Ordinance, the Prior Supplements and the Twenty-Fourth Supplement. The Bonds are and will be secured by and payable only from the Net Revenues of the Electric Utility System, and are not secured by or payable from a mortgage or deed of trust on any properties, whether real, personal, or mixed, of the Electric Utility System. Council ordains that the Parity Electric Utility Obligations, and the interest on the Parity Electric Utility Obligations, shall constitute a lien on the Net Revenues of the Electric Utility System and shall be valid and binding and fully perfected from and after the date of adoption of the Twenty-Fourth Supplement without physical delivery or transfer or transfer of control of the Net Revenues, the filing of the Twenty-Fourth Supplement or

any other act; all as provided in Texas Government Code, Chapter 1208. The owners of the Parity Electric Utility Obligations shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than specified in the Master Ordinance, the Prior Supplements and the Twenty-Fourth Supplement.

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

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

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

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

DRAFT

SECTION 14: **RESERVE FUND.**

(a) Establishment. A Reserve Fund shall not be required to be established or maintained by the City for the payment of the Parity Electric Utility Obligations so long as the "Pledged Net Revenues" of the System for a Fiscal Year equal or exceed 150% of the Annual Debt Service Requirements of the Parity Electric Utility Obligations due and payable in such Fiscal Year. If for any Fiscal Year such "Pledged Net Revenues" do not exceed 150% of the Annual Debt Service Requirements of the Parity Electric Utility Obligations, the City shall be obligated to establish and maintain on the books of the City a separate fund or account designated as the "Electric Utility System Revenue Obligation Reserve Fund" (the "Reserve Fund"). Upon being established and except as provided in subsection (f) below, the amount on deposit to the credit of the Reserve Fund shall be maintained for the benefit of the owners of the Parity Electric Utility Obligations. There shall be deposited into the Reserve Fund any Reserve Fund Obligations so designated by the City. The amounts deposited to the credit of the Reserve Fund shall be in a special fund maintained at an official depository of City. Reserve Fund Obligations in the Reserve Fund shall be used for the purpose of retiring the last of the Parity Electric Utility Obligations as they become due or paying principal of and interest on the Parity Electric Utility Obligations when and to the extent the amounts in the Debt Service Fund are insufficient for such purpose.

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

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

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

(iii) 30% of the Maximum Debt Service Requirement for all Parity Electric Utility Obligations then Outstanding if the Pledged Net Revenues for the previous Fiscal Year were less than 130% of the Annual Debt Service

Requirement for such Fiscal Year, but greater than or equal to 120% of the annual Debt Service Requirement for such Fiscal Year;

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

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

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

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

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

In the event of a draw on a Credit Facility, the City shall reimburse the issuer of the Credit Facility for such draw, in accordance with the terms of any agreement

pursuant to which the Credit Facility is issued, from Net Revenues, however, such reimbursement from Net Revenues shall be subject to the provisions of Section 14(d) below and shall be subordinate and junior in right of payment to the payment of principal of and premium, if any, and interest on the Parity Electric Utility Obligations.

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

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

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

SECTION 15: **PAYMENTS OR CREDITS TO THE GENERAL FUND OF THE CITY**. In accordance with the provisions authorized by law and after the payments have been made in full in accordance with the provisions of Section 6 of the Master Ordinance, there shall be paid over or credited to the General Fund of the City (for general purposes of the City), to the extent Net Revenues of the System are available in the System Fund, an amount in cash not to exceed 12% of the three-year average gross revenues of the System deposited in the System Fund less power supply revenue and

district energy & cooling revenue, calculated using the current year estimate and the previous two years' actual revenues from the City's Annual Comprehensive Financial Report. The percentage of gross revenues of the Systems to be paid over or credited to the General Fund of the City each Fiscal Year shall be determined (within the 12% limitation) by the governing body of the City.

SECTION 16: **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 17: **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.

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

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

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

DRAFT

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

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

"Yield" of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

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

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

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Bonds) and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality

of the United States) other than a state or local government, unless such use is solely as a member of the general public; and

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

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

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

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

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

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

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

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

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

(4) The City shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs

(2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within 180 days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest on the Rebate Amount, and any penalty imposed under Section 1.148-3(h) of the Regulations.

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

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

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

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

SECTION 18: **AMENDMENT OF TWENTY-FOURTH SUPPLEMENT**.

(a) Required Owner Consent for Amendments. The owners of a majority in Outstanding Principal Amount of the Bonds shall have the right from time to time to approve any amendment to the Twenty-Fourth Supplement which may be deemed necessary or desirable by the City; provided, however, nothing contained in the Twenty-

Fourth Supplement shall permit or be construed to permit the amendment of the terms and conditions in the Twenty-Fourth Supplement so as to:

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

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

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

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

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

year period to obtain consents noted in paragraph (c) above, a consent may be revoked by the owner who gave the consent, or by a successor in title, by filing written notice of a revocation with the Paying Agent/Registrar for such Bonds and the City, but such revocation shall not be effective if the owners of at least a majority in Outstanding Principal Amount of the then Outstanding Bonds as determined in accordance with this Section have, prior to the attempted revocation, consented to and approved the amendment.

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

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

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

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

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

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

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

(5) Reserved;

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

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

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

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

SECTION 19: **FINAL DEPOSITS; GOVERNMENTAL OBLIGATIONS**. All or any of the Bonds shall be deemed to be paid, retired and no longer outstanding

within the meaning of the Twenty-Fourth Supplement when payment of the principal of the Bonds, redemption premium, if any, on the Bonds, plus interest on the Bonds to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms of the Bonds (including the giving of any required notice of redemption), or (ii) shall have been provided by irrevocably depositing with, or making available to, the Paying Agent/Registrar, in trust and irrevocably set aside exclusively for such payment, (1) money sufficient to make such payment or (2) Government Obligations, certified by an independent public accounting firm of national reputation, to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the Paying Agent/Registrar with respect to which such deposit is made shall have been paid or the payment thereof provided for the satisfaction of the Paying Agent/Registrar. At such time as a Bond shall be deemed to be paid under this Twenty-Fourth Supplement, it shall no longer be secured by or entitled to the benefit of the Twenty-Fourth Supplement, the Master Ordinance or a lien on and pledge of the Net Revenues of the Electric Utility System, and shall be entitled to payment solely from the money or Government Obligations held by the Paying Agent/Registrar.

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

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

SECTION 20: **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS**. If any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for the Bond in the manner provided in this Section. An application for the replacement of damaged,

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

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

SECTION 21: **TWENTY-FOURTH SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY**. In consideration of the acceptance of the Bonds, the Twenty-Fourth Supplement shall be deemed to be and shall constitute a contract between the City and the Holders from time to time of the Bonds and the pledge made in the Twenty-Fourth Supplement by the City and the covenants and agreements set forth in the Twenty-Fourth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds over any of the

DRAFT

others by reason of time of issuance, sale, or maturity of the Bond or otherwise for any cause, except as expressly provided in or permitted by the Twenty-Fourth Supplement.

SECTION 22: **CONTINUING DISCLOSURE UNDERTAKING**.

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

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

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

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

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

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

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

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

DRAFT

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

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

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

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the City or the State of Texas or undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided in this Section. The City does

not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

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

narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 23: **REMEDY IN EVENT OF DEFAULT**. In addition to all rights and remedies provided by the laws of the State of Texas, the City covenants and agrees particularly that if the City (a) defaults in payments to be made to the Debt Service Fund as required by the Twenty-Fourth Supplement or the Master Ordinance, (b) defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in the Twenty-Fourth Supplement or the Master Ordinance or (c) the City declares bankruptcy, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction, compelling and requiring the City and its officers to observe and perform any covenant, condition or obligation prescribed in the Twenty-Fourth Supplement or the Master Ordinance. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

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

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

(1) The details of the purchase and sale of the Bonds;

(2) The details of the public offering of the Bonds by the Purchasers;

(3) The details of an Official Statement (and, if appropriate, any Preliminary Official Statement) relating to the Bonds and the City's Rule 15c2-12 compliance;

(4) A security deposit for the Bonds;

(5) The representations and warranties of the City to the Purchasers;

(6) The details of the delivery of, and payment for, the Bonds;

(7) The Purchasers' obligations under the Purchase Contract;

(8) The certain conditions to the obligations of the City under the Purchase Contract;

(9) Termination of the Purchase Contract;

(10) Particular covenants of the City;

(11) The survival of representations made in the Purchase Contract;

(12) The payment of any expenses relating to the Purchase Contract;

(13) Notices; and

(14) Any and all such other details that are found by the Pricing Officer to be necessary and advisable for the purchase and sale of the Bonds.

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

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

SECTION 25: **REFUNDED NOTES.**

On or immediately prior to the date of the delivery of the Bonds to the Purchasers, the Pricing Officer shall also cause to be deposited (and is authorized to cause to be deposited) with the Deposit Agent (as defined herein) from moneys on deposit in the debt service fund(s) maintained for the payment of the Refunded Notes an amount which, together with the proceeds of sale, and the investment earnings thereon, will be sufficient to pay in full the Refunded Notes (or the amount of accrued interest due thereon) at maturity.

SECTION 26: **ESCROW AGREEMENT**. An escrow agreement (the "Escrow Agreement") by and between the City and an authorized escrow agent (the "Escrow Agent"), if any agreement is required in connection with the issuance of the Bonds, shall be attached to, and approved in, the Pricing Certificate. The Escrow Agreement is

authorized to be executed by the Pricing Officer for and on behalf of the City and as the act and deed of Council; and the Escrow Agreement as executed by said Pricing Officer shall be deemed approved by Council and constitute the Escrow Agreement approved by this Twenty-Fourth Supplement. With regard to the finalization of certain terms and provisions of the Escrow Agreement, a Pricing Officer is authorized to come to an agreement with the Escrow Agent on the following details, among other matters:

(1) The identification of the Refunded Bonds;

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

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

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent are authorized and directed to make the necessary arrangements for the purchase of the escrowed securities referenced in the Escrow Agreement and the delivery of the escrowed securities to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, SERIES 2026 ESCROW FUND" (referred to as the "Escrow Fund"), or such other designation as specified on the Pricing Certificate; all as contemplated and provided in Texas Government Code, Chapter 1207, as amended, the Twenty-Fourth Supplement, the Pricing Certificate, and the Escrow Agreement.

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

SECTION 27: **REFUNDED BONDS**. (a) In order to provide for the refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds identified, described, and in the amounts set forth in the Pricing Certificate, are called for redemption on the first date the Refunded Bonds are subject to redemption or such other

date specified by the Pricing Officer in the Pricing Certificate at the price of par plus accrued interest to the redemption date, and notice of such redemption shall be given in accordance with the applicable provisions of the ordinance adopted by the City Council of the City, which authorized the issuance of the Refunded Bonds. The Pricing Officer is authorized and directed to issue or cause to be issued a Notice of Redemption for the Refunded Bonds in substantially the form set forth as an Exhibit to the Pricing Certificate, to the paying agent/registrar for Refunded Bonds, in accordance with the redemption provisions applicable to the Refunded Bonds.

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

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

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

Furthermore, appropriate officials of the City in cooperation with the Escrow Agent and the Deposit Agent, as applicable, are authorized and directed to make the necessary arrangements for the deposit of funds for the payment of the Refunded

Obligations; all as contemplated and provided in Texas Government Code, Chapter 1207, and the Twenty-Fourth Supplement.

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

SECTION 29: **CONTROL AND CUSTODY OF BONDS**. The Chief Financial Officer of the City shall be and is authorized to take and have charge of all necessary orders and records pending the delivery of the Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval by the Attorney General, the registration by the Comptroller of Public Accounts and the delivery of the Initial Bond(s) to the Purchasers.

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

SECTION 30: **LEGAL OPINION**. The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, Attorneys, approving the Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds. A true and correct reproduction of said opinion may be printed on the definitive Bonds or an executed counterpart of the opinion shall accompany the global Bonds deposited with DTC.

SECTION 31: **CUSIP NUMBERS**. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality of the Bonds and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 32: **PAYMENT AND PERFORMANCE ON BUSINESS DAYS**. Whenever under the terms of the Twenty-Fourth Supplement or the Bonds, the performance date of any provision of the Twenty-Fourth Supplement or the Bonds,

including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then the performance of such provision, including the payment of principal of and interest on the Bonds, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 33: **LIMITATION OF BENEFITS WITH RESPECT TO THE TWENTY-FOURTH SUPPLEMENT**. With the exception of the rights or benefits expressly conferred in the Twenty-Fourth Supplement, nothing expressed or contained in the Twenty-Fourth Supplement or implied from the provisions of the Twenty-Fourth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to the Twenty-Fourth Supplement or any covenant, condition, stipulation, promise, agreement, or provision contained in the Twenty-Fourth Supplement. The Twenty-Fourth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions of the Twenty-Fourth Supplement are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as provided in the Twenty-Fourth Supplement and in the Bonds.

SECTION 34: **NOTICES TO HOLDERS WAIVER**. Wherever the Twenty-Fourth Supplement provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise expressly provided in the Twenty-Fourth Supplement) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

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

SECTION 35: **GOVERNING LAW**. The Twenty-Fourth Supplement shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 36: **EFFECT OF HEADINGS**. The Section headings in the Twenty-Fourth Supplement are for convenience only and shall not affect the construction of the Twenty-Fourth Supplement.

SECTION 37: **CONSTRUCTION OF TERMS**. If appropriate in the context of the Twenty-Fourth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders. References to an officer or designated position (e.g., City Manager) include any person acting in that capacity, whether on an acting, interim or permanent basis.

SECTION 38: **SEVERABILITY**. If any provision or the application of any provision of the Twenty-Fourth Supplement to any circumstance shall be held to be invalid, the remainder of the Twenty-Fourth Supplement and the application of the Twenty-Fourth Supplement to other circumstances shall nevertheless be valid, and the City Council declares that the Twenty-Fourth Supplement would have been enacted without such invalid provision.

SECTION 39: **PUBLIC MEETING**. It is officially found, determined, and declared that the meeting at which the Twenty-Fourth Supplement is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at the meeting, including the Twenty-Fourth Supplement, was given; all as required by Texas Government Code, Chapter 551.

SECTION 40: **EFFECTIVE DATE**. The Twenty-Fourth Supplement is passed on one reading as authorized by Texas Government Code, Section 1201.028, and shall be effective immediately upon its passage and adoption.

DRAFT

PASSED AND APPROVED

November 5, 2026

§
§
§

CITY OF AUSTIN, TEXAS

_____
KIRK WATSON
Mayor

APPROVED:

_____
DEBORAH THOMAS
City Attorney

(City Seal)

ATTEST:

_____
ERIKA BRADY
City Clerk

DRAFT

1884