

**ORDINANCE NO.**

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE BONDS, TAXABLE SERIES 2019A**

**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 the “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE BONDS, TAXABLE SERIES 2019A” authorized for issuance by the Sixteenth 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” mean the outstanding “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2007”, dated August 15, 2007, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2008”, dated March 1, 2008, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2010A”, dated June 1, 2010, “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2010B (Direct Subsidy-

Build America Bonds)", dated June 1, 2010, "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2012A", dated December 1, 2012, "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2012B", dated December 1, 2012, "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2015A", dated May 1, 2015, "CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, TAXABLE SERIES 2015B", dated May 1, 2015 and "CITY OF AUSTIN, TEXAS ELECTRIC UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2017" dated February 14, 2017.

"Prior Supplements" means Ordinances No. 20070322-026, 20080228-078, 20100610-049, 20121108-070, 20121108-069, 20150423-032, 20150423-033 and 20161006-014 authorizing the issuance of the Previously Issued Electric Utility Obligations.

"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 Sixteenth 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 Sixteenth 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 Sixteenth Supplement.

"Sixteenth Supplement" means Ordinance No. \_\_\_\_\_ authorizing the issuance of the Bonds and passed by the City Council on \_\_\_\_\_, 2019.

The terms used in the Sixteenth 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 1502, the City is authorized to issue bonds for improving and extending its Electric Utility System.

In accordance with the provisions of Texas Government Code, Chapter 1371, Council delegates to the Pricing Officer (as defined below) the authority to establish

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

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

11 On May 15, 2019, the last outstanding Prior First Lien Obligations matured  
12 and were paid in accordance with their terms, and the ordinance authorizing the  
13 issuance of Prior First Lien Obligations no longer is in effect.

14 **SECTION 2: AUTHORIZATION; DESIGNATION; PRINCIPAL**  
15 **AMOUNT; PURPOSE.** Revenue bonds of the City shall be and are authorized to  
16 be issued in a principal amount not to exceed the aggregate principal amount set  
17 forth in Section 4 of the Sixteenth Supplement, to be designated and bear the title  
18 “CITY OF AUSTIN, TEXAS, ELECTRIC UTILITY SYSTEM REVENUE  
19 BONDS, TAXABLE SERIES 2019A” (the “Bonds”), for the purpose of improving  
20 and extending the City’s Electric Utility System, and paying costs of issuance, in  
21 conformity with the Constitution and laws of the State of Texas, including Texas  
22 Government Code, Chapter 1502.

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

33 The Bonds shall bear interest on the unpaid principal amounts from the date  
34 and at the rate(s) per annum as specified in the Pricing Certificate (calculated on the  
35 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 Chapter 1371, Texas Government Code, the City Manager, Chief Financial Officer or City Treasurer of the City (any of them, the “Pricing Officer”) is authorized to act on behalf of the City in selling and delivering the Bonds and carrying out the other procedures specified in the Sixteenth Supplement, including determining the aggregate principal amount of the Bonds, the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the first interest payment date, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the City, as well as any mandatory sinking fund redemption provisions, the designation of a paying agent/registrar, the terms of any bond insurance applicable to the Bonds, and all other matters relating to the issuance, sale, and delivery of the Bonds all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$470,000,000;

(ii) the true interest cost rate for the Bonds shall not exceed \_\_\_\_%; and

(iii) the maximum maturity for the Bonds shall not extend beyond November 15, 2031.

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

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a)(i) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. This delegation shall expire if not exercised by the Pricing Officer within 180 days of the date of adoption of the Sixteenth Supplement. The Bonds shall be sold by negotiated sale to the underwriter(s) named in the Pricing Certificate (the “Purchasers”), at the price and with and subject to the terms set forth in the Pricing Certificate. A finding or determination made by the Pricing Officer acting under authority of this Sixteenth

1 Supplement with respect to all matters relating to the sale of the Bonds shall have  
2 the same force and effect as a finding or determination made by Council.

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

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

29       Principal of and premium, if any, on the Bonds shall be payable at the Stated  
30 Maturities or redemption of the Bonds, only upon presentation and surrender of the  
31 Bonds to the Paying Agent/Registrar at its designated office provided in the Pricing  
32 Certificate (the “Designated Payment/Transfer Office”). Interest on the Bonds shall  
33 be paid to the Holders whose names appear in the Security Register at the close of  
34 business on the Record Date (the last business day of the month next preceding each  
35 interest payment date), and such interest shall be paid by the Paying Agent/Registrar  
36 (i) by check sent United States Mail, first class postage prepaid, to the address of the  
37 Holder recorded in the Security Register or (ii) by such other method, acceptable to  
38 the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder.



1 If the date for the payment of the principal of or interest on the Bonds shall be a  
 2 Saturday, Sunday, a legal holiday, or a day when banking institutions in the city  
 3 where the Designated Payment/Transfer Office of the Paying Agent/Registrar is  
 4 located are authorized by law or executive order to close, then the date for such  
 5 payment shall be the next succeeding day which is not such a Saturday, Sunday,  
 6 legal holiday, or day when banking institutions are authorized to close; and payment  
 7 on such date shall have the same force and effect as if made on the original date  
 8 payment was due.

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

20 **SECTION 6: REGISTRATION, TRANSFER, EXCHANGE OF**  
 21 **BONDS; PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain,  
 22 record, and maintain in the Security Register the name and address of each registered  
 23 owner of the Bonds issued under and pursuant to the provisions of the Sixteenth  
 24 Supplement. Any Bond may, in accordance with its terms and the terms of the  
 25 Sixteenth Supplement, be transferred or exchanged for Bonds of other authorized  
 26 denominations upon the Security Register by the Holder, in person or by the  
 27 authorized agent of the person, upon surrender of the Bond to the Paying  
 28 Agent/Registrar for cancellation, accompanied by a written instrument of transfer or  
 29 request for exchange executed by the Holder or by the authorized agent of the person,  
 30 in form satisfactory to the Paying Agent/Registrar.

31 Upon surrender for transfer of any Bond (other than the Initial Bond(s)  
 32 authorized in Section 9 of the Sixteenth Supplement) at the Designated  
 33 Payment/Transfer Office of the Paying Agent/Registrar, the Paying Agent/Registrar  
 34 shall register and deliver, in the name of the designated transferee or transferees, one  
 35 or more new Bonds, executed on behalf of, and furnished by, the City of authorized  
 36 denominations and having the same Stated Maturity and of a like aggregate principal  
 37 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 Sixteenth 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 Sixteenth 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 Sixteenth 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 Sixteenth 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 19 of the Sixteenth Supplement and the new replacement Bond shall be considered to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

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

**SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND TRANS-ACTIONS.** Notwithstanding the provisions contained in Sections 5 and 6 of the

1 Sixteenth Supplement relating to the payment and transfer/exchange of the Bonds,  
2 the City approves and authorizes the use of “Book-Entry-Only” securities clearance,  
3 settlement and transfer system provided by The Depository Trust Company (DTC),  
4 a limited purpose trust company organized under the laws of the State of New York,  
5 in accordance with the operational arrangements referenced in the Blanket Issuer  
6 Letter of Representations, by and between the City and DTC (the “Depository  
7 Agreement”).

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

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

26 **SECTION 8: EXECUTION; REGISTRATION.** The Bonds shall be  
27 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal  
28 reproduced or impressed on the Bonds and countersigned by the City Clerk. The  
29 signature of said officers on the Bonds may be manual or facsimile. Bonds bearing  
30 the manual or facsimile signatures of individuals who are or were the proper officers  
31 of the City on the date of adoption of the Sixteenth Supplement shall be deemed to  
32 be executed on behalf of the City, notwithstanding that any individual executing the  
33 Bonds shall cease to hold the named offices at the time of delivery of the Bonds to  
34 the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges  
35 and transfers, all as authorized and provided in Texas Government Code, Chapter  
36 1201.



No Bond shall be entitled to any right or benefit under the Sixteenth 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(c), 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(d), 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 installments 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 Sixteenth 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 Sixteenth Supplement, be established by the City or determined by the Pricing Officer or officers executing such Bonds as evidenced by their execution of such Bonds. The Pricing Certificate shall set forth the final and controlling terms of the Bonds. Any portion of the text of any Bonds may be set forth on the reverse of the Bond, with an appropriate reference on the face of the Bond.

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

(b) Form of Definitive Bond.

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF AUSTIN, TEXAS,  
ELECTRIC UTILITY SYSTEM REVENUE BOND,  
TAXABLE SERIES 2019A

Bond Date: \_\_\_\_\_ Interest Rate: \_\_\_\_\_ Stated Maturity: \_\_\_\_\_ CUSIP NO: \_\_\_\_\_  
\_\_\_\_\_, 2019 \_\_\_\_\_

Registered Owner:

Principal Amount: \_\_\_\_\_ DOLLARS

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

1 the "Registration Date" of this Bond appearing below (unless this Bond bears a  
 2 "Registration Date" as of an interest payment date, in which case it shall bear interest  
 3 from such date, or unless the "Registration Date" of this Bond is prior to the initial  
 4 interest payment date, in which case it shall bear interest from the \_\_\_\_\_)  
 5 at the per annum rate of interest specified above; such interest being payable on May  
 6 15 and November 15 of each year, commencing\_\_\_\_\_.  
 7 Principal of this Bond is payable at its Stated Maturity or redemption to the  
 8 Registered Owner, upon presentation and surrender, at the Designated  
 9 Payment/Transfer Office of the Paying Agent/Registrar executing the registration  
 10 certificate appearing on this Bond, or its successor; provided, however, while this  
 11 Bond is registered to Cede & Co., the payment of principal upon a partial redemption  
 12 of the principal amount of this Bond may be accomplished without presentation and  
 13 surrender of this Bond. Interest is payable to the registered owner of this Bond (or  
 14 one or more Predecessor Bonds, as defined in the Sixteenth Supplement) whose  
 15 name appears on the "Security Register" maintained by the Paying Agent/Registrar  
 16 at the close of business on the "Record Date", which is the last business day of the  
 17 month next preceding each interest payment date and interest shall be paid by the  
 18 Paying Agent/Registrar by check sent United States Mail, first class postage prepaid,  
 19 to the address of the registered owner recorded in the Security Register or by such  
 20 other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk  
 21 and expense of, the registered owner. If the date for the payment of the principal of  
 22 or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when  
 23 banking institutions in the city where the Designated Payment/Transfer Office of the  
 24 Paying Agent/Registrar is located are authorized by law or executive order to close,  
 25 then the date for such payment shall be the next succeeding day which is not such a  
 26 Saturday, Sunday, legal holiday, or day when banking institutions are authorized to  
 27 close; and payment on such date shall have the same force and effect as if made on  
 28 the original date payment was due. All payments of principal of, premium, if any,  
 29 and interest on this Bond shall be without exchange or collection charges to the  
 30 Registered Owner and in any coin or currency of the United States of America which  
 31 at the time of payment is legal tender for the payment of public and private debts.

32 This Bond is one of the series specified in its title issued in the aggregate  
 33 principal amount of \$\_\_\_\_\_ ("Bonds") for the purpose of improving and  
 34 extending the City's Electric Utility System and paying costs of issuance, in  
 35 conformity with the Constitution and laws of the State of Texas, including Texas  
 36 Government Code, Chapter 1502, and pursuant to a Master Ordinance and Sixteenth  
 37 Supplement adopted by the City Council of the City, together with the Pricing  
 38 Certificate executed pursuant thereto (collectively referred to as the "Ordinances").

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

<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>	<u>Term Bonds due</u> <u>Redemption Date</u>	<u>Principal Amount</u>
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\*maturity

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

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

At least 30 days prior to the date fixed for any redemption of Bonds, the City shall cause a written notice of such redemption to be sent by United States Mail, first class postage prepaid, to the registered owners of each Bond to be redeemed at the address shown on the Security Register and subject to the terms and provisions contained in the Ordinances. If a Bond (or any portion of its principal sum) shall have been called for redemption and notice of such redemption given, then upon

1 such redemption date such Bond (or the portion of its principal sum to be redeemed)  
2 shall become due and payable, and interest thereon shall cease to accrue from and  
3 after said redemption date, provided moneys for the payment of the redemption price  
4 and the interest on the principal amount to be redeemed to the date of redemption  
5 are held for the purpose of such payment by the Paying Agent/Registrar.

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

19 With respect to any optional redemption of the Bonds, unless the Paying  
20 Agent/Registrar has received funds sufficient to pay the principal and premium, if  
21 any, and interest on the Bonds to be redeemed before giving of a notice of  
22 redemption, the notice may state the City may condition redemption on the receipt  
23 of such funds by the Paying Agent/Registrar on or before the date fixed for the  
24 redemption, or on the satisfaction of any other prerequisites set forth in the notice of  
25 redemption. If a conditional notice of redemption is given and such prerequisites to  
26 the redemption and sufficient funds are not received, the notice shall be of no force  
27 and effect, the City shall not redeem the Bonds and the Paying Agent/Registrar shall  
28 give notice, in the manner in which the notice of redemption was given, that the  
29 Bonds have not been redeemed.

30 The Bonds are special obligations of the City payable solely from and,  
31 together with the Previously Issued Electric Utility Obligations and Prior  
32 Subordinate Lien Obligations currently Outstanding, equally and ratably secured by  
33 a parity lien on and pledge of, the Net Revenues of the Electric Utility System in the  
34 manner provided in the Ordinances. Additionally, the Bonds, together with the  
35 Previously Issued Electric Utility Obligations, shall be secured by a lien on the  
36 funds, if any, deposited to the credit of the Debt Service Fund and Reserve Fund in  
37 accordance with the terms of the Ordinances. The Bonds do not constitute a legal  
38 or equitable pledge, charge, lien or encumbrance upon any property of the City or



1 the Electric Utility System, except with respect to the Net Revenues. The holder of  
2 this Bond shall never have the right to demand payment of this obligation out of any  
3 funds raised or to be raised by taxation.

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

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

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

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

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

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

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

CITY OF AUSTIN, TEXAS

\_\_\_\_\_  
Mayor

COUNTERSIGNED:

1 \_\_\_\_\_  
2 City Clerk

3 (SEAL)

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

6 REGISTRATION CERTIFICATE OF  
7 COMPTROLLER OF PUBLIC ACCOUNTS

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

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

11 WITNESS my signature and seal of office this \_\_\_\_\_.

12 \_\_\_\_\_  
13 Comptroller of Public Accounts  
14 of the State of Texas

15 (SEAL)

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

18 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

25 The designated offices of the Paying Agent/Registrar in \_\_\_\_\_  
26 \_\_\_\_\_ is the Designated Payment/Transfer Office for this Bond.

1 Registration Date: \_\_\_\_\_,  
 2 \_\_\_\_\_ as Paying Agent/Registrar  
 3 By \_\_\_\_\_  
 4 Authorized Signature  
 5

6 (e) Form of Assignment.

### 7 ASSIGNMENT

8 FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto  
 9 (Print or typewrite name, address, and zip code of  
 10 transferee): \_\_\_\_\_  
 11 \_\_\_\_\_

12 (Social Security or other identifying number: \_\_\_\_\_)  
 13 the within Bond and all rights under this Bond, and irrevocably constitutes and  
 14 appoints \_\_\_\_\_ attorney to transfer the within Bond on  
 15 the books kept for registration of the Bonds, with full power of substitution in the  
 16 premises.

DATED: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The signature on this assignment  
 must correspond with the name of the  
 registered owner as it appears on the face of  
 the within Bond in every particular.

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

REGISTERED  
 NO. T-1

REGISTERED  
 \$ \_\_\_\_\_

20 UNITED STATES OF AMERICA  
 21 STATE OF TEXAS  
 22 CITY OF AUSTIN, TEXAS,  
 23 ELECTRIC UTILITY SYSTEM REVENUE BOND,  
 24 TAXABLE SERIES 2019A

Bond Date:  
 \_\_\_\_\_, 2019

Registered Owner:

Principal Amount:

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

<u>STATED</u> <u>MATURITY</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>INTEREST</u> <u>RATE</u>
----------------------------------	---	--------------------------------

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

(or so much of the principal installment amount as shall not have been redeemed prior to maturity) and to pay interest, computed on the basis of a 360-day year of twelve 30-day months, on the unpaid principal amounts of this Bond from the \_\_\_\_\_ at the per annum rates of interest specified above; such interest being payable on May 15 and November 15 in each year, commencing \_\_\_\_\_. Principal installments of this Bond are payable in the year of maturity to the Registered Owner by \_\_\_\_\_ (the “Paying Agent/Registrar”), upon presentation and surrender, at its designated offices in \_\_\_\_\_ (the “Designated Payment/Transfer Office”). Interest is payable to the registered owner of this Bond whose name appears on the “Security Register” maintained by the Paying Agent/Registrar at the close of business on the “Record Date”, which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to



close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the registered owner and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

**SECTION 11: CRITERIA FOR ISSUANCE OF PARITY ELECTRIC UTILITY OBLIGATIONS.** The City has provided certain criteria and established certain covenants and agreements in relation to the issuance of Parity Electric Utility Obligations of the Electric Utility System pursuant to the Master Ordinance. The Sixteenth 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 Sixteenth Supplement for all purposes, except to the extent modified and supplemented by the Prior Supplements and the Sixteenth 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 Prior Subordinate Lien Obligations and the Previously Issued Electric Utility Obligations currently Outstanding, shall be equally and ratably secured by a parity lien on and pledge of the Net Revenues of the Electric Utility System in accordance with the terms of the Master Ordinance and the Sixteenth 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 Sixteenth 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 Sixteenth Supplement without physical delivery or transfer or transfer of control of the Net Revenues, the filing of the Sixteenth

1 Supplement or any other act; all as provided in Texas Government Code, Chapter  
2 1208. The owners of the Parity Electric Utility Obligations shall never have the right  
3 to demand payment out of funds raised or to be raised by taxation, or from any source  
4 other than specified in the Master Ordinance, the Prior Supplements and the  
5 Sixteenth Supplement.

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

17 **SECTION 13: DEBT SERVICE FUND.** By reason of the issuance of the  
18 Bonds, the City need not establish any special accounts within the Debt Service Fund  
19 and following the delivery of the Bonds, the City agrees and covenants to cause to  
20 be deposited to the credit of the Debt Service Fund an amount equal to 100% of the  
21 amount required to fully pay the interest on and principal of the Bonds falling due  
22 on or before each maturity, mandatory redemption date and interest payment date,  
23 and deposits shall be made in substantially equal monthly amounts on or before the  
24 14th day of each month beginning on or before the 14th day of the month next  
25 following the month the Bonds are delivered to the initial purchaser.

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

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

1           **SECTION 14: RESERVE FUND.**

2           (a)     Establishment. A Reserve Fund shall not be required to be established  
3 or maintained by the City for the payment of the Parity Electric Utility Obligations  
4 so long as the “Pledged Net Revenues” of the System for a Fiscal Year (the Net  
5 Revenues of the System in a Fiscal Year remaining after deducting the amounts, if  
6 any, expended to pay the annual debt service requirements for Prior Subordinate  
7 Lien Obligations in such Fiscal Year) equal or exceed 150% of the Annual Debt  
8 Service Requirements of the Parity Electric Utility Obligations due and payable in  
9 such Fiscal Year. If for any Fiscal Year such “Pledged Net Revenues” do not exceed  
10 150% of the Annual Debt Service Requirements of the Parity Electric Utility  
11 Obligations, the City shall be obligated to establish and maintain on the books of the  
12 City a separate fund or account designated as the “Electric Utility System Revenue  
13 Obligation Reserve Fund” (the “Reserve Fund”). Upon being established and except  
14 as provided in subsection (f) below, the amount on deposit to the credit of the  
15 Reserve Fund shall be maintained for the benefit of the owners of the Parity Electric  
16 Utility Obligations. There shall be deposited into the Reserve Fund any Reserve  
17 Fund Obligations so designated by the City. The amounts deposited to the credit of  
18 the Reserve Fund shall be in a special fund maintained at an official depository of  
19 City. Reserve Fund Obligations in the Reserve Fund shall be used for the purpose of  
20 retiring the last of the Parity Electric Utility Obligations as they become due or  
21 paying principal of and interest on the Parity Electric Utility Obligations when and  
22 to the extent the amounts in the Debt Service Fund are insufficient for such purpose.

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

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

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

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

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

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

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

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

32 (c) Priority of Draws. If the City is required to make a withdrawal from  
33 the Reserve Fund for any of the purposes described in this Section, the City shall  
34 promptly notify the issuer of the Credit Facility of the necessity for a withdrawal  
35 from the Reserve Fund, and shall make the withdrawal FIRST from available  
36 moneys and cash resulting from the sale or liquidation of Eligible Investments then

1 on deposit in the Reserve Fund, and NEXT from a drawing under any Credit Facility  
2 to the extent of the deficiency.

3 In the event of a draw on a Credit Facility, the City shall reimburse the issuer  
4 of the Credit Facility for such draw, in accordance with the terms of any agreement  
5 pursuant to which the Credit Facility is issued, from Net Revenues, however, such  
6 reimbursement from Net Revenues shall be subject to the provisions of Section 14(d)  
7 below and shall be subordinate and junior in right of payment to the payment of  
8 principal of and premium, if any, and interest on the Parity Electric Utility  
9 Obligations.

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

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

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



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

10        **SECTION 16: RESERVED**

11        **SECTION 17: AMENDMENT OF SIXTEENTH SUPPLEMENT.**

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

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

29  
 30        unless such amendment or amendments be approved by the owners of all of  
 31 the Bonds affected by the change or amendment then Outstanding.

32        (b)     Notice of Amendment Requiring Consent. If at any time the City shall  
 33 desire to amend the Sixteenth Supplement under this Section, the City shall cause  
 34 notice of the proposed amendment to be published in a financial newspaper or  
 35 journal published in the City of New York, New York, and a newspaper of general  
 36 circulation in the City, once during each calendar week for at least two successive

1 calendar weeks. The notice shall briefly set forth the nature of the proposed  
2 amendment and shall state that a copy is on file with the Paying Agent for the Bonds.  
3 Publication is not required, however, if notice in writing is given by mail, first class  
4 postage prepaid, to each owner of the Bonds.

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

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

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

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

- 34 (1) To vest the management and control of the Electric Utility  
35 System in an independent board of trustees or similar board pursuant

1 to authority conferred by Texas Government Code, Section 1502.070  
2 et seq. or other law now or hereafter enacted;

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

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

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

20 (5) [Reserved];

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

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

32 (8) To make any other changes, modifications or amendments  
33 as may be necessary or desirable, which shall not adversely affect the  
34 interests of the owners of the Bonds, in order, to the extent permitted  
35 by law, to facilitate the economic and practical utilization of interest

1 rate swap agreements, foreign currency exchange agreements, or  
2 similar types of agreements with respect to the Bonds. Notice of any  
3 amendment may be published by the City in the manner described in  
4 clause (b) of this Section; provided, however, that the publication of  
5 notice shall not constitute a condition precedent to the adoption of the  
6 amendatory ordinance and the failure to publish notice shall not  
7 adversely affect the implementation of such amendment as adopted  
8 pursuant to the amendatory ordinance.

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

17 **SECTION 18: FINAL DEPOSITS; GOVERNMENTAL**  
18 **OBLIGATIONS.** All or any of the Bonds shall be deemed to be paid, retired and  
19 no longer outstanding within the meaning of the Sixteenth Supplement when  
20 payment of the principal of the Bonds, redemption premium, if any, on the Bonds,  
21 plus interest on the Bonds to the due date (whether such due date be by reason of  
22 maturity or otherwise) either (i) shall have been made or caused to be made in  
23 accordance with the terms of the Bonds (including the giving of any required notice  
24 of redemption), or (ii) shall have been provided by irrevocably depositing with, or  
25 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside  
26 exclusively for such payment, (1) money sufficient to make such payment or (2)  
27 Government Obligations, certified by an independent public accounting firm of  
28 national reputation, to mature as to principal and interest in such amounts and at such  
29 times as will insure the availability, without reinvestment, of sufficient money to  
30 make payment, and all necessary and proper fees, compensation and expenses of the  
31 Paying Agent/Registrar with respect to which the deposit is made shall have been  
32 paid or the payment thereof provided for the satisfaction of the Paying  
33 Agent/Registrar. At the time a Bond shall be deemed to be paid under this Sixteenth  
34 Supplement, it shall no longer be secured by or entitled to the benefit of the Sixteenth  
35 Supplement, the Master Ordinance or a lien on and pledge of the Net Revenues of  
36 the Electric Utility System, and shall be entitled to payment solely from the money  
37 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. The City covenants that no deposit will be made or accepted under clause (ii) of this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

Notwithstanding any other provisions of the Sixteenth 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 such money or Government Obligations shall not be considered to be "Gross Revenues" under the Sixteenth Supplement.

**SECTION 19: 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



1 found at any time, or be enforceable by anyone, and shall be entitled to all the  
2 benefits of the Sixteenth Supplement equally and proportionately with any and all  
3 other Bonds issued under the Sixteenth Supplement.

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

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

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

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

32 “*Financial Obligation*” means a (a) debt obligation; (b) derivative  
33 instrument entered into in connection with, or pledged as security or a source  
34 of payment for, an existing or planned debt obligation; or (c) guarantee of a  
35 debt obligation or any such derivative instrument; provided that “financial  
36 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 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;

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

33

34 For these purposes, (a) any event described in the immediately preceding

35 paragraph (12) is considered to occur when any of the following occur: the

36 appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding

37 under the United States Bankruptcy Code or in any other proceeding under state or

38 federal law in which a court or governmental authority has assumed jurisdiction over

39 substantially all of the assets or business of the City, or if such jurisdiction has been

40 assumed by leaving the existing governing body and officials or officers in

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

21           **SECTION 24: RESERVED.**

22           **SECTION 25: RESERVED.**

23           **SECTION 26: PROCEEDS OF SALE.** Immediately following the delivery  
24 of the Bonds, proceeds of sale (less those proceeds of sale designated to pay costs of  
25 issuance, proceeds of sale designated to fund the Reserve Fund and any accrued  
26 interest received from the Purchasers of the Bonds) shall be deposited with all in  
27 accordance with written instructions from the City or its Financial Advisor. Accrued  
28 interest, if any, received from the Purchasers shall be deposited to the credit of the  
29 Debt Service Fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**PASSED AND APPROVED**

**CITY OF AUSTIN, TEXAS**

\_\_\_\_\_, 2019

§  
§  
§

**APPROVED:**

\_\_\_\_\_  
STEVE ADLER  
Mayor

**ATTEST:**

\_\_\_\_\_  
ANNE L. MORGAN  
City Attorney

\_\_\_\_\_  
JANNETTE S. GOODALL  
City Clerk

(City Seal)