

AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

dated as of September 1, 2020,

between

CITY OF AUSTIN, TEXAS

and

JPMORGAN CHASE BANK, NATIONAL ASSOCIATION

relating to

\$400,000,000
CITY OF AUSTIN, TEXAS
COMBINED UTILITY SYSTEMS
TAX-EXEMPT PROGRAM NOTES,
DIRECT PURCHASE SUB-SERIES

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AMENDED AND RESTATED NOTE PURCHASE AGREEMENT

This AMENDED AND RESTATED NOTE PURCHASE AGREEMENT is dated as of September 1, 2020, between CITY OF AUSTIN, TEXAS (the “City”) and JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (together with its successors and assigns, the “Bank”).

RECITALS:

WHEREAS, acting under the authority of Chapter 1371, Texas Government Code (the “Act”) and pursuant to Ordinance No. 20170831-012 adopted on August 31, 2017 (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “Ordinance”) by the City Council, as the governing body of the City (the “City Council”), the City Council has authorized the issuance and delivery from time to time of the City’s Combined Utility Systems Tax-Exempt Program Notes, Direct Purchase Sub-Series (the “Notes” or “Direct Purchase Notes”);

WHEREAS, the City previously requested that the Bank purchase Notes from time to time, and the Bank agreed to do so, subject to the terms and conditions of that certain Note Purchase Agreement dated as of October 1, 2017 (the “Existing Note Purchase Agreement”);

WHEREAS, the City has requested that the Bank agree to certain revisions to the Existing Note Purchase Agreement, as well as purchase Notes from time to time, and the Bank is willing to do so, subject to the terms and conditions of this Agreement of up to the aggregate amount of \$400,000,000;

WHEREAS, in order to induce the Bank to purchase the Notes from time to time, the City has agreed to repay the Bank for all amounts advanced by it pursuant to this Agreement and to pay interest on such amounts as well as certain costs, fees and expenses, all as provided herein;

WHEREAS, the City has also authorized its Combined Utility Systems Tax-Exempt Program Notes, Commercial Paper Sub-Series (the “Commercial Paper Notes”) pursuant to the Ordinance, and the City and the Bank have agreed to enter into that certain [Amended and Restated] Revolving Credit Agreement dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “JPMorgan Revolving Credit Agreement”), to provide a revolving line of credit of up to the aggregate amount of \$435,506,850 to provide funds for the payment of the principal of and interest on the Commercial Paper Notes at maturity; and

WHEREAS, the Commercial Paper Notes and the Notes have been authorized in a combined maximum aggregate principal amount not to exceed \$400,000,000, and the combined support hereunder and under the JPMorgan Revolving Credit Agreement with respect to the aggregate principal amount of both the Commercial Paper Notes (exclusive of interest thereon in the case of the JPMorgan Revolving Credit Agreement) and the Notes shall not exceed \$400,000,000.

NOW, THEREFORE, in consideration of the mutual premises contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Defined Terms. Capitalized terms not otherwise defined herein shall have the same meanings as are set forth in the Ordinance (as defined herein). In addition to the terms defined elsewhere in this Agreement, the following terms shall have the indicated meanings:

“1933 Act” shall mean the Securities Act of 1933, as the same shall from time to time be supplemented or amended.

“Act” has the meaning set forth in the Recitals hereto.

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Aggregate Commitment” means the combined liquidity support for the City’s commercial paper notes, which currently includes the combined Commitment hereunder and the principal component of the Commitment under the JPM Revolving Credit Agreement, and the aggregate principal commitment of Barclays Bank PLC pursuant to that certain Revolving Credit Agreement dated as of September 1, 2020, as amended and supplemented.

“Agreement” means this Amended and Restated Note Purchase Agreement, as amended, supplemented, restated or otherwise modified from time to time.

“Amendment Effective Date” means September __, 2020, so long as the conditions precedent set forth in Section 4.01 hereof have been satisfied or waived with respect to the amendment and restatement.

“Amortization End Date” means, with respect to any Note, the earlier to occur of (i) the date that is three hundred sixty (360) days following the date of issuance of such Amortizing Note and (ii) the date on which the principal amount of such Amortizing Note is repaid in accordance with the terms of this Agreement and the Ordinance.

“Amortization Payment” has the meaning set forth in Section 2.05(b) hereof.

“Amortization Period” means, with respect to any Amortizing Note, in the event that all Amortization Requirements are satisfied on the date of and in connection with the issuance of such Amortizing Note, the period commencing on the date of issuance of such Amortizing Note and ending on the related Amortization End Date.

“Amortization Principal Payment Date” means, with respect to any Amortizing Note, (a) the related Initial Amortization Principal Payment Date and the first Business Day of each sixth (6th) calendar month occurring thereafter which occurs prior to the Amortization End Date and (b) the Amortization End Date.

“Amortization Requirements” has the meaning given such term in Section 2.05 hereof.

“Amortizing Note” has the meaning given such term in Section 2.05 hereof.

“Applicable Factor” means 80%.

“Applicable Spread” means initially 165 basis points (1.65%), provided, however, that in the event of any change in any Rating by Moody’s, Fitch or S&P, the Applicable Spread shall be the number of basis points associated with such new Rating as set forth in the following schedule:

Level	S&P Rating*	Fitch Rating*	Moody’s Rating*	Applicable Spread (Basis Points)
Level 1	AA- or above	AA- or above	Aa3 or above	165 bps
Level 2	A+	A+	A1	175 bps
Level 3	A	A	A2	185 bps
Level 4	A-	A-	A3	195 bps
Level 5	BBB+	BBB+	Baa1	205 bps
Level 6	BBB	BBB	Baa2	215 bps
Level 7	BBB- or below	BBB- or below	Baa3 or below	225 bps

In the case of a split within the applicable set of Ratings (i.e., the applicable Rating of one Rating Agency is at a different Level than the applicable Rating of any other Rating Agency), (i) if such Ratings are assigned by all three Rating Agencies, and two of such Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the two equivalent Ratings appear; (ii) if such Ratings are assigned by all three Ratings Agencies and no two such Ratings are equivalent, the Applicable Spread shall be based upon the Level in which the middle Rating appears; and (iii) if such Ratings are assigned by only two Rating Agencies and such Ratings are not equivalent, the Applicable Spread shall be based upon the Level in which the lower of the two Ratings appears. Any change in the Applicable Spread resulting from a change in a Rating shall be and become effective as of and on the date of the public announcement of the change in such Rating. References to the Ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration of the applicable Rating in connection with the adoption of a *“global”* rating scale, the Rating from the Rating Agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.

Upon the occurrence of and during the continuance of an Event of Default the applicable interest rate on the Notes shall increase automatically to the Default Rate.

For purposes of this definition of Applicable Spread, the term “*Ratings*” shall mean the lower of (x) the long-term credit ratings assigned to Separate Lien Obligations payable solely from the Net Revenues of the Electric Light and Power System (without regard to any bond insurance or other credit enhancement) and (y) the long-term credit ratings assigned to Separate Lien Obligations payable solely from the Net Revenues of the Waterworks and Sewer System (without regard to any bond insurance or other credit enhancement), by each of the Rating Agencies.

“*Approved Fund*” means any Fund that is administered or managed by (a) the Bank, (b) an Affiliate of the Bank or (c) an entity or an Affiliate of an entity that administers or manages the Bank.

“*Authorized Representative*” has the meaning set forth in the Ordinance.

“*Available Commitment*” means the Commitment from time to time in effect, as such amount is adjusted from time to time as follows: (a) downward in an amount equal to the principal amount of Notes purchased and held by the Bank pursuant to the terms hereof, the principal amount of each “Loan” (as defined in the JPMorgan Credit Agreement) made to the City pursuant to the JPMorgan Credit Agreement, and the principal amount of each Commercial Paper Note at any time issued and outstanding; and (b) so long as this Agreement has not terminated, upward in an amount equal to the principal amount of each Note that is repaid hereunder, the principal amount of each “Loan” that is repaid pursuant to the terms of the JPMorgan Credit Agreement (as defined in the JPMorgan Credit Agreement) and the principal amount of each Commercial Paper Note which is paid at maturity; *provided*, that, after giving effect to any such adjustment the Available Commitment shall never exceed the Commitment from time to time in effect. Any adjustments pursuant to clause (a) or (b) above shall occur simultaneously with the event requiring such adjustment.

“*Bank*” has the meaning specified in the introductory paragraph hereof.

“*Bank Rate*” means the following rate(s) of interest per annum: (a) for any day commencing on the related Maturity Date to and including the ninetieth (90th) day next succeeding the related Maturity Date, a rate of interest equal to the Base Rate from time to time in effect and (b) for any day commencing on the ninety-first (91st) day next succeeding the related Maturity Date and thereafter, a rate of interest equal to the sum of the Base Rate from time to time in effect plus one percent (1.0%) per annum; *provided, however*, that immediately and automatically upon the occurrence of an Event of Default (and without any notice given with respect thereto) and during the continuance of such Event of Default, “*Bank Rate*” shall mean the Default Rate.

“*Bank Transferee*” has the meaning set forth in Section 8.06 hereof.

“*Base Rate*” means, for any day, a rate of interest per annum equal to the greatest of (i) the Prime Rate in effect at such time *plus* one and one-half percent (1.50%), (ii) the Federal Funds Rate in effect at such time *plus* two percent (2.00%) and (iii) seven and one-half percent (7.50%).

Any change in such rate announced by the Bank shall take effect at the opening of business on the day specified in the public announcement of such change.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the LIBOR Index:

(1) a public statement or publication of information by or on behalf of the administrator of the LIBOR Screen Rate announcing that such administrator has ceased or will cease to provide the LIBOR Screen Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBOR Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBOR Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBOR Screen Rate, which states that the administrator of the LIBOR Screen Rate has ceased or will cease to provide the LIBOR Screen Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBOR Screen Rate; or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBOR Screen Rate announcing that the LIBOR Screen Rate is no longer representative.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Business Day” means any day other than (i) a Saturday, (ii) a Sunday, (iii) a day on which banking institutions in the State of Texas or the State of New York are authorized or obligated by law or executive order to be closed, (iv) a day on which the New York Stock Exchange is authorized or obligated by law or executive order to be closed, (v) a day on which banks are authorized or obligated by law or executive order to be closed in the city in which the office of the Paying Agent/Registrar is located, or the city in which the office of the Bank at which Requests for Purchase are to be presented under this Agreement, and (vi) a State legal holiday.

“Change in Law” means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Acts and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any

successor or similar authority) or the United States or foreign regulatory authorities shall in each case be deemed to be a “*Change in Law*,” regardless of the date enacted, adopted or issued.

“*Closing*” has the meaning specified in Section 2.02.

“*Code*” means the Internal Revenue Code of 1986, as amended, and when reference is made to a particular section thereof, the applicable Treasury Regulations from time to time promulgated or proposed thereunder.

“*Commercial Paper Indebtedness*” means the Notes and all other commercial paper notes, debentures, obligations or similar instruments issued by the City and payable from or secured by the Security.

“*Commercial Paper Notes*” is defined in the Recitals hereto.

“*Commercial Paper Offering Memorandum*” means the Offering Memorandum dated **[October 5, 2017]**, relating to the Commercial Paper Notes, as supplemented or amended from time to time.

“*Commitment*” means \$400,000,000, as such amount may be terminated and/or reduced pursuant to Section 2.06 or 7.02 hereof.

“*Commitment Termination Date*” means the earliest of:

- (a) the Stated Expiration Date; and
- (b) the date the Commitment is reduced to zero pursuant to Section 2.06 or terminated pursuant to Section 7.02 hereof.

“*Control*” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “*Controlling*” and “*Controlled*” have meanings correlative thereto.

“*Covered Entity*” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“*Covered Party*” has the meaning assigned to it in Section 8.22.

“Debt” of any Person means, at any date and without duplication, (i) all obligations of such Person for borrowed money, including without limitation, all obligations secured by any of the revenues or assets of such Person and all obligations of such Person evidenced by bonds (including revenue bonds), debentures, notes or other similar instruments, (ii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business (including, without limitation, accounts payable to construction contractors and other professionals for services rendered), (iii) all obligations of such Person as lessee under capital leases, (iv) all indebtedness of others secured by a Lien on any asset of such Person, whether or not such indebtedness is assumed by such Person, (v) all indebtedness of others guaranteed by, or secured by any of the revenues or assets of, such Person, (vi) payment obligations of such Person under any Swap Contract and (vii) the maximum amount of all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), credit agreements, bankers’ acceptances, bank guaranties, surety bonds and similar instruments.

“Debtor Relief Laws” means the Bankruptcy Code of the United States, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“Default” means any condition or event that constitutes an Event of Default or that, with the giving of notice or lapse of time or both, would constitute an Event of Default.

“Default Rate” means, for any day, a rate of interest per annum equal to the sum of the Base Rate in effect on such day *plus* three percent (3.00%); *provided* that, subject to Section 2.04(d) hereof, at no time shall the Default Rate exceed the Maximum Interest Rate.

“Designated Jurisdiction” means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

“Determination of Taxability” means and shall be deemed to have occurred on the first to occur of the following:

- (i) on the date when the City files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

- (ii) on the date when a Holder or any former Holder notifies the City that it has received a written opinion by a nationally recognized firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the City of such notification from such Holder or such former Holder, as applicable, the City shall deliver to such Holder or such former Holder, as applicable, a ruling or determination letter issued to or on behalf of the City by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and

Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the City shall be advised in writing by the Commissioner of the Internal Revenue Service or the Director of Tax-Exempt Bonds of the Tax-Exempt and Government Entities Division of the Internal Revenue Service (or any other government official exercising the same or a substantially similar function from time to time, including an employee subordinate to one of these officers who has been authorized to provide such advice) that, based upon filings of the City, or upon any review or audit of the City or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on the date when the City shall receive notice from a Holder, a Holder representative, on behalf of the Bank, or any former Holder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of such Holder or such former Holder the interest on the Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the City has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from a Holder, a Holder representative, on behalf of the Bank, or former Holder, the City shall promptly reimburse, such Holder or former Holder for any payments, including any taxes, interest, penalties or other charges, such Holder (or former Holder) shall be obligated to make as a result of the Determination of Taxability.

“Effective Date” means October 10, 2017.

“Electric Light and Power System” has the meaning set forth in the Ordinance.

“Event of Default” has the meaning set forth in Section 7.01 hereof.

“Event of Taxability” means all or any portion of the interest paid or payable on the Notes is includable in the gross income of the Holder or any former Holder for federal income tax purposes.

“Excluded Taxes” means, with respect to the Bank or any Holder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which the Bank or such Holder is organized or in which its principal office is located and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the City is located.

“Facility Fee” has the meaning set forth in the Fee Letter.

“FASB” means the Financial Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

“Federal Funds Rate” means, for any day, the rate calculated by the Federal Reserve Bank of New York based on such day’s federal funds transactions by depository institutions, as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time, and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the federal funds effective rate. Notwithstanding anything herein to the contrary, if the Federal Funds Rate as determined as provided above would be less than zero percent (0.0%), then the Federal Funds Rate shall be deemed to be zero percent (0.0%).

“Fee Letter” means the Amended and Restated Fee Letter dated the Amendment Effective Date between the City and the Bank entered into in connection with this Agreement, and all amendments, modifications, restatements and extensions of such Fee Letter, entered into from time to time and any other letter or agreement delivered in substitution or exchange for such Fee Letter.

“Fiscal Year” means the fiscal year of the City ending September 30.

“Fitch” means Fitch Ratings, Inc.

“Fund” means any Person (other than a natural Person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its activities.

“GAAP” means accounting principles generally accepted in the United States as applied to local government units as prescribed by the pronouncements of the GASB and the FASB, consistently applied and maintained throughout the period indicated and consistent with the prior financial practice of the City, except for changes permitted by GASB, FASB or any similar accounting authority of comparable standing.

“GASB” means the Governmental Accounting Standards Board of the Financial Accounting Foundation or any successor thereto.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof or any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other Person with authority to bind a party at law.

“Gross Revenues” has the meaning set forth in the Ordinance.

“Holder” means the Bank and each Bank Transferee or Non-Bank Transferee pursuant to Section 8.06 hereof so long as such Bank Transferee or Non-Bank Transferee is an owner of Notes.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Initial Amortization Principal Payment Date” means, with respect to any Amortizing Note, the first Business Day of the sixth (6th) month immediately following the date of issuance of such Amortizing Note.

“Interest Payment Date” means, with respect to any Note, the last day of each Interest Period applicable to such Note and the related Maturity Date of such Note; *provided, however*, that if any Interest Period for a Note exceeds three (3) months, the respective dates that fall every three (3) months after the beginning of such Interest Period shall also be Interest Payment Dates.

“Interest Period” means, as to each Note, the period commencing on the date such Note is issued and purchased by the Bank and ending on the date one, three or six months thereafter, as selected by the City in its Request for Purchase; *provided that*:

(a) the Interest Period shall commence on the date of issuance and purchase of any Note and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the immediately preceding Interest Period expires;

(b) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; *provided*, that if any Interest Period with respect to a Note would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the immediately preceding Business Day;

(c) any Interest Period with respect to a Note that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; and

(d) no Interest Period shall extend beyond the Maturity Date of such Note.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBOR Index) determined by the Bank (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBOR Index for the longest period for which the LIBOR Index is available that is shorter than the Impacted Interest Period; and (b) the LIBOR Index for the shortest period (for which that LIBOR Index is available) that exceeds the Impacted Interest Period, in each case, at such time; *provided that*, if any Interpolated Rate shall be less than one percent (1.0%), such rate shall be deemed to be one percent (1.0%) for the purposes hereof.

“Investor Letter” has the meaning set forth in Section 8.06 hereof.

“JPMorgan Revolving Credit Agreement” has the meaning set forth in the Recitals hereto.

“Laws” means any treaty or any federal, regional, state and local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority.

“Lending Office” means the office or offices of the Bank described as such on Schedule I attached hereto, or such other office or offices as a Bank may from time to time notify the City.

“LIBOR Index” means, for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for U.S. Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page or screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Bank in its reasonable discretion; in each case the *“LIBOR Screen Rate”*) at approximately 11:00 a.m., London time, two London Banking Days prior to the commencement of such Interest Period; *provided that*, if the LIBOR Index shall not be available at such time for such Interest Period (an *“Impacted Interest Period”*), then the LIBOR Index shall be the Interpolated Rate; and *provided, further*, that if the LIBOR Index shall be less than 1.00%, such rate shall be deemed to be 1.00% for purposes of this Agreement.

“LIBOR Rate” means a per annum rate of interest equal to the sum of (A) the Applicable Spread plus (B) the product of (x) the LIBOR Index for the applicable Interest Period multiplied by (y) the Applicable Factor. The LIBOR Rate shall be rounded upwards to the fourth decimal place.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“London Banking Day” means any day that is a day for trading by and between banks in U.S. Dollar deposits in the London interbank market.

“Master Ordinances (Separate Lien Obligations)” means, collectively, (i) Ordinance No. 0006008-56A, adopted by the City Council on June 8, 2008, as amended from time to time, relating to the Waterworks and Sewer System indebtedness, and (ii) Ordinance No. 010118-53A, adopted by the City Council on June 18, 2001, as amended from time to time, relating to the Electric Light and Power System indebtedness.

“Material Adverse Effect” means a material adverse effect on any of (a) the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the City or either System, (b) the ability of the City to perform any of its other obligations under this Agreement or any of the other Related Documents, (c) the legality, validity or enforceability of this Agreement or any of the other Related Documents, (d) the rights, interests, security or remedies of the Bank under this Agreement or any of the other Related Documents, or (e) the creation, perfection or priority of the lien on any Security.

“Maturity Date” means, with respect to any Note, the date that such Note is scheduled to mature in accordance with the terms of this Agreement and the Ordinance; *provided* that in no event shall the *“Maturity Date”* be later than the Stated Expiration Date in effect on the related Settlement Date for such Note or the Maximum Maturity Date.

“Maximum Federal Corporate Tax Rate” means, for any day, the maximum rate of income taxation imposed on corporations pursuant to Section 11(b) of the Code, as in effect as of such day (or, if as a result of a change in the Code, the rate of income taxation imposed on corporations is generally shall not be applicable to the Bank, the maximum statutory rate of federal income taxation which could apply to the Bank as of such day).

“Maximum Interest Rate” means the lesser of (i) twelve percent (12%) and (ii) the maximum non-usurious rate of interest on the relevant obligation permitted by applicable State law.

“Maximum Maturity Date” has the meaning set forth in the Ordinance.

“Moody’s” means Moody’s Investors Service, Inc.

“Net Revenues” has the meaning set forth in the Ordinance.

“Non-Bank Transferee” has the meaning set forth in Section 8.06 hereof.

“Notes” is defined in the Recitals hereto.

“Note Counsel” means McCall, Parkhurst & Horton L.L.P., or any other firm or firms selected by the City whose opinion concerning bond matters is nationally recognized.

“Note Payment Fund” means the “Direct Purchase Payment Fund” as defined in the Ordinance.

“Obligations” means, without limitation or duplication, all Notes, all advances to, and debts, liabilities, obligations, covenants and duties of, the City arising under any Related Document or otherwise with respect to any Note, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the City of any proceeding under any Debtor Relief Laws naming the City as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding, the fees set

forth in the Fee Letter, all other obligations of the City to the Bank arising under or in relation to this Agreement and the Related Documents.

“*OFAC*” means the Office of Foreign Assets Control of the United States Department of the Treasury.

“*Ordinance*” has the meaning set forth in the Recitals hereto.

“*Other Taxes*” has the meaning set forth in Section 3.01(a) hereof.

“*Parity Lien Obligations*” means the obligations of the City under the Taxable Commercial Paper Notes, the JPMorgan Revolving Credit Agreement, and any other Debt issued or incurred by or on behalf of the City secured by all or any portion of the Pledged Revenues, the payment of which ranks on parity with the Notes.

“*Patriot Act*” has the meaning set forth in Section 8.14 hereof.

“*Paying Agent/Registrar*” means JPMorgan Chase Bank, National Association, and its successors and assigns.

“*Paying Agent/Registrar Agreement*” means that certain Note Paying Agent Agreement dated as of the [Amended] Effective Date, between the City and the Paying Agent/Registrar, as the same may be amended, modified or supplemented from time to time in accordance with its terms and the terms hereof.

“*Person*” means an individual, a corporation, a partnership, an association, a limited liability company, a trust, or any other entity or organization, including a Governmental Authority.

“*Pledged Revenues*” has the meaning set forth in the Ordinance.

“*Prime Rate*” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Bank) or any similar release by the Federal Reserve Board (as determined by the Bank). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“*Property*” means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

“*QFC*” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“*QFC Credit Support*” has the meaning assigned to it in Section 8.22.

“Rating Agency” and *“Rating Agencies”* means any of Moody’s, Fitch and/or S&P, as applicable.

“Related Documents” means this Agreement, the Fee Letter, the Ordinance, the Master Ordinances (Separate Lien Obligations), the Subordinate Lien Ordinance, the Paying Agent/Registrar Agreement, the Notes and any exhibit or schedule to any of the foregoing, as the same may be amended, modified or supplemented in accordance with their terms and the terms hereof.

“Related Parties” means, with respect to any Person, the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person.

“Request for Purchase” shall mean the request for a purchase of a Note by the Bank, in the form of Exhibit A hereto.

“Requirement of Law” means, with respect to any Person, (a) the charter, articles or certificate of organization or incorporation and bylaws or operating, management or partnership agreement, or other organizational or governing documents of such Person and (b) any statute, law (including common law), treaty, rule, regulation, code, ordinance, order, decree, writ, judgment, injunction or determination of any arbitrator or court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“S&P” means S&P Global Ratings.

“Sanction(s)” means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC).

“Security” has the meaning set forth in Section 2.11 hereof.

“Separate Lien Obligations” has the meaning set forth in the Ordinance.

“Settlement” shall mean each Settlement described in Section 2.03 hereof.

“Settlement Date” shall mean each date on which a Settlement occurs.

“Special Events of Default” means the Events of Default described in Section 7.01(a)(i), (e)(i), (f)(i)(A), (g), (h)(i), (i), (j)(ii) and (m).

“Specified Debt” means (i) any bonds, notes, certificates, debentures or other evidence of similar indebtedness issued by or on behalf of the City secured by all or any portion of the Pledged Revenues, the payment of which ranks senior to or on parity with the Notes, (ii) the obligations of the City under any Swap Contract (other than any termination payments under any Swap Contract) (the payment of which is secured by all or any portion of the Pledged Revenues and which ranks senior to or on parity with the Notes) providing interest rate support with respect to any Debt which ranks senior to or on parity with the Notes, (iii) any obligation of the City as lessee under a capital

lease the payment of which is secured by all or any portion of the Pledged Revenues and which ranks senior to or on parity with the Notes which is not subject to appropriation or abatement, (iv) any guarantee by the City the payment of which ranks senior to or on parity with the Notes specified (*provided, however*, that the failure to pay any such guarantee as a result of any set-off, recoupment, counterclaim or any other defense of the City shall not constitute a failure to pay Specified Debt for purposes of this Agreement) and (v) direct obligations of the City arising under letters of credit (including standby and commercial), credit agreements, bankers' acceptances, bank guaranties, surety bonds and similar instruments the payment of which ranks senior to or on parity with the Notes.

"State" means the State of Texas.

"Stated Expiration Date" means October 7, 2022, or such later date to which the Stated Expiration Date shall have been extended pursuant to Section 2.12 hereof.

"Subordinate Lien Bonds" has the meaning set forth in the Ordinance.

"Subordinate Lien Ordinance" means that certain Ordinance No. 981008-D adopted by the City on October 8, 1998, as amended and supplemented in accordance with the terms hereof and thereof.

"Supported QFC" has the meaning assigned to it in Section 8.22.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master Agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master Agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master Agreement (any such master Agreement, together with any related schedules, a *"Master Agreement"*), including any such obligations or liabilities under any Master Agreement, in each case, entered into by the City and which in each case is related to any debt of the City payable from the Pledged Revenues.

"Systems" has the meaning set forth in the Ordinance.

"Taxable Date" means the date on which interest on any Note is first includable in gross income of a Holder (including, without limitation, any previous Holder) as a result of an Event of Taxability as such a date is established pursuant to a Determination of Taxability.

“Taxable Period” has the meaning set forth in Section 2.07 hereof.

“Taxable Commercial Paper Notes” means the City’s Combined Utility Systems Commercial Paper Notes, Taxable Series.

“Taxable Rate” means, for each day during a Taxable Period, the product of (i) the interest rate on the applicable Notes for such day and (ii) the applicable Taxable Rate Factor; *provided, however*, that the Taxable Rate shall not exceed the Maximum Interest Rate.

“Taxable Rate Factor” means, for each day that the Taxable Rate is determined, the quotient of (i) one *divided by* (ii) one minus the Maximum Federal Corporate Tax Rate in effect as of such day, rounded upward to the second decimal place.

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, fines, additions to tax or penalties applicable thereto.

“U.S. Special Resolution Regime” has the meaning assigned to it in Section 8.22.

“Waterworks and Sewer System” has the meaning set forth in the Ordinance.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Related Document, unless otherwise specified herein or in such other Related Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (i) any definition of or reference to any Agreement, instrument or other document shall be construed as referring to such Agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Related Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein,” “hereof” and “hereunder,” and words of similar import when used in any Related Document, shall be construed to refer to such Related Document in its entirety and not to any particular provision thereof, (iv) all references in a Related Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Related Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible

and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including;” the words “to” and “until” each mean “to but excluding;” and the word “through” means “to and including.”

(c) Section headings herein and in the other Related Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Related Document.

Section 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with United States GAAP consistently applied. If, after the Effective Date, there shall occur any change in GAAP from those used in the preparation of the financial statements of the City referred to in Section 5.13 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement including, without limitation, a recharacterization of operating leases to the effect that certain operating leases are to be treated as capital leases, either the City or the Bank may by notice to the other party hereto, require that the Bank and the City negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the City shall be the same as if such change had not been made. No delay by the City or the Bank in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 1.03, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles.

Section 1.04. Interpretations. The table of contents and article and section headings of this Agreement are included herein for convenience of reference purposes only and shall not constitute a part of this Agreement or affect its interpretation in any respect.

Section 1.05. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

Section 1.06 Interest Rates; LIBOR Notification. The interest rate on Direct Purchase Notes is determined by reference to the LIBOR Index, which is derived from the London interbank offered rate (“LIBOR”). LIBOR is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting LIBOR. As a result, it is possible that commencing in 2022, LIBOR may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Direct Purchase Notes. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of LIBOR. In the event a Benchmark Transition Event occurs, Section

2.14 of this Agreement provides a mechanism for determining an alternative rate of interest. The Bank will notify the City, pursuant to this Section 1.06 in advance in writing of any change to the reference rate upon which the interest rate of Direct Purchase Notes is based. However, the Bank does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to LIBOR or other rates in the definition of "LIBOR Index" or with respect to any alternative, successor rate thereto, or replacement rate thereof, including without limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate, as it may or may not be adjusted pursuant to Section 2.14 hereof, will be similar to, or produce the same value or economic equivalence of the LIBOR Index or have the same volume or liquidity as did LIBOR prior to its discontinuance or unavailability.

ARTICLE II.

SALE AND PURCHASE; CLOSING; SETTLEMENT

Section 2.01. Purchase and Sale of Notes. (a) From the Amendment Effective Date through the Commitment Termination Date, and upon and subject to the terms and conditions and on the basis of the representations, warranties and agreements contained herein, the Bank hereby agrees, when requested by the City pursuant to this Agreement, to purchase from the City from time to time in an aggregate principal amount at any one time outstanding not to exceed the Commitment, and the City hereby agrees to sell and deliver to the Bank from time to time, Notes, upon issuance thereof in accordance with and under the terms and conditions of the Ordinance, in one or more installments on each Settlement Date. The Notes are authorized pursuant to the Act and the Ordinance, and are to be issued only for the purposes authorized under the Ordinance. The Notes are issued as Direct Purchase Notes under the Ordinance and, pursuant to the Ordinance, the principal of and interest on the Notes are payable from and secured by a lien on and pledge of the sources pledged under the terms of the Ordinance and Section 2.11 hereof, including the Pledged Revenues.

(b) Pursuant to and subject to the terms of this Agreement, each Note shall be sold to the Bank at a purchase price equal to the principal amount of such Note and no accrued interest and the Bank shall pay such purchase price to the City upon delivery of such Note to the Bank on the related Settlement Date.

(c) Notwithstanding anything herein to the contrary, in no event shall, at any time, the sum of (i) the aggregate principal amount of all outstanding Commercial Paper Notes, plus (ii) the aggregate outstanding principal amount of all Loans as defined in the JPMorgan Revolving Credit Agreement, plus (iii) the aggregate outstanding principal amount of all Notes purchased by the Bank hereunder, exceed the Commitment from time to time in effect.

(d) Each Note shall (i) be dated the date such Note is delivered to the Bank, (ii) be payable from and secured by the Pledged Revenues in the manner described in Section 2.11 hereof, (iii) have a Maturity Date as specified in the related Request for Purchase but in no event later than the Stated Expiration Date or Maximum Maturity Date, with principal thereof and interest thereon

payable as specified in this Agreement, and (iv) bear interest at the LIBOR Rate. Interest on the Notes shall be calculated on the basis of a year of 360 days and actual days elapsed.

Section 2.02. Closing. At such date and time as shall have been mutually agreed upon by the City and the Bank, the certificates, opinions and other documents required by Section 4.01 below shall be executed and delivered (all of the foregoing actions are herein referred to collectively as the “*Closing*”). Assuming the Closing is completed in accordance with the provisions of this Agreement then, subject to the provisions of this Agreement and the conditions set forth in Section 4.02 hereof, the Bank shall purchase each Note and pay the purchase price therefor specified in Section 2.01(b) hereof (and the City shall issue and deliver such Note) at each Settlement.

Section 2.03. Purchase Request and Settlement. (a) In order to request the purchase of a Note by the Bank, the City shall deliver a Request for Purchase, properly completed, to the Bank in the form of Exhibit A hereto, and deliver or cause to be delivered to the Bank the other documents required by Section 4.02 hereof, not later than 12:00 noon on a Business Day that is at least three (3) London Banking Days prior to the proposed Settlement Date. The Bank will, subject to the terms and conditions hereof, accept such delivery and pay or cause to be paid the purchase price of the Note or Notes by wire transfer in immediately available funds to the City (all of the foregoing described transactions are herein referred to collectively as the “*Settlement*”); *provided* that if so directed by the City, the Bank shall pay or cause to be paid the purchase price of the Note or Notes by wire transfer in immediately available funds to the City for deposit into the Note Payment Fund. Pursuant to Section 2.04 hereof, the Bank shall determine the initial LIBOR Rate two London Banking Days prior to the related Settlement Date.

(b) The interest rate applicable to a Note may be continued for successive Interest Periods in accordance with the Request for Purchase or upon the City’s irrevocable request to the Bank in the form of Exhibit B hereto with blanks appropriately completed (each, a “*Notice of Continuation*”). The Bank must receive each Notice of Continuation not later than 12:00 noon on the Business Day which is three (3) London Banking Days prior to the last day of the then-current Interest Period. Upon the Bank’s timely receipt of a duly completed and executed Notice of Continuation, the Note described therein shall be continued as a Note with the Interest Period specified therein, or, if no Interest Period is specified therein, or if no Notice of Continuation is received by the Bank, then the applicable Note shall be continued as a Note with a one-month Interest Period.

(c) After giving effect to all purchases and continuations of Notes, there may only be one Interest Period at any one time for a particular Note.

Section 2.04. Interest Rate (a) Subject to adjustment as set forth herein, each Note shall bear interest at a rate per annum equal to the lesser of (i) the applicable Maximum Interest Rate and (ii) the LIBOR Rate. The LIBOR Rate shall be rounded upward to the fourth decimal place.

(b) Any principal of, and to the extent permitted by applicable law, any interest on the Notes and any other sum payable hereunder, which is not paid when due shall bear interest, from

the date due and payable until paid, payable on demand, at a rate per annum equal to the lesser of (i) the Default Rate and (ii) subject to Section 2.04(d) hereof, the Maximum Interest Rate.

(c) Upon the occurrence of an Event of Default, the Notes and all other Obligations payable hereunder shall bear interest, payable on demand (excluding interest on outstanding Notes, which will remain payable in accordance with their terms until their respective maturity dates), at a rate per annum equal to the lesser of (i) the Default Rate and (ii) subject to Section 2.04(d) hereof, the Maximum Interest Rate.

(d) Anything in Section 2.04(a), 2.04(b) or 2.04(c) to the contrary notwithstanding, if at any time the interest rate which would otherwise be payable on a Note exceeds the Maximum Interest Rate, the rate of interest to accrue on the aggregate unpaid outstanding principal balance of the Note during that time shall be limited to the Maximum Interest Rate, but any subsequent reductions in the interest rate applicable to the Note shall not become effective to reduce the interest rate below the Maximum Interest Rate until the total amount of interest accrued on the aggregate unpaid outstanding principal balance of the Note equals the total amount of interest which would have accrued if the applicable interest rate on the Note as provided hereunder had at all times been in effect. Notwithstanding the foregoing, on the date on which no principal amount with respect to the Notes remains unpaid, the City shall pay to each Holder a fee equal to any accrued and unpaid excess interest pursuant to this Section 2.04(d); *provided, however*, in no event shall the foregoing result in the City paying an amount from the date of initial delivery of the Note in excess of the Maximum Interest Rate calculated in accordance with the provisions of Chapter 1204, Texas Government Code.

(e) The Bank shall promptly notify the City and the Paying Agent/Registrar of the interest rate applicable to any Notes upon determination of such interest rate; *provided, however*, that the failure by the Bank to provide notice of the applicable interest rate shall not relieve the City of its obligation to make payment of amounts as and when due hereunder. Each determination by the Bank of an interest rate shall be conclusive and binding for all purposes, absent manifest error.

Section 2.05. Payment. (a) Accrued but unpaid interest on each Note shall be due and payable on the applicable Interest Payment Date. Interest due and payable on a Note shall be equal to the amount accrued to, but excluding the related payment date. If the payment date for the principal of or interest on a Note is a day other than a Business Day, the date for payment thereof shall be extended, without penalty, to the next succeeding Business Day, and such extended period of time shall be included in the computation of interest; *provided, however*, the payment of interest on a Note on such extended date shall have the same force and effect as if made on the original payment date.

(b) All outstanding principal of any Note, together with all accrued interest thereon, shall be due and payable on the related Maturity Date of such Note; *provided* that if (i) no Default or Event of Default shall have occurred and be continuing and (ii) the representations and warranties set forth in Article V shall be true and correct on the applicable Maturity Date, except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date (collectively, the “*Amortization Requirements*”), then the City shall cause a new Note (an “*Amortizing Note*”) to be issued on the applicable Maturity Date of such maturing

Note in the same principal amount of such maturing Note, and the Bank shall purchase such Amortizing Note on its date of issuance, and the principal of such Amortizing Note shall be payable on the following terms: (i) such Amortizing Note shall bear interest at the Bank Rate, (ii) interest on such Amortizing Note shall be payable in arrears on the first Business Day of each calendar month and on the Amortization End Date, and (iii) the principal amount of such Amortizing Note shall be payable on each Amortization Principal Payment Date (each such payment, an “*Amortization Payment*”), with the final installment in an amount equal to the entire then-outstanding principal amount of such Amortizing Notes to be repaid on the Amortization End Date. The City acknowledges that the foregoing payment schedule may result in a final payment substantially higher than the preceding payments. Each Amortization Payment shall be that amount of principal which will result in equal (as nearly as possible) aggregate Amortization Payments over the Amortization Period. During each Amortization Period, interest on the applicable Amortizing Notes shall accrue at the Bank Rate, be payable monthly in arrears on the first Business Day of each calendar month and be calculated on the basis of a 365 or 366 day year, as applicable, and actual days elapsed. Notwithstanding the foregoing, no Amortizing Note shall be issued to repay any other Amortizing Note at maturity.

(c) (i) The City may prepay or redeem any Note at par, in whole or in part, on the last day of each Interest Period provided at least three (3) Business Days’ prior written notice is given by the City to the Bank and the Paying Agent/Registrar. Each such notice shall specify the date and amount of such prepayment and the Notes to be prepaid and the Interest Period(s) of such Notes, if applicable. The City may also prepay or redeem a Note on a day other than the last day of an Interest Period and in such event the City shall pay any prepayment premium or fee in accordance with Section 2.09 hereof. Each such notice of optional prepayment shall be irrevocable and shall bind the City to make such prepayment in accordance with such notice. Any prepayment of a Note shall be in a principal amount equal to the lesser of (A) \$1,000,000 or a whole multiple of \$100,000 in excess thereof, or (B) the entire principal amount of the particular Note then outstanding.

(ii) If on any date (A) the sum of (1) the aggregate principal amount of outstanding Loans as defined in the JPMorgan Revolving Credit Agreement, (2) the aggregate outstanding principal amount of all Notes and (3) the aggregate principal amount of outstanding Commercial Paper Notes exceeds the amount of the Commitment then in effect, the City shall immediately prepay one or more of the Notes in an amount equal to such excess, and (B) any bonded indebtedness is sold to finance the repayment of any Notes, the City shall immediately prepay such Notes in an amount equal to the amount of such bonded indebtedness.

(iii) All prepayments of principal shall include accrued interest to the date of prepayment and all other amounts due and payable at such time pursuant to this Agreement.

Section 2.06. Termination or Reduction of Commitment. (a) Notwithstanding any provisions of this Agreement to the contrary, the City agrees not to terminate this Agreement or reduce the Commitment prior to the Stated Expiration Date, except upon (i) the payment of any amounts required to be paid pursuant to the terms of this Agreement and the Fee Letter in the amounts, at the times and in the manner set forth therein (if any), (ii) the payment to the Bank of all Obligations payable hereunder and (iii) the City providing the Bank with thirty (30) days prior

written notice of its intent to terminate this Agreement; *provided* that all payments to the Bank referred to in clause (i) and (ii) above shall be made in immediately available funds. The City agrees that any termination of this Agreement as a result of the provision of any substitute facility pursuant to the terms of the Ordinance will require, as a condition thereto, that the City or the issuer of such facility will provide funds on the date of such termination or provision in an amount sufficient to pay in full at the time of termination all Obligations due and owing to the Bank.

(b) The Commitment shall terminate on the Commitment Termination Date. Subject to Section 2.05(b) hereof, all Notes then outstanding (together with accrued interest thereon) shall be due and payable on the Commitment Termination Date.

(c) If the Commitment is terminated in its entirety, all accrued Facility Fees shall be payable on the effective date of such termination. If the amount of the Commitment is reduced, the Facility Fee that has accrued on the amount by which the Commitment has been reduced shall be payable on the effective date of such reduction together with any amounts required to be paid pursuant to the terms of the Fee Letter, at the times and in the manner set forth therein.

Section 2.07. Taxability. (a) In the event a Taxable Date occurs, the Notes shall bear interest at the Taxable Rate on and after the Taxable Date. In addition to the foregoing (but not in duplication thereof), in the event a Taxable Date occurs, the City hereby agrees to pay to the Bank or any Holder on demand therefor, (1) an amount equal to the difference between (A) the amount of interest that would have been paid to the Bank or any Holder, as applicable, on any Note during the period for which interest on such Note is includable in the gross income of the Bank or any Holder, if such Note had borne interest at the Taxable Rate, beginning on the Taxable Date (the "*Taxable Period*"), and (B) the amount of interest actually paid to the Bank or any Holder, as applicable, during the Taxable Period, and (2) an amount equal to any interest, penalties or charges owed by the Bank or any Holder, as applicable, as a result of interest on the Notes becoming includable in the gross income of the Bank or any Holder, as applicable, together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Bank or any Holder, as applicable, in connection therewith; *provided*, that at no time shall the interest rate exceed the applicable Maximum Interest Rate.

(b) The obligations of the City under this Section 2.07 shall survive the termination of this Agreement.

Section 2.08. Fees. The City hereby agrees to pay to the Bank all amounts set forth in the Fee Letter on the terms, in the amounts and in the manner set forth herein and therein and the terms of the Fee Letter are hereby incorporated herein by reference as if fully set forth herein. Any reference herein to fees and/or any other amounts or obligations payable hereunder or under this Agreement shall include, without limitation, all fees and other amounts or obligations payable pursuant to the Fee Letter, and any reference to this Agreement shall be deemed to include a reference to the Fee Letter. All computations of fees and other amounts due under the Fee Letter shall be made by the Bank on the basis of a year of 360 days and the actual number of days elapsed.

Section 2.09. Funding Indemnity. In the event the Bank shall incur any loss, cost, or expense (including, without limitation, any loss, cost, or expense incurred by reason of the

liquidation or reemployment of deposits or other funds acquired or contracted to be acquired by the Bank to purchase or hold the Notes or the relending or reinvesting of such deposits or other funds or amounts paid or prepaid to the Bank) as a result of any prepayment of any Note on a date other than an Interest Payment Date for any reason, whether before or after default, and whether or not such payment is required by any indemnity provision of this Agreement or the Ordinance, then upon the demand of the Bank, the City shall, to the extent permitted by applicable State law, pay to the Bank a prepayment premium in such amount as will reimburse the Bank for such loss, cost, or expense. If the Bank requests such prepayment premium, it shall provide to the City a certificate setting forth the computation of the loss, cost, or expense giving rise to the request for such prepayment premium in reasonable detail and such certificate shall be conclusive if reasonably determined, and the City may fully rely upon such certificate as determinative of the final amount of such prepayment premium.

Section 2.10. General Provisions as to Payment. The following general provisions shall apply to all payments of Facility Fees, payments on the Note and all other payment Obligations under this Agreement and the Related Documents:

(a) The Bank shall calculate and notify the City in writing of the amounts payable by the City hereunder; *provided, however*, that the failure of the Bank to provide such notice shall not affect the obligations of the City to make any payments owed to the Bank hereunder when due. All payments to be made by the City shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the City hereunder shall be made to the Bank, at the Lending Office in U.S. Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Bank after 2:00 p.m. shall be deemed received on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the City shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

(b) *Funding Source.* Nothing herein shall be deemed to obligate the Bank to obtain the funds for the purchase of any Note in any particular place or manner or to constitute a representation by the Bank that it has obtained or will obtain the funds for the purchasing of any Note in any particular place or manner; *provided, however*, that funds for the purchase of any Note shall not be otherwise encumbered and the Bank will purchase any Note hereunder with its own funds.

Section 2.11. Security for Notes. (a) The City hereby pledges and grants to the Bank, on an equal and ratable basis with the holders of the Commercial Paper Notes and as collateral security for the payment by the City of all amounts now or at any time hereafter payable to the Bank under this Agreement and under any Related Document, the due and punctual observance and performance of all other obligations of the City under this Agreement and under the Related Documents, a lien on and security interest in the following:

(i) the proceeds from the sale of bonded indebtedness issued to refund outstanding Notes; and

(ii) the amounts held in the Note Payment Fund until the amounts deposited therein are used for authorized purposes.

(b) In addition, the City hereby pledges and grants to the Bank, on an equal and ratable basis with the holders of the Commercial Paper Notes and the holders of the Parity Lien Obligations, as collateral security for the payment by the City of all amounts now or at any time hereafter payable to the Bank under this Agreement, the due and punctual observance and performance of all other obligations of the City under this Agreement, subject only to the provisions of the Ordinance permitting the application thereof for purposes and on the terms and conditions set forth therein, a lien on, pledge of and security interest in the Pledged Revenues; *provided, however*, that the lien on, pledge of and security interest in the Pledged Revenues to secure payment of the Notes and other amounts payable under this Agreement shall be subordinate only to the lien on and pledge of the Pledged Revenues securing the payment of the principal of and interest on Subordinate Lien Bonds and Separate Lien Obligations. The liens and security interests described in Section 2.11(a) and (b) are referred to collectively as the “*Security*.”

(c) The Bank acknowledges that the pecuniary obligations of the City under this Agreement in the nature of fees due hereunder or under the Fee Letter or any other amounts owed to the Bank hereunder or under any other Related Document are secured by and payable solely from the Security.

(d) Chapter 1208, Texas Government Code provides that no filing, registering, recording or publication of this Agreement or the Fee Letter is required to establish a pledge of Pledged Revenues to perfect, protect or maintain the lien securing the obligations of the City under this Agreement or the Fee Letter. In the event Chapter 1208, Texas Government Code is amended at any time while any obligations of the City remain outstanding under this Agreement, or the Fee Letter, such that the lien on the Pledged Revenues is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, the City agrees to take such action necessary to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code, to maintain perfection of the lien on and security interest in the Pledged Revenues.

(e) The pecuniary obligations of the City under this Agreement are not payable from funds raised or to be raised from taxation.

Section 2.12. Extension of Stated Expiration Date. (a) No more than one hundred twenty (120) days and no less than ninety (90) days prior to the Stated Expiration Date (the “*Deadline*”), the City may request in writing to the Bank (each such request being irrevocable) an extension of the Stated Expiration Date. If the City shall make such a request prior to the Deadline, the Bank shall, within thirty (30) days of such request, notify the City in writing whether or not the Bank consents to such request and the terms and conditions upon which the Bank will consent to such request (including conditions relating to pricing and legal documentation). The Bank shall have no obligation whatsoever to consent to any request for an extension of the Stated Expiration Date, and any such extension shall be subject to approval by the Bank. If the Bank shall not notify the City of the Bank’s consent to such extension, the Bank shall be deemed to have rejected the City’s request for an extension. If the Bank (in its sole and absolute discretion) shall agree to extend the

Stated Expiration Date, then the Bank and the City shall enter into an amendment of this Agreement.

(b) Any such extension of the Stated Expiration Date shall be subject to such additional terms, including payment of extension fees to the Bank, as shall be agreed to by the City and the Bank.

Section 2.13. Obligations Absolute. To the fullest extent permitted by Law, the obligations of the City under this Agreement shall be absolute, unconditional and irrevocable and shall be paid or performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances: (i) any lack of validity, legality or enforceability of this Agreement, any Note or any other Related Document, or any other instrument, agreement or other document executed and delivered by the City in connection with any of the foregoing; (ii) any amendment or waiver of or any consent to departure from all or any of the Related Documents, or any other instrument, Agreement or other document executed and delivered by the City in connection with any of the foregoing; (iii) any statement or other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; (iv) the purchasing of a Note after the delivery of a Request for Purchase that does not comply with the terms of this Agreement; (v) the existence of any claim, set-off, defense or other rights which the City may have at any time against the Paying Agent/Registrar (or any Person for whom the Paying Agent/Registrar may be acting), any Holder, the Bank or any other Person, whether in connection with this Agreement, the transactions contemplated herein or in the Related Documents or any unrelated transaction; (vi) the use to which proceeds of any Notes may be put; or (vii) any other circumstance which might constitute a legal or equitable discharge of any obligations hereunder (whether or not similar to any of the foregoing), it being agreed that the obligations hereunder shall not be discharged except by the performance thereof strictly in accordance with the terms of this Agreement including, without limitation, the payment in full as herein provided of all amounts owing hereunder.

Section 2.14. Alternate Rate of Interest; Illegality. (a) If prior to the commencement of any Interest Period for a Direct Purchase Note:

(i) the Bank determines (which determination shall be conclusive and binding absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBOR Index, as applicable (including, without limitation, by means of an Interpolated Rate or because the LIBOR Screen Rate is not available or published on a current basis) for such Interest Period; provided that no Benchmark Transition Event shall have occurred at such time; or

(ii) the Bank determines the LIBOR Index for such Interest Period will not adequately and fairly reflect the cost to the Bank of purchasing or maintaining the Direct Purchase Notes purchased in such Borrowing for such Interest Period; provided that no Benchmark Transition Event shall have occurred at such time;

then the Bank shall give written notice thereof to the City as promptly as practicable thereafter and, until the Bank notifies the City that the circumstances giving rise to such notice no longer exist, (A) any Notice of Continuation that requests the continuation of any Interest Period shall be ineffective and any such Direct Purchase Note shall be repaid or bear interest at the Base Rate on the last day of the then current Interest Period applicable thereto, and (B) if any Request for Purchase requests the Bank to purchase a Direct Purchase Note, such Direct Purchase Note shall bear interest at the Base Rate.

(b) If the Bank determines that any Requirement of Law has made it unlawful, or if any Governmental Authority has asserted that it is unlawful, for the Bank or its applicable lending office to purchase, maintain, fund or continue any Direct Purchase Note based on the LIBOR Index, or any Governmental Authority has imposed material restrictions on the authority of the Bank to purchase or sell, or to take deposits of, dollars in the London interbank market, then, on notice thereof by the Bank to the City, any obligations of the Bank to purchase, maintain, fund or continue Direct Purchase Notes based on the LIBOR Index will be suspended until the Bank notifies the City that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the City will upon demand from the Bank, either prepay, or cause to be prepaid, or convert all Direct Purchase Notes to bear interest at the the sum of (a) the product of the Base Rate and the Applicable Factor, plus (b) the Applicable Spread, either on the last day of the Interest Period therefor, if the Bank may lawfully continue to maintain such Direct Purchase Notes to such day, or immediately, if the Bank may not lawfully continue to maintain such Direct Purchase Notes. Upon any such prepayment or conversion, the City will also pay or cause to be paid accrued interest on the amount so prepaid or converted.

(c) If a Benchmark Transition Event occurs, then the Bank will in good faith choose a replacement index for the LIBOR Index and make adjustments to applicable margins and related amendments to the documents such that, to the extent practicable, the all-in interest rate based on the replacement index (the “*Alternate Rate*”) will be substantially equivalent to the all-in LIBOR-based interest rate in effect prior to its replacement. Such replacement index shall be applied in a manner consistent with market practice or, to the extent such market practice is not administratively feasible for the Bank, in a manner as otherwise reasonably determined by the Bank; the City acknowledges that the Alternate Rate may include a mathematical adjustment using any then-evolving or prevailing market convention or method for determining a spread adjustment for the replacement of the LIBOR Index. For avoidance of doubt, all references to the LIBOR Index shall be deemed to be references to the Alternate Rate when the Alternate Rate becomes effective in accordance with this section. In addition, the Bank will have the right, from time to time by written notice to City to make technical, administrative or operational changes (including, without limitation, changes to the definition of “*Base Rate*”, the definition of “*Interest Period*”, timing and frequency of determining rates and making payments of interest and other administrative matters) that the Bank decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of the Alternate Rate. The Alternate Rate, together with all such technical, administrative and operational changes as specified in any notice, shall become effective at the later of (i) the fifth Business Day after the Bank has provided notice to the City (the “*Notice Date*”) and (ii) a date specified by the Bank in the notice, without any further action or consent of the City, so long as Bank has not received, by 5:00 p.m. on the Notice Date, written notice of objection to the Alternate Rate from the City. If the City provides such written notice of

objection, the City and the Bank shall negotiate in good faith to determine the Alternate Rate and any related technical, administrative and operational changes. Any determination, decision, or election that may be made by the Bank pursuant to this section, including any determination with respect to a rate or adjustment or the occurrence or non-occurrence of an event, circumstance or date, and any decision to take or refrain from taking any action (other than the actions described in the first sentence of this subsection (c)), will be conclusive and binding absent manifest error and may be made in its sole discretion and without consent from the City. Until an Alternate Rate shall be determined in accordance with this section, the LIBOR Rate shall be equal to the sum of (a) the product of the Base Rate and the Applicable Factor, plus (b) the Applicable Spread, subject to the terms of this Agreement. In no event shall the Alternate Rate be less than one.

(d) As used in this Section 2.14, any reference to the term “Base Rate” shall exclude prong (iii) in the definition thereof.

ARTICLE III

TAXES, YIELD PROTECTION AND ILLEGALITY

Section 3.01. Taxes.

(a) *Taxes.* Any and all payments to any Holder by the City hereunder and under the Fee Letter shall be made free and clear of and without withholding or deduction for any and all Indemnified Taxes. If the City shall be required by law to withhold or deduct any Indemnified Taxes imposed by the United States or any political subdivision thereof (or any other jurisdiction from which or through which payments are made) from or in respect of any sum payable hereunder or under the Fee Letter to any Holder, then (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.01), such Holder receives an amount equal to the sum it would have received had no such deductions been made, (ii) the City shall make such deductions and (iii) the City shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. If the City shall make any payment under this Section 3.01 to or for the benefit of any Holder with respect to Indemnified Taxes and if such Holder shall claim any credit or deduction for such Indemnified Taxes against any other taxes payable by such Holder to any taxing jurisdiction in the United States then such Holder shall pay to the City an amount equal to the amount by which such other taxes are actually reduced; provided, that the aggregate amount payable by such Holder pursuant to this sentence shall not exceed the aggregate amount previously paid by the City with respect to such Indemnified Taxes. In addition, the City agrees to pay any present or future stamp, recording or documentary taxes and any other excise or property taxes, charges or similar levies that arise under the laws of the United States of America or any state of the United States or any other taxing jurisdiction from any payment made hereunder or under the Fee Letter or from the execution or delivery or otherwise with respect to this Agreement (hereinafter referred to as “*Other Taxes*”). Each Holder shall provide to the City within a reasonable time a copy of any written notification it receives with respect to Indemnified Taxes or Other Taxes owing by the City to any Holder hereunder; provided, that such Holders’ failure to send such notice shall not relieve the City of its obligation to pay such amounts hereunder.

(b) *Reimbursement.* The City shall, to the fullest extent permitted by law and subject to the provisions hereof, pay each Holder for the full amount of Indemnified Taxes and Other Taxes including any Indemnified Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 3.01 paid by such Holder or any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally asserted; provided, that the City shall not be obligated to pay any Holder for any penalties, interest or expenses relating to Indemnified Taxes or Other Taxes arising from such Holders' gross negligence or willful misconduct. Each Holder agrees to give notice to the City of the assertion of any claim against such Holder relating to such Indemnified Taxes or Other Taxes as promptly as is practicable after being notified of such assertion; provided, that such Holders' failure to notify the City promptly of such assertion shall not relieve the City of its obligation under this Section 3.01. Payments by the City pursuant to this subsection (b) shall be made within thirty (30) days from the date such Holder makes written demand therefor, which demand shall be accompanied by a certificate describing in reasonable detail the basis thereof. Each Holder agrees to repay to the City any refund (including that portion of any interest that was included as part of such refund) with respect to Taxes or Other Taxes paid by the City pursuant to this Section 3.01 received by such Holder for Indemnified Taxes or Other Taxes that were paid by the City pursuant to this Section 3.01 and to contest, with the cooperation and at the expense of the City, any such Indemnified Taxes or Other Taxes which such Holder or the City reasonably believes not to have been properly assessed.

(c) *Notice.* Within thirty (30) days after the date of any payment of Indemnified Taxes or Other Taxes by the City, the City shall furnish to such Holder, the original or a certified copy of a receipt evidencing payment thereof.

Section 3.02. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, liquidity ratio, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by a Holder;

(ii) subject any Holder to any taxes (except for Indemnified Taxes covered by Section 3.01 hereof and the imposition of, or any change in the rate of any Excluded Tax payable by the Bank or any Holder) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on any Holder or the London interbank market any other condition, cost or expense affecting this Agreement or the Notes;

and the result of any of the foregoing shall be to increase the cost to any Holder with respect to this Agreement, the Notes, or the making, maintenance or funding of the purchase price of the Notes, or to reduce the amount of any sum received or receivable by such Holder hereunder (whether of principal, interest or any other amount) then, within thirty (30) days after request of

such Holder, to the extent permitted by State law, the City will pay to the such Holder such additional amount or amounts as will compensate such Holder for such additional costs incurred or reduction suffered; *provided, however*, in no event shall the foregoing result in the City paying an amount from the date of initial delivery of the Note in excess of the Maximum Interest Rate calculated in accordance with the provisions of Chapter 1204, Texas Government Code.

(b) *Capital Requirements.* If any Holder determines that any Change in Law affecting such Holder or any of its parent or holding companies, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Holder's capital or liquidity or on the capital or liquidity of such Holder's holding company, if any, as a consequence of this Agreement or the purchase of any Note hereunder, to a level below that which such Holder or such Holder's parent or holding company could have achieved but for such Change in Law (taking into consideration such Holder's policies and the policies of its parent or holding company with respect to capital adequacy), then, within thirty (30) days after request by such Holder, to the extent permitted by law, the City will pay to such Holder such additional amount or amounts as will compensate such Holder or its parent or holding companies, as applicable, for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of any Holder setting forth the amount or amounts necessary to compensate such Holder or its parent or its holding companies, as the case may be, as specified in subsection (a) or (b) of this Section (and the calculation thereof in reasonable detail) and delivered to the City shall be conclusive absent manifest error. The City shall pay such Holder the amount shown as due on any such certificate within thirty (30) days after receipt thereof.

(d) *Delay in Requests.* Failure or delay on the part of any Holder to demand compensation pursuant to the foregoing provisions of this Section shall not constitute a waiver of such Holder's right to demand such compensation.

Section 3.03. Survival. Without prejudice to the survival of any other Agreement of the City hereunder, all of the City's obligations under this Article III shall survive termination of the Commitment and repayment of all other Obligations hereunder.

ARTICLE IV

CONDITIONS

Section 4.01. Conditions to Closing and Effectiveness of this Agreement. The Bank's obligation to purchase Notes in accordance with Section 2.01 hereof shall become effective on the Amendment Effective Date subject to the satisfaction of conditions in this Section 4.01.

(a) The Bank shall have received on or before the Amendment Effective Date the following, each in form and substance satisfactory to the Bank and its counsel and, unless otherwise indicated, dated the Amendment Effective Date:

- (i) a certified copy of the Ordinance;

(ii) certified copies of the Master Ordinances (Separate Lien Obligations) and all amendments thereto;

(iii) a counterpart of this Agreement and the Fee Letter, duly executed by the City and the Bank;

(iv) executed copies of the JPMorgan Revolving Credit Agreement and each of the Related Documents not delivered pursuant to the immediately preceding clauses (i) through (iii);

(v) a certificate of an Authorized Representative, certifying that all conditions precedent set forth in the Ordinance with respect to issuance of the Notes, other than the delivery of issuance requests and the other required documents and approvals relating thereto, shall have been satisfied;

(vi) a certificate of an Authorized Representative of the City, which shall certify, among other things, as to the matters described in paragraph (b) below;

(vii) (A) an opinion of Note Counsel covering such matters relating to the transactions contemplated by the Related Documents as the Bank shall reasonably request, including without limitation, that all necessary action on the part of the City shall have been taken to pledge the Pledged Revenues for the benefit of the Bank and the obligations of the City under this Agreement, and such pledge is valid, binding and enforceable against the City, and (B) an opinion of Note Counsel, addressed to the Bank, dated the Amendment Effective Date, in the form approved by the Bank, and to the effect that the interest with respect to the Notes purchased by the Bank from time to time as provided for herein is excludable from gross income for federal income tax purposes, and including an acknowledgement that the Bank will rely on such opinion in connection with each purchase of Notes hereunder unless the Bank receives prior written notice that such opinion may no longer be relied upon, and (C) the written opinion of Note Counsel to the City addressed to the Bank, dated the Amendment Effective Date, to the effect that this Agreement and the Fee Letter have been duly authorized, executed and delivered, and are enforceable against the City in accordance with their terms;

(viii) executed copy of the Paying Agent/Registrar Agreement;

(ix) certified copies of all approvals or authorizations by, or consents of, or notices to or registrations with, any Governmental Authority required for the City to enter into this Agreement and the Related Documents and of all such approvals, authorizations, consents, notices, or registrations required to be obtained or made prior to the Effective Date in connection with the transactions contemplated hereby and by the Related Documents;

(x) a certificate of an Authorized Representative of the City, certifying the names and true signatures of the officers of the City authorized to sign this Agreement and the other Related Documents;

(xi) such financial information, budgets, projections, investment policies and guidelines for permitted investments of the City as the Bank may reasonably request;

(xii) recent evidence that the unenhanced long-term debt rating assigned by Moody's, S&P and Fitch to (x) Separate Lien Obligations payable solely from the Net Revenues of the Waterworks and Sewer System is at least "Aa2," "AA" and "AA-," respectively, and (y) Separate Lien Obligations payable solely from the Net Revenues of the Electric Light and Power System is at least "Aa3," "AA" and "AA-," respectively; and

(xiii) such other documents, certificates and opinions as the Bank or its counsel may reasonably request and the acceptability of such documents, certificates and opinions to such counsel.

(b) (i) The representations and warranties contained in Article V of this Agreement and in each other Related Document and certificate or other writing delivered to the Bank pursuant hereto on or prior to the Amendment Effective Date shall be true and correct on and as of the Amendment Effective Date as though made on and as of such date; *provided, however*, that if any representation or warranty contained in any Related Document relates specifically to an earlier date, such representation and warranty shall be true and correct as of such earlier date; (ii) no Default or Event of Default shall have occurred and be continuing on the Amendment Effective Date or would result from the execution, delivery or performance of this Agreement, the Fee Letter or the other Related Documents; (iii) since September 30, 2019, there has been no material adverse change in (A) the laws, rules, regulations or guidelines (or the interpretation or administration thereof) applicable to the City's ability to satisfy its obligations under this Agreement and the other Related Documents or (B) other than as disclosed in the Commercial Paper Notes Offering Memorandum, the business, properties, condition (financial or otherwise), or operations, present or prospective, of either of the City or the Systems; (iv) the City is in compliance with the covenants set forth herein; and (v) all payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a lien on and pledge of the Net Revenues of the Systems, either or both, have been made in full and that the amounts on deposit in such special funds or accounts are the amounts now required to be deposited therein.

(c) The effectiveness of this Agreement, the purchasing of Notes and the consummation of the other transactions contemplated by this Agreement and the Ordinance shall not contravene any law, rule or regulation applicable to the City or the Bank or any request, guideline or directive (or the interpretation or administration of any of the foregoing) of any Governmental Authority with jurisdiction over either the City or the Bank.

(d) In the event that the current Paying Agent/Registrar resigns or is discharged by the City prior to the Amendment Effective Date, the City shall have appointed a replacement Paying Agent/Registrar reasonably satisfactory to the Bank.

(e) All proceedings in connection with this Agreement, and all documents incidental thereto, shall be satisfactory to the Bank and its counsel.

Section 4.02. Certain Conditions to Bank's Purchase of Notes. The Bank has entered into this Agreement in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and at each Settlement, and upon the performance by the City of its obligations hereunder, as of the date hereof and as of the Amendment Effective Date and each Settlement Date. Accordingly, any obligation of the Bank under this Agreement to purchase, to accept delivery of and to pay for any Notes shall be subject to performance by the City of its obligations to be performed hereunder and the delivery of the documents and instruments required to be delivered hereby at or prior to each Purchase, and shall also be subject to the following additional conditions:

(a) delivery to the Bank of a Request for Purchase executed by an Authorized Representative; and

(b) the representations and warranties contained herein, each other Related Document and each certificate or other writing delivered to the Bank pursuant hereto or thereto on or prior to the Settlement Date shall be correct on and as of such date as though made on and as of such date, except to the extent a representation or warranty relates specifically to an earlier date (in which case such representation or warranty shall be true and correct as of such date), and no Event of Default or Default shall have occurred and be continuing on such date or would result from such purchase of Notes.

(c) as of the Settlement Date, this Agreement and the Ordinance shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any manner which will adversely affect (i) the ability of the City to issue the Notes or perform its obligations thereunder or under this Agreement or (ii) the security for the Notes;

(d) as of the Settlement Date, all official action of the City relating to this Agreement, the Notes and the Ordinance shall have been taken and shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material adverse respect;

(e) each Note requested to be purchased by the Bank shall be delivered to the Bank on the related Settlement Date, purchased by the Bank pursuant to the terms hereof and in a minimum principal amount of \$1,000,000 or an integral multiple of \$100,000 in excess thereof. The City shall not request that the Bank purchase more than two (2) Notes in each calendar month;

(f) the Bank will have no obligation to purchase any Note if, because of a Change in Law, such request to purchase Notes made by the City would be illegal. In such event, the City will have no liability whatsoever with respect to such request for purchase and the Bank will have no liability for its failure to so purchase if such failure is due to a Change in Law;

(g) as of the Settlement Date, no Default or Event of Default shall have occurred and be continuing;

(h) neither the City nor the Bank shall have received written notice from Note Counsel that the approving opinion delivered pursuant to Section 4.01(a)(vii)(B) hereof may no longer be relied upon; and

(i) the amount of the requested purchase of Notes shall not exceed the Available Commitment.

The submission by an Authorized Representative of a Request for Purchase in connection with each purchase of Notes shall be deemed to be a representation and warranty by the City on each respective Settlement Date that the conditions specified in this Section 4.02 have been satisfied on and as of such date.

ARTICLE V.

REPRESENTATIONS AND WARRANTIES

The City represents and warrants to the Bank as follows:

Section 5.01. Organization, Powers, Etc. The City is a “Home Rule City,” acting as such under the Constitution and laws of the State, and has full legal right, power and authority to (i) own, operate and maintain the Systems, (ii) adopt the Ordinance, (iii) execute and deliver this Agreement and the Related Documents, (iv) issue and deliver the Notes, (v) pledge the Security, and (vi) perform fully and completely all its obligations and liabilities under the Ordinance and this Agreement and under the Related Documents.

Section 5.02. Authorization, Absence of Conflicts, Etc. The adoption and performance of the Ordinance and the issuance of the Notes thereunder and the execution, delivery and performance of this Agreement and the Related Documents on the terms and conditions hereof and thereof have been duly authorized by all necessary action on the part of the City and will not violate or contravene any constitutional provisions or any existing law or regulation, or any order or decree of any Governmental Authority, or violate or cause a default under any ordinance previously adopted by the City, the JPMorgan Revolving Credit Agreement or any indenture, contract or other agreement to which the City is a party or that is binding upon it or any of its property.

Section 5.03. Consents. No consent of any Person and no license, approval or authorization of, nor notice to or registration, filing or declaration with, any Governmental Authority (other than any action that may be required under any state securities or blue sky laws) is required in connection with the adoption, performance, validity or enforceability of the Ordinance, the issuance, validity or enforceability of the Notes or the execution, delivery, performance, validity or enforceability of this Agreement or the Related Documents or, if required, the same has been obtained and is in full force and effect or, if not yet obtained, will be obtained on or before the Effective Date and will be in full force and effect on such date, and true copies thereof have been, or will be, delivered to the Bank on or before the Effective Date.

Section 5.04. Binding Obligations. The Ordinance, this Agreement and the Related Documents constitute, and the Notes, when issued, will constitute, legal, valid and binding agreements or obligations, as the case may be, of the City enforceable in accordance with their respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application affecting creditors' rights generally, (ii) the availability of equitable remedies may be limited by equitable principles of general applicability and (iii) the indemnification provisions therein may be limited by applicable securities laws and public policy.

Section 5.05. Litigation. There are no actions, suits or proceedings pending or, to the knowledge of the City, threatened against or affecting it or its properties before any Governmental Authority in which there is reasonable possibility of an adverse decision which could materially and adversely affect the business, financial position or results of operations of either of the City or the Systems or which in any manner questions the validity of the Ordinance or this Agreement or any of the Related Documents or the City's ability to carry out the transactions contemplated hereby and thereby.

Section 5.06. Disclosure. No written information furnished by the City to the Bank prior to the Effective Date in connection with the Ordinance or this Agreement or any Related Documents contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statement made therein, in light of the circumstances in which they were made, not misleading in any material respect.

Section 5.07. Valid Lien. The Ordinance, together with this Agreement, creates a valid lien on, pledge of, and security interest in the Security as security for the Notes and for the repayment of the City's obligations under this Agreement and the other Related Documents, and all action necessary to perfect the lien on, pledge of, and security interest of the Bank in the Security has been duly and validly taken.

Section 5.08. Subordinate Lien Bonds or Separate Lien Obligations. There are no obligations of the City payable from or secured by Net Revenues on a basis senior to the Notes or the obligations of the City under this Agreement other than the Subordinate Lien Bonds and Separate Lien Obligations.

Section 5.09. No Default. The City has not taken any action, or omitted to take any action, which constitutes a default, or which with the passage of time or the giving of notice, or both, would constitute a default, under any ordinance, indenture, agreement or other instrument pursuant to which any outstanding Subordinate Lien Bonds or Separate Lien Obligations have been issued. No Default or Event of Default has occurred or is continuing hereunder.

Section 5.10. Incorporation of Representations and Warranties. The City hereby makes to the Bank the same representations and warranties as are made by the City in, or are incorporated by the City in, the Ordinance or any of the Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term was set forth herein in its entirety. No amendment to any such representation and warranty

or defined term made pursuant to the Ordinance or any Related Document shall be effective to amend such representation and warranty or such defined term as incorporated by reference herein without the prior consent of the Bank.

Section 5.11. Sovereign Immunity. To the extent authorized by the Texas Government Code Section 1371.059(c), the City has, in this Agreement, waived sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce this Agreement, the Fee Letter or the Ordinance or for damages for breach of this Agreement, the Fee Letter or the Ordinance. The City further represents that to the extent its obligations hereunder and under the other Related Documents to which it is a party represent the legal obligations of the City, its non-discretionary duties are subject to enforcement in Texas courts by writ of mandamus, and that it is not immune to an equitable mandamus action.

Section 5.12. OFAC. Neither the City, nor, to the knowledge of the City, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) is or has been (within the previous five (5) years) engaged in any transaction with any Person who is now or was then the subject of Sanctions or who is located, organized or residing in any Designated Jurisdiction. Neither the City nor, to the knowledge of the City, any Related Party, have used the proceeds from the Notes, directly or indirectly, to lend, contribute, provide or otherwise be made available to fund any activity or business in any Designated Jurisdiction or to fund any activity or business of any Person located, organized or residing in any Designated Jurisdiction or who is the subject of any Sanctions, or in any other manner that will result in any violation by any Person (including the Bank) of Sanctions.

Section 5.13. Third Party Beneficiary. The City agrees that the Bank is an express third-party beneficiary to the Ordinance.

Section 5.14. Financial Statements. The audited financial statements of the City for the Fiscal Year ended September 30, 2019, and the related consolidated statement of activities and changes in net assets and the consolidated statement of cash flows for the Fiscal Year then ended, and accompanying notes thereto, which financial statements, accompanied by the audit report, heretofore furnished to the Bank, fairly present the financial condition of the City in all material respects as of such dates and the results of its operations for the periods then ended in conformity with GAAP. Since September 30, 2019, there has been no material adverse change in the financial condition or operations of the City that could reasonably be expected to result in a Material Adverse Effect.

Section 5.15. Outstanding Debt. Other than the Subordinate Lien Bonds and the currently outstanding Separate Lien Obligations, there is no other Debt of the City payable from or secured by Net Revenues which ranks in priority of payment or Lien to the Notes or the obligations of the City under this Agreement, and hereafter the City cannot issue any Debt which is payable from or secured by Net Revenues of either or both Systems which ranks in priority of payment or Lien to the Notes or the obligations of the City under this Agreement other than Separate Lien Obligations.

ARTICLE VI.

COVENANTS OF THE CITY

The City covenants and agrees, from the date hereof and until the later of the Commitment Termination Date or the Amortization End Date, and the payment in full of all Obligations, unless the Bank shall otherwise consent in writing:

Section 6.01. Further Assurances. The City will, from time to time, at its expense, promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that the Bank may reasonably request, in order to (i) perfect and protect any lien, pledge, or security interest or other right or interest given, or purported to be given to the Bank under or in connection with this Agreement or (ii) enable the Bank to exercise or enforce its rights or remedies under or in connection with this Agreement.

Section 6.02. Amendments. The City will not, without the prior written consent of the Bank, enter into or consent to any amendments of or supplements to the Ordinance or any Related Document or any waiver of the requirements thereof and no such amendment or supplement shall be effective without the prior written consent of the Bank, which consent shall not be unreasonably withheld.

Section 6.03. Notice of Default. The City will promptly, and in any event within five (5) Business Days, notify the Bank of the occurrence of any “Event of Default” under the Ordinance or of a default under this Agreement, any Related Document or any ordinance, indenture, Agreement or other instrument pursuant to which any Subordinate Lien Bonds or Separate Lien Obligations are issued, specifying the details thereof and the action that the City proposes to take with respect thereto.

Section 6.04. Inspections; Discussion. The City will permit, at any reasonable time and from time to time during the City’s regular business hours and upon reasonable notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of accounts of the City relating to the Systems, and to discuss the affairs, finances and accounts of the Systems with City officials.

Section 6.05. Compliance With Acts, Etc. The City will comply with and observe all other obligations, covenants, agreements and requirements set forth in the Ordinance and in the Constitution of the State and in all statutes, laws and regulations binding upon it relating to the Notes, this Agreement and the Related Documents.

Section 6.06. Sources of Payments. The City will maintain the Note Payment Fund with the Paying Agent/Registrar as required by the Ordinance.

Section 6.07. Notice of Adverse Change. The City will promptly, and in any event within five (5) Business Days, notify the Bank in writing of (i) the occurrence of any material litigation or proceeding affecting the City and of any proceeding or threatened proceeding between the City and any Governmental Authority or any other Person which, in each such case, might substantially

interfere with the normal operation of either System, or (ii) any amendment to the Act or any other governing instrument of the City, which would have a material adverse effect on the Systems or the Notes.

Section 6.08. Payment of Obligations. The City will pay when due all of its obligations in connection with the authorization, issuance and delivery of the Notes, this Agreement and the Related Documents.

Section 6.09. Other Documents. The City will not enter into any contract, agreement or transaction, or incur any obligation which would have a material adverse effect on the City's ability to meet its obligations under this Agreement or any Related Document.

Section 6.10. Security. The City will not create, incur, assume or suffer to exist any pledge of, Lien on or other security interest in the Pledged Revenues that is senior to the Lien on and pledge of the Pledged Revenues securing the Notes and the obligations of the City under this Agreement other than the respective liens on and pledges of the Pledged Revenues securing the Separate Lien Obligations and, so long as the same remain outstanding, the Subordinate Lien Bonds.

Section 6.11. Exempt Status. The City will not take any action which would cause the interest on the Notes to become includable in the gross income of any Holder for federal income tax purposes.

Section 6.12. Rates and Charges. The City will at all times maintain rates and charges for the services furnished, provided and supplied by the Electric Light and Power System (as defined in the Ordinance) and Waterworks and Sewer System which shall comply with the provisions of the ordinances authorizing the issuance of the Subordinate Lien Bonds and Separate Lien Obligations, be reasonable and non-discriminatory and produce Gross Revenues in each Fiscal Year from each of the Systems sufficient:

(i) to pay the respective Maintenance and Operating Expenses of the Systems (as defined in the Ordinance);

(ii) to produce Net Revenues of the related System sufficient to pay amounts required to establish, maintain or restore, as the case may be, a required balance in any reserve or contingency fund created for the payment and security of Separate Lien Obligations payable from such System;

(iii) to produce combined Net Revenues of the Systems sufficient to pay the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the the Subordinate Lien Bonds and Separate Lien Obligations;

(iv) to produce combined Net Revenues of the Systems, collectively or, in the case of Separate Lien Obligations, individually with respect to the related System (after satisfaction of the amounts required to be paid in (ii) and (iii) above), equal to at least the sum of (A) 1.25 times the annual principal and interest requirements (or other similar

payments) for the then outstanding Subordinate Lien Bonds and Separate Lien Obligations and (B) 1.10 times the total annual principal and interest requirements (or other similar payments) for the then outstanding Subordinate Lien Bonds and Separate Lien Obligations and all other indebtedness payable only from and secured solely by a Lien on and pledge of the Net Revenues of the Systems, either or both, as applicable;

(v) (A) to pay all amounts payable to the Bank under this Agreement, as and when the same shall become due, and (B) to the extent the same are reasonably anticipated to be paid from Pledged Revenues, to pay the principal of and interest on the Commercial Paper Notes and the Bank Note, as and when the same shall become due; *provided*, that in no event shall the amount described in clause (B) of this subsection (v), to the extent the same is reasonably anticipated to be paid from Pledged Revenues, be less than an amount equal to 1.10 times the product of (i) the Aggregate Commitment multiplied by (ii) the sum of (a) the average daily yield on 30-day taxable commercial paper rated A-1/P-1 during the preceding twelve-month period ending on the last day of July of such year (as calculated by a Dealer and set forth in a written notice to the City and the Bank on or before August 31 of each year), plus (b) two percent (2%);

(vi) to pay any other legal debt or obligation of the Systems, either or both, as and when the same shall become due.

For the avoidance of doubt, the principal amount of Notes payable by the City to the Bank under this Agreement are reasonably anticipated to be paid by the City from proceeds of bonds and thus, it is not reasonably anticipated that such amounts will be paid from Pledged Revenues.

Section 6.13. Appropriations. The City shall, in good faith and with due diligence, endeavor to sell a sufficient principal amount of bonded indebtedness in order to have funds available, together with other moneys available therefore, to pay all amounts payable to the Bank hereunder.

Section 6.14. Financial Statements. The City will deliver to the Bank (i) as soon as available and in any event within ninety (90) days after the end of each Fiscal Year of the City, the approved budget of the City for the then current Fiscal Year (including therein detailed budget information relating to the Systems), together with a certificate from an Authorized Representative (as defined in the Ordinance) of the City certifying that (A) the rates and charges for the Systems set forth in such approved budget are sufficient to allow the City to comply with the provisions of Section 6.12 at all times during such Fiscal Year, and (B) containing the City's calculation of its compliance for the preceding Fiscal Year of the covenant set forth in Section 6.12 of this Agreement, (ii) as soon as available and in any event within two hundred and ten (210) days of the end of each Fiscal Year of the City, an audited financial statement of the City as of the end of such Fiscal Year and the related statement of changes in the funds and in fund balances for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all audited by an independent public accountant of nationally recognized standing, (iii) as soon as available and in any event within sixty (60) days after the end of each calendar quarter, unaudited financial statements of the Systems for such calendar quarter (which shall include an income statement and a balance sheet), (iv) as soon as available and in any event within ninety (90) days

after the end of the quarter ending March 31 of each Fiscal Year, an unaudited statement of cash flows of the System for the six month period then ended, and (v) any other information that the Bank may reasonably request from time to time.

Section 6.15. Maintain Properties. The City will maintain and preserve all of its properties that are material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, it being understood that this paragraph relates only to the good working order and condition of such properties and shall not be construed as a covenant not to encumber or dispose of such properties by sale, lease, transfer or otherwise in the ordinary course of business or within the provisions of the ordinances authorizing the Subordinate Lien Bonds or Separate Lien Obligations.

Section 6.16. Covenants Incorporated by Reference. The City will perform and comply with each and every obligation, covenant and Agreement required to be performed or observed by it in or pursuant to the Related Documents and the ordinances pursuant to which any Subordinate Lien Bonds or Separate Lien Obligations have been issued, which provisions, including, in particular, the obligations and covenants of the City set forth in Section 12 and Section 19 of the Subordinate Lien Ordinance, as well as the related defined terms contained in such Related Documents, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that any such incorporated provision permits any Person or Persons to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person or Persons, for purposes of this Agreement, such provision shall be complied with only if it is waived by the Bank and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Bank. No amendment to such obligations, covenants and agreements or defined terms made pursuant to any of the Related Documents shall be effective to amend such obligations, covenants and agreements and defined terms as incorporated by reference herein without the consent of the Bank.

Section 6.17. Separate Lien Obligations. The City will not issue any Notes to refund Subordinate Lien Bonds or Separate Lien Obligations without the prior written consent of the Bank.

Section 6.18. Other Agreements. In the event that the City shall agree or covenant to maintain financial covenants, financial covenant levels or financial covenant testing periods pursuant to documentation entered into by the City with any Person or Persons (other than the Bank) that undertake to make loans or extend credit or liquidity to, or enter into direct purchase agreements, with the City related to the Parity Lien Obligations, from time to time after the date hereof, the City shall (simultaneously with the execution of such documentation) notify the Bank of such covenants, covenant levels or covenant testing periods, and to the extent such covenants, covenant levels or covenant testing periods are determined by the Bank, in its sole discretion, by written notice to the City to be more restrictive than the covenants, covenant levels or covenant testing periods set forth in this Agreement, the City shall comply with the covenants contained in the new documentation for the benefit of the Bank under this Agreement, and the City and the Bank hereby agrees that such covenants, together with the related definition of terms contained therein, are hereby incorporated by reference in this Agreement with the same effect as if each and

every such covenant and definition were set forth herein in its entirety, and such more restrictive financial covenants, financial covenant levels or financial covenant testing periods shall replace and supersede the financial covenants, financial covenant levels or financial covenant testing periods contained herein. For purposes of clarification, the terms financial covenants, financial covenant levels, and financial covenant testing periods refer to covenants to maintain coverage ratios at certain levels prior to the incurrence of additional debt, to maintain rates, to maintain certain liquidity levels and similar financial covenants and agreements to deliver financial information and other information within a specified term period. The terms financial covenants, financial covenant levels and financial covenant testing periods specifically excludes collateral posting requirements, reserve requirements, automatic termination events, termination events, additional termination events and pricing levels. Each and every amendment or waiver of such covenants or definitions made pursuant to such other documentation, or the release, termination or other discharge of such other documentation, shall be not effective to amend, release, terminate or discharge (as applicable) such covenants and definitions as incorporated by reference herein without the written consent of the Bank.

Section 6.19. Issuance of Bonds. The City shall at all times maintain the ability to issue bonded indebtedness in an amount at least equal to the sum of any Obligations owing to the Bank hereunder.

Section 6.20. Maintenance of Paying Agent/Registrar. The City will, at all times, maintain a reputable Paying Agent/Registrar of recognized national standing for the Notes.

Section 6.21. Consolidation, Merger, etc. (a) The City will not, with respect to the Systems, dissolve nor will it sell, lease, assign, transfer or otherwise dispose of all or substantially all of any component of the Systems' assets (including, without limitation, by sale and leaseback) if such event could reasonably be expected to result in a material adverse effect upon the operations, business, properties, assets, liabilities (actual or contingent), ratings, credit, condition (financial or otherwise) or prospects of the Pledged Revenues or the Systems; and

(b) The City will not consolidate with or merge into another Person or permit one or more other Persons to consolidate with or merge into it or acquire all or substantially all of the property and assets of any other Person if such event could reasonably be expected to result in a material adverse effect upon the operations, business, properties, assets, liabilities (actual or contingent), ratings, credit, condition (financial or otherwise) or prospects of the City. The City will not consolidate any component of the Systems with or merge into another Person or permit one or more other Persons to consolidate with or merge into any component of the Systems if such event could reasonably be expected to result in a material adverse effect upon the operations, business, properties, assets, liabilities (actual or contingent), ratings, credit, condition (financial or otherwise) or prospects of the Pledged Revenues or the Systems.

Section 6.22. Swap Termination Payments. After the Effective Date, the City will not enter into any new Swap Contract or amend any existing Swap Contract with respect to any Pledged Revenues (i) wherein any termination payments or settlement amounts are senior to or on parity with the payment of the Notes or the Obligations hereunder or (ii) which requires the City to post

cash collateral to secure its obligations thereunder, in each case, without the prior written consent of the Bank.

Section 6.23. Total Outstanding. At no time shall the City permit (i) the aggregate principal amount of all outstanding Commercial Paper Notes, plus (ii) the aggregate outstanding principal amount of all Loans (as defined in the JPMorgan Revolving Credit Agreement), plus (iii) the aggregate outstanding principal amount of all Notes purchased by the Bank hereunder to exceed the Commitment from time to time in effect.

Section 6.24. Waiver of Sovereign Immunity. To the extent authorized by Texas Government Code Section 1371.059(c), the City, in this Agreement, waives sovereign immunity from suit and liability for the purposes of adjudicating a claim to enforce this Agreement, the Fee Letter or the Ordinance or for damages for breach of this Agreement, the Fee Letter or the Ordinance. The City further covenants that to the extent its obligations hereunder and under the other Related Documents to which it is a party represent the legal obligations of the City, it will not claim any immunity with regard to non-discretionary duties which are subject to enforcement in Texas courts by writ of mandamus, and that it will not claim immunity with regard to an equitable mandamus action.

Section 6.25. Maintenance of Ratings. The City shall at all times maintain, or cause to be maintained, (x) long-term credit ratings on the Separate Lien Obligations payable solely from the Net Revenues of the Waterworks and Sewer System from any two of Moody's, Fitch or S&P and (y) long-term credit ratings on the Separate Lien Obligations payable solely from the Net Revenues of the Electric Light and Power System from any two of Moody's, Fitch or S&P. The City shall give written notice to the Bank as soon as practicable of the increase, decrease, withdrawal or suspension of any rating maintained by Moody's, Fitch or S&P, to the extent such Rating Agency is then maintaining a rating on the Subordinate Lien Bonds or any Separate Lien Obligations. The City covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on the Subordinate Lien Bonds or any Separate Lien Obligations from any of Fitch, Moody's or S&P if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement or reduce the Applicable Spread or the Facility Fee.

ARTICLE VII.

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. If one or more of the following events ("*Events of Default*") shall have occurred and be continuing:

- (a) the City shall fail to pay (i) any principal of or interest on any Note when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise, other than payments on Note due solely as a result of acceleration caused by the Bank, pursuant to this Section 7.01), or (ii) any Facility Fee or any other amount payable hereunder or under the Fee Agreement and, in the case of such Facility Fee or other amount,

such failure shall continue for a period of three (3) Business Days from the date such obligation was due;

(b) any representation, warranty, certification, or statement made by the City (or incorporated by reference) in this Agreement, any other Related Document or in any certificate, financial statement, or other document delivered pursuant to this Agreement or any Related Documents shall have been incorrect or untrue or misleading in any material respect when made or deemed to have been made;

(c) the City shall fail to perform or observe any covenant, agreement or condition contained in Article VI hereof;

(d) the City shall fail to perform or observe any other covenant, agreement, or condition (other than those referred to or contained in clause (a), (b), or (c) above) contained in this Agreement or any other Related Document and such failure, if capable of being remedied, shall remain unremedied for sixty (60) days after the earlier to occur of (i) written notice thereof shall have been given to the City by the Bank or (ii) the date on which such failure shall first become known to the City;

(e) (i) one or more final unappealable judgments or orders, issued or rendered by a Governmental Authority of competent jurisdiction, for the payment of money in excess of \$15,000,000, individually or in the aggregate, shall be issued or rendered against the City, and such judgment or order shall continue unsatisfied, unbonded, undismissed and unstayed for a period of sixty (60) days; or (ii) one or more final unappealable judgments or orders or writ or writs or warrant or warrants of attachment, or any similar process or processes issued or rendered by a Governmental Authority of competent jurisdiction, for the payment of money in excess of \$15,000,000, individually or in the aggregate, shall be issued or rendered against the City (but only with respect to writ or writs or warrant or warrants of attachment, or any similar process or processes) or any of the City's Property and remain unpaid, unvacated, unbonded or unstayed for a period of thirty (30) days;

(f) (i)(A) the City shall fail to pay when due and payable any principal of or interest on any Specified Debt (including, in each case, without limitation, any principal or sinking fund installments, but excluding, in each case, (i) payments due on Specified Debt owing to a liquidity provider under a liquidity facility solely as a result of acceleration caused by such liquidity provider with respect to such Specified Debt and (ii) any Specified Debt which is in the form of commercial paper notes which are supported as to the payment of principal and/or interest thereof by a credit enhancement or liquidity facility if such failure to make such payment is due solely to the failure of the related credit enhancement or liquidity facility provider to make such payment), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Specified Debt; or (B) any other default under any indenture, contract or instrument providing for the creation of or concerning such Specified Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default

or event is to cause such Debt to become due, or permit the holder of such Debt to cause such Debt to become due, prior to its stated maturity; (ii) the City shall fail to pay when due and payable any principal of or interest on any of the City's Subordinate Lien Bonds or Separate Lien Obligations other than as described in the foregoing clause (i) (including, in each case, without limitation, any principal or sinking fund installments), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation of or concerning such Subordinate Lien Bonds or Separate Lien Obligations; or any other default under any indenture, contract or instrument providing for the creation of or concerning such Subordinate Lien Bonds or Separate Lien Obligations, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to cause such Subordinate Lien Bonds or Separate Lien Obligations to become due, or permit the holder of such Subordinate Lien Bonds or Separate Lien Obligations to cause such Subordinate Lien Bonds or Separate Lien Obligations to become due, prior to its stated maturity; or (iii) (A) the City shall fail to pay when due and payable any principal of or interest on any Debt of the City other than as described in clause (i) and (ii) above having a principal amount in excess of \$15,000,000 and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract or instrument providing for the creation thereof, or (B) any other default under any indenture, contract or instrument providing for the creation of or concerning such other Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to cause such Debt to become due, or permit the holder of such Debt to cause such Debt to become due, prior to its stated maturity;

(g) (i) the City shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, marshaling of assets, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts or (B) seeking appointment of a receiver, trustee, examiner, liquidator, custodian or other similar official for it or for all or any substantial part of its assets, or the City shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the City any case, proceeding or other action of a nature referred to in clause (i) above which (x) results in an order for such relief or in the appointment of a receiver, trustee, examiner, liquidator, custodian or similar official or (y) remains undismissed, undischarged or unbonded for a period of sixty (60) days; or (iii) there shall be commenced against the City, any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within sixty (60) days from the entry thereof; or (iv) the City shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above or fail to contest in good faith any such appointment or proceeding; or (v) the City shall admit

in writing its inability to pay its debts generally as they become due, or shall become insolvent within the meaning of Section 101(32) of the United States Bankruptcy Code;

(h) (i) any provision of applicable law or this Agreement, the Notes, the Paying Agent/Registrar Agreement, the Ordinance or any other Related Document related to the payment of principal or interest on the Notes or the pledge of and Lien on the Pledged Revenues or the Security shall at any time for any reason cease to be valid and binding or fully enforceable on the City or shall be declared to be null and void, invalid or unenforceable as determined by any Governmental Authority of competent jurisdiction in a final non-appealable judgment or as a result of any legislative or administrative action by any Governmental Authority having jurisdiction over the City, or (ii)(a) the validity or enforceability of any provision of applicable law or this Agreement, the Notes, the Paying Agent/Registrar Agreement, the Ordinance or any other Related Document related to the payment of principal or interest on Notes or the pledge of and Lien on the Pledged Revenues or the Security shall be publicly repudiated or repudiated in writing or publicly contested or contested in writing by the City or (b) any Governmental Authority having appropriate jurisdiction over the City shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which contests the validity or enforceability of any material provision of this Agreement, the Notes, the Paying Agent/Registrar Agreement, the Ordinance or any other Related Document related to the payment of principal or interest on the Notes or the pledge of and Lien on the Pledged Revenues or the Security, or (c) the City shall publicly deny or deny in writing that it has any or further liability or obligation under this Agreement, Notes, the Paying Agent/Registrar Agreement, the Ordinance or any other Related Document (other than the Fee Letter or any exhibit or schedule to any of the Related Documents), or (iii) any material provision of this Agreement, Notes, the Paying Agent/Registrar Agreement, the Ordinance or any other Related Document other than a provision described in clause (i) and (ii) of this Section 7.01(h) shall at any time for any reason cease to be valid and binding on the City, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the City to be null and void, invalid, or unenforceable, or the validity or enforceability thereof shall be denied or contested by the City;

(i) (i) the City shall impose, declare or announce (whether or not in writing) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any Specified Debt (including, without limitation, the Notes or (ii) any Governmental Authority having appropriate jurisdiction over the City shall impose, declare or announce (whether or not in writing) as a result of a finding, ruling or other determination or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on (A) the Notes, (B) all of the City's Subordinate Lien Bonds or Separate Lien Obligations, or (C) all of the City's Debt;

(j) (i) the long-term unenhanced rating by any of Fitch, Moody's or S&P (in each case to the extent such Rating Agency is then providing a rating) on any Subordinate

Lien Bonds or Separate Lien Obligations shall be withdrawn or suspended (for credit related reasons) or reduced below “A3” (or its equivalent), “A-” (or its equivalent) or “A-” (or its equivalent) respectively, or (ii) the long-term unenhanced ratings by Fitch, Moody’s and S&P (in each case to the extent such Rating Agency is then providing a rating) on either (A) the Subordinate Lien Bonds, or (B) both the Separate Lien Obligations payable solely from the Net Revenues of the Waterworks and Sewer System and the Separate Lien Obligations payable solely from the Net Revenues of the Electric Light and Power System, shall be withdrawn or suspended (for credit related reasons) or reduced below “Baa3” (or its equivalent), “BBB-” (or its equivalent) and “BBB-” (or its equivalent);

(k) an “*Event of Default*” as defined in the Ordinance, the JPMorgan Revolving Credit Agreement or the Paying Agent/Registrar Agreement shall occur and be continuing or the City shall default in the due performance or observance of any material term, covenant or agreement contained in any other Related Document and the same shall not have been cured within any applicable cure period;

(l) (A) (i) the City or any Governmental Authority shall impose, declare or announce (whether or not in writing) a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any indebtedness of the City other than as set forth in Section 7.01(i); or (ii) there shall be appointed or designated with respect to the City an entity such as an organization, board, commission, authority, agency or body to monitor or declare a financial emergency or similar state of financial distress with respect to the City, or there shall be declared by the City or by any legislative or regulatory body with competent jurisdiction over the City, the existence of a state of financial emergency or similar state of financial distress in respect of the City; or (B) the City shall not pay, or be unable to pay, its debts generally as they become due;

(m) dissolution or termination of the existence of the City; or

(n) a court of competent jurisdiction has found any of the Subordinate Lien Bonds or Separate Lien Obligations to have been issued illegally or in violation of the additional debt test in the related ordinance.

Section 7.02. Consequences of an Event of Default. If an Event of Default specified in Section 7.01 hereof shall occur and be continuing, the Bank may take one or more of the following actions at any time and from time to time (regardless of whether the actions are taken at the same or different times):

(a) (i) by written notice to the City terminate the Commitment;

(ii) by written notice to the City, declare the outstanding amount of the principal of and interest on the Notes any and any and all other Obligations under this Agreement to be immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived, and an action therefor shall immediately accrue;

(iii) either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by a court in any appropriate action or proceeding, take whatever action at law or in equity may appear necessary or desirable to collect the amounts due and payable under the Related Documents or to enforce performance or observance of any obligation, agreement or covenant of the City under the Related Documents, whether for specific performance of any agreement or covenant of the City or in aid of the execution of any power granted to the Bank in the Related Documents;

(iv) cure any Default, Event of Default or event of nonperformance hereunder or under any Related Document; *provided, however*, that the Bank shall have no obligation to effect such a cure; and

(v) exercise, or cause to be exercised, any and all remedies as it may have under the Related Documents (other than as provided for in clause (iii) of this Section 7.02(a)) and as otherwise available at law and at equity.

(b) Notwithstanding the provisions of Section 7.02(a)(ii), (x) the Bank shall not cause the Notes to become immediately due and payable as described in Section 7.02(a)(ii) until seven (7) days after the occurrence of a Special Event of Default and (y) the Bank shall notify the City at least one hundred eighty (180) days prior to the date the Bank causes the Notes to become due and payable in the case of any Event of Default that is not specified as a Special Event of Default. Notwithstanding the foregoing sentence of this Section 7.02(b), (i) if any other holder of Debt or any counterparty under any Swap Contract related thereto has the right to cause such Debt to be immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise) on a date earlier than, or pursuant to a notice period which is shorter than what is set forth in the first sentence of this Section 7.02(b) in connection with a default related to such Debt, then the Bank shall automatically have such right or shorter notice period, as applicable, or (ii) if any other holder, credit enhancer or liquidity provider of Debt or any counterparty under any Swap Contract related thereto causes any such Debt or other obligations of the City to become immediately due and payable (whether by repurchase, mandatory tender, mandatory redemption, acceleration or otherwise), then the Bank may immediately, without notice, avail itself of the remedies set forth in Section 7.02(a)(ii) hereof and/or declare or cause to be declared the unpaid principal amount of all outstanding Notes, all interest accrued and unpaid thereon, and all other amounts owing or payable hereunder to be immediately due and payable.

Section 7.03. Suits at Law or in Equity and Mandamus. If any Event of Default shall occur, then and in every such case the Bank shall be entitled to proceed to protect and enforce its rights by such appropriate judicial proceeding as it may deem most effectual to protect and enforce any such right, either by suit, in equity, or by action at law, whether for the specific performance of any covenant or agreement contained in this Agreement, in aid of the exercise of any power granted in this Agreement, or to enforce any other legal or equitable right vested in the Bank on behalf of the Bank by this Agreement or by law. The provisions of this Agreement shall be a contract with

each and every Holder and the duties of the City shall be enforceable by any Holder by mandamus or other appropriate suit, action, or proceeding in any court of competent jurisdiction.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Holder is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by any Holder.

ARTICLE VIII.

MISCELLANEOUS

Section 8.01. Amendments. No amendment or waiver of any provision of this Agreement, and no consent to any departure by the City, shall be effective unless in writing signed by the Bank and the City and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment to or waiver of any term or provision of any Related Document incorporated herein by reference shall have the effect of amending or otherwise modifying any corresponding term or provision incorporated into this Agreement unless the Bank has consented to such amendment or waiver, as applicable, in writing.

Section 8.02. Notices; Effectiveness; Electronic Communication.

(a) *Notices Generally.* Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopier to the address, telecopier number, electronic mail address or telephone number specified for such Person on Schedule I, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Bank hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Bank, *provided* that the foregoing shall not apply to notices to the Bank pursuant to Article II if the Bank has notified the City in writing that it is incapable of receiving notices under such Article by electronic communication. The Bank or the City may, in its discretion, agree to accept notices and other

communications to it hereunder by electronic communications pursuant to procedures approved by it, *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Bank otherwise prescribes, (i) notices and other communications sent to the Bank to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), *provided* that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the Bank at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor.

(c) *Change of Address, Etc.* The City or the Bank may change its address, telecopier or telephone number for notices and other communications hereunder by written notice to the other parties hereto.

(d) *Reliance by Bank.* The Bank shall be entitled to rely and act upon any notice or other communication (including any email or telephonic notice or communication) reasonably believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper Person or Persons. To the extent permitted by applicable law, the City shall indemnify the Bank and the Related Parties of the Bank from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice given by or on behalf of the City. All telephonic notices to and other telephonic communications with the Bank may be recorded by the Bank, and the City hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies; Enforcement. No failure by the Bank to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Notwithstanding anything to the contrary contained herein or in any other Related Document, the authority to enforce rights and remedies hereunder and under the other Related Documents against the parties thereto or any of them shall be vested exclusively in, and all actions and proceedings at law in connection with such enforcement shall be instituted and maintained exclusively by, the Bank in accordance with Section 7.02.

Section 8.04. Expenses; Indemnity; Damage Waiver. (a) The City agrees to pay to the Bank (i) all reasonable costs and expenses incurred by the Bank and its counsel in connection with the preparation, execution and delivery of this Agreement and any other documents and instruments that may be delivered or required in connection therewith, (ii) all costs and expenses

incurred by the Bank after the Effective Date, including reasonable fees and out-of-pocket expenses of counsel for the Bank, otherwise arising in connection with this Agreement and the Related Documents and the administration thereof, including, without limitation, in connection with any amendment hereto or thereto, the enforcement hereof or thereof or the protection of the rights of the Bank hereunder or thereunder, and (iii) any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and any other documents or instruments that may be delivered in connection herewith. In addition, the City agrees to pay, after the occurrence of an Event of Default, all costs and expenses (including attorneys' fees and costs of settlement) incurred by the Bank in enforcing any obligations or in collecting any payments due from the City hereunder by reason of such Event of Default or in connection with any refinancing or restructuring of the credit arrangements provided under this Agreement in the nature of a "workout" or of any insolvency or bankruptcy proceedings.

(b) *Indemnification by the City; Limitation on Liability.* (i) To the extent permitted by applicable law, the City shall indemnify the Bank and each Related Party of the Bank (each such Person being called an "*Indemnitee*") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the City arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Related Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, the consummation of the transactions contemplated hereby or thereby (including in respect of any matters addressed in Section 3.01), (ii) any purchase of Notes or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the City, and regardless of whether any Indemnitee is a party thereto, IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF THE INDEMNITEE; *provided* that the City shall not be required to indemnify an Indemnitee for any claims, damages, losses, liabilities, costs, or expenses to the extent, but only to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the negligence or willful misconduct of such Indemnitee.

(ii) To the extent permitted by law, the City assumes all risks of the acts or omissions of the Paying Agent/Registrar with respect to the use of the Commitment and the Notes made pursuant thereto; *provided* that this assumption with respect to the Bank is not intended to and shall not preclude the City from pursuing such rights and remedies as it may have against the Paying Agent/Registrar under any other agreements. Neither the Bank nor any of its respective officers or directors shall be liable or responsible for (i) the use of the proceeds of the Notes or the transactions contemplated hereby and by the Related Documents or for any acts or omissions of the Paying Agent/Registrar, (ii) the validity, sufficiency, or genuineness of any documents determined in good faith by the Bank to be valid, sufficient or genuine, even if such documents shall, in fact, prove to be in any or all respects invalid, fraudulent, forged or insufficient, (iii) payments by the Bank against presentation of requests for purchases of Notes for which the Bank in good faith has determined to be valid, sufficient or genuine and which subsequently are

found not to comply with the terms of this Agreement, or (iv) any other circumstances whatsoever in making or failing to make payment hereunder; *provided* that the City shall not be required to indemnify the Bank for any claims, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the negligence or willful misconduct of the Bank, respectively, as determined by a court of competent jurisdiction in a final and non-appealable judgment.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the City shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Related Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Related Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the negligence or willful misconduct of such Indemnitee as determined by a final and non-appealable judgment of a court of competent jurisdiction.

(d) *Payments.* All amounts due under this Section shall be payable not later than ten (10) days after receipt of an invoice.

(e) *Survival.* The agreements in this Section shall survive the replacement of the Bank, the termination of the Commitments and the repayment, satisfaction or discharge of all the other Obligations.

Section 8.05. Payments Set Aside. To the extent that any payment by or on behalf of the City is made to the Bank, and such payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Bank in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally.* This Agreement is a continuing obligation and shall be binding upon the City and the Bank, their respective successors, transferees and assigns and shall inure to the benefit of the City, the Bank and the Holders and their respective permitted successors, transferees and assigns. The City may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Bank. The Bank may not at any time assign to one or more assignees all or a portion of its obligation to purchase Notes under this Agreement without the consent of the City (such consent not to be unreasonably withheld, conditioned or delayed) unless such assignment is to an Affiliate of the Bank or an Approved Fund; *provided* that the City shall be deemed to have consented to any such assignment unless it shall

object thereto by written notice to the Bank within ten (10) Business Days after having received notice thereof. Each Holder may, in its sole discretion and in accordance with applicable law, from time to time assign, sell or transfer in whole or in part, its interest in the Notes, this Agreement and the other Related Documents in accordance with the provisions of paragraph (b) or (c) of this Section. Each Holder may at any time and from time to time enter into participation agreements in accordance with the provisions of paragraph (d) of this Section. Each Holder may at any time pledge or assign a security interest subject to the restrictions of paragraph (e) of this Section.

(b) *Sales and Transfers by Holder to a Bank Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees all or a portion of the Notes to a Person that is (i) an Affiliate of the Bank or (ii) a trust or other custodial arrangement established by the Bank or an Affiliate of the Bank, the owners of any beneficial interest in which are limited to “qualified institutional buyers” as defined in Rule 144A promulgated under the 1933 Act, or “institutional accredited investors” as defined in Rule 501 of Regulation D under the 1933 Act (each, a “*Bank Transferee*”), it being the express intent of the parties that no offering document is intended to be prepared in connection with the sale of Direct Purchase Notes. From and after the date of such sale or transfer, JPMorgan Chase Bank, National Association (and its successors) shall continue to have all of the rights of the Bank hereunder and under the other Related Documents as if no such transfer or sale had occurred; *provided, however*, that (A) no such sale or transfer referred to in clause (b)(i) or (b)(ii) hereof shall in any way affect the obligations of the Bank hereunder, (B) the City and the Paying Agent/Registrar shall be required to deal only with the Bank with respect to any matters under this Agreement and (C) in the case of a sale or transfer referred to in clause (b)(i) or (b)(ii) hereof, only the Bank shall be entitled to enforce the provisions of this Agreement against the City.

(c) *Sales and Transfers by Holder to a Non-Bank Transferee.* Without limitation of the foregoing generality, a Holder may at any time sell or otherwise transfer to one or more transferees which are not Bank Transferees but each of which constitutes a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act or an “institutional accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act (each a “*Non-Bank Transferee*”) all or a portion of the Notes if (A) written notice of such sale or transfer, including that such sale or transfer is to a Non-Bank Transferee, together with addresses and related information with respect to the Non-Bank Transferee, shall have been given to the City, the Paying Agent/Registrar and the Bank (if different than the Holder) by such selling Holder and Non-Bank Transferee, and (B) the Non-Bank Transferee shall have delivered to the City, the Paying Agent/Registrar and the selling Holder, an investment letter in substantially the form attached as Exhibit C to this Agreement (the “*Investor Letter*”).

From and after the date the City, the Paying Agent/Registrar and the selling Holder have received written notice and an executed Investor Letter, (A) the Non-Bank Transferee thereunder shall have the rights and obligations of a Holder hereunder and under the other Related Documents, and this Agreement shall be deemed to be amended to the extent, but only to the extent, necessary to effect the addition of the Non-Bank Transferee, and any reference to the transferring Holder hereunder and under the other Related Documents shall thereafter refer to such transferring Holder and to the Non-Bank Transferee to the extent of their respective interests, and (B) if the transferring

Holder (other than the Bank) no longer owns any Notes, then it shall relinquish its rights and be released from its obligations hereunder and under the Related Documents.

(d) *Participations.* Each Holder shall have the right to grant participations in all or a portion of such Holder's interest in the Notes, this Agreement and the other Related Documents to one or more other banking institutions; *provided, however*, that (i) no such participation by any such participant shall in any way affect the obligations of the Bank hereunder and (ii) the City and the Paying Agent/Registrar shall be required to deal only with the Bank, with respect to any matters under this Agreement, the Notes and the other Related Documents and no such participant shall be entitled to enforce any provision hereunder against the City. The City agrees that each participant shall be entitled to the benefits of Sections 3.01, 3.02 and 8.04 hereof to the same extent as if it were a Holder hereunder; *provided, however*, that a participant shall not be entitled to receive any greater payment under this Agreement than the Bank would have been entitled to receive with respect to the participation sold to such participant, unless the sale of the participation to such participant is made with the City's prior written consent; and *provided, further*, that the Bank shall provide the City with prior written notice of any such participation and the identity of the applicable participant.

(e) *Certain Pledges.* Without the consent of the City, the Bank may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement, the Notes and the other Related Documents to secure obligations of the Bank, including any pledge or assignment to secure obligations to a Federal Reserve Bank or the United States Treasury or to any state or local governmental entity or with respect to public deposit; *provided* that no such pledge or assignment shall release the Bank from any of its obligations hereunder or substitute any such pledgee or assignee for the Bank as a party hereto.

Section 8.07. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Related Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Bank and when the Bank shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then

transmitted by electronic means; “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a “pdf” (portable document format) or other replicating image attached to an e-mail message; and, “electronically signed document” means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

Section 8.08. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Related Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Bank, regardless of any investigation made by the Bank or on its behalf and notwithstanding that the Bank may have had notice or knowledge of any Event of Default or Default at the time of any Settlement Date, and shall continue in full force and effect as long as any Note or any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.09. Severability. If any provision of this Agreement or the other Related Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Related Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 8.10. Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS; PROVIDED, HOWEVER, THAT THE RIGHTS, DUTIES AND OBLIGATIONS OF THE BANK UNDER THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO CONFLICT OF LAW PROVISIONS (OTHER THAN NEW YORK GENERAL OBLIGATIONS LAWS 5-1401 AND 5-1402).

Section 8.11. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER RELATED DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 8.12. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Related Document), the City acknowledges and agrees

that its dealings with the Bank are solely in the nature of a debtor/creditor relationship and that in no event shall the Bank be considered to be a partner or joint venturer of the City. Also, the City represents and warrants that (i) the City has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate and (ii) the City is capable of evaluating and has independently evaluated and understands and accepts the business transaction, including, without limitation, the terms, risks and conditions of the transactions contemplated hereby and by the other Related Documents, and has not relied upon, nor will it rely upon, the expertise, advice or other comments or statements of the Bank (including agents of the Bank), if any, in deciding to pursue such undertaking. As the City is experienced in business, in no event shall the Bank owe any fiduciary or similar obligations to it in connection with the subject transaction

Section 8.13. Electronic Execution of Assignments and Certain Other Documents. The words “execution,” “signed,” “signature,” and words of like import in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.14. Government Regulations . The Bank that is subject to the Patriot Act (as hereinafter defined) and the Bank hereby notifies the City that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “*Patriot Act*”), it is required to obtain, verify and record information that identifies the City, which information includes the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City shall, promptly following a request by the Bank, provide all documentation and other information that the Bank requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.15. Time of the Essence. Time is of the essence of the Related Documents.

Section 8.16. Entire Agreement. THIS AGREEMENT AND THE OTHER RELATED DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

Section 8.17. Dealing with the City and the Paying Agent/Registrar. The Bank and its Affiliates may accept deposits from, extend credit to and generally engage in any kind of banking, trust or other business with the City regardless of the capacity of the Bank hereunder.

Section 8.18. Arm’s Length Transaction. The transaction described in this Agreement is an arm’s length, commercial transaction between the City and the Bank in which: (i) the Bank is acting solely as a principal (*i.e.*, as a lender) and for its own interest; (ii) the Bank is not acting as a municipal advisor or financial advisor to the City; (iii) the Bank has no fiduciary duty pursuant

to Section 15B of the Securities Exchange Act of 1934 to the City with respect to this transaction and the discussions, undertakings and procedures leading thereto (irrespective of whether the Bank or any of its affiliates has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations (contractual or otherwise) the Bank has to the City with respect to this transaction are set forth in this Agreement; and (v) the Bank is not recommending that the City take an action with respect to the transaction described in this Agreement and the other Related Documents, and before taking any action with respect to the this transaction, the City should discuss the information contained herein with the City's own legal, accounting, tax, financial and other advisors, as the City deems appropriate.

Section 8.19. No Israel Boycott. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene or otherwise prohibit activities permitted under applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 8.20. Chapter 2252. The Bank represents that, as of the Effective Date, neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or 2270.0201 of the Texas Government Code, and posted on any of the following pages of such officer's internet website as of the Effective Date:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,

<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 8.21. EMMA Postings. The City shall not file or submit or permit the filing or submission, of all or any portion of any Related Document (or any summary thereof, or any default, event of acceleration, termination event, modification of terms or other similar events relating to

this Agreement) with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (or any successor continuing disclosure vehicle) unless such document or portion thereof (or summary thereof), as applicable, to be so filed or submitted (i) has been provided to the Bank for review in advance of such filing or submission, and (ii) shall have been redacted to the extent reasonably required by the Bank with respect to notice addresses, signatories, wiring information and similar confidential information, *provided* that such redaction may be no greater than permitted under applicable federal securities law guidance, if any. The City acknowledges and agrees that although the Bank may request review, edits or redactions of such materials prior to filing, the Bank is not responsible for the City's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure undertaking, similar agreement or applicable securities or other laws, including but not limited to those relating to SEC Rule 15c2-12.

Section 8.22. QFC. To the extent that the Related Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support "*QFC Credit Support*" and each such QFC a "*Supported QFC*"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "*U.S. Special Resolution Regimes*") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Related Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a "*Covered Party*") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Related Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Related Documents were governed by the laws of the United States or a state of the United States.

Section 8.23. Amendment and Restatement. This Agreement shall become effective on the Amendment Effective Date and shall supersede all provisions of the Existing Note Purchase Agreement. From and after the Amendment Effective Date, all references made to any of the Existing Note Purchase Agreement in any Related Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement.

[SIGNATURE PAGES TO FOLLOW]

DRAFT

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

CITY OF AUSTIN, TEXAS

By: _____
Name: _____
Title: _____

ATTEST:

City Clerk

APPROVED:

City Attorney

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____

Name: David M. Bayer

Title: Executive Director

DRAFT

EXHIBIT A

REQUEST FOR PURCHASE

JPMorgan Chase Bank, National Association
Loan & Agency Services
500 Stanton Christiana Road, NCC5, Floor 1
Newark, Delaware 19713
Attention: Brandon Allen/PFG Servicing
Facsimile: (302)634-0588
Telephone: (302) 634-4733
Email: PFG_servicing@jpmorgan.com

JPMorgan Chase Bank, National Association
Public Finance Credit Origination
383 Madison Avenue, 3rd Floor
Mail Code: NY1 M165
New York, New York 10179
Attention: Justin Wahn, Executive Director
Telephone: (212) 270-3813
Email: justin.d.wahn@jpmorgan.com

With a copy to:
Email: public.finance.notices@jpmorgan.com

Re: City of Austin, Texas
Combined Utility Systems Tax-Exempt Program Notes, Direct Purchase
Sub-Series (the "Notes")

Date: _____

Ladies and Gentlemen:

The City refers to the Amended and Restated Note Purchase Agreement dated as of September 1, 2020 (together with any amendments or supplements thereto, the "*Agreement*"), between the City of Austin, Texas (the "*City*") and JPMorgan Chase Bank, National Association (the "*Bank*") (the terms defined therein being used herein as therein defined) and hereby requests, pursuant to Section 2.03 of the Agreement, that the Bank make a purchase of Notes under the Agreement, and in that connection sets forth below the following information relating to such purchase (the "*Proposed Purchase*"):

1. The Business Day of the Proposed Purchase is _____, 20__ (the "*Settlement Date*"), which is at least three London Banking Days after the date hereof.

2. The principal amount of the Note to be purchased is \$ _____, which is not greater than the Available Commitment as of the Settlement Date set forth in 1 above.

3. The aggregate amount of the Proposed Purchase shall be used solely for the purposes permitted in the Ordinance and the Agreement.

4. The Maturity Date shall be _____ (such date is not later than the earlier of (i) the Stated Expiration Date and (ii) Maximum Maturity Date).

5. The interest period selected is **[one] [three] [six]** month LIBOR Index. **[At the end of the Interest Period elected by the City, the City desires that the related Note continue in the same Interest Period until otherwise directed by the City or until its Maturity Date.]**

6. The Issuing and Paying Agent is directed to issue and deliver a Note to the Bank, consistent with the instructions herein, pursuant to the Ordinance, the Agreement and the Paying Agent/Registrar Agreement.

The submission of this Request for Purchase constitutes a representation and warranty that each of the conditions specified in subsection 4.02 of the Agreement have been satisfied on and as of the date hereof.

The Proposed Purchase shall be made by the Bank by wire transfer of immediately available funds to the undersigned in accordance with the instructions set forth below:

[Insert wire instructions]

CITY OF AUSTIN, TEXAS

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT B

[FORM OF NOTICE OF CONTINUATION]

NOTICE OF CONTINUATION

JPMorgan Chase Bank, National Association
Loan & Agency Services
500 Stanton Christiana Road, NCC5, Floor 1
Newark, Delaware 19713
Attention: Brandon Allen/PFG Servicing
Facsimile: (302)634-0588
Telephone: (302) 634-4733
Email: PFG_servicing@jpmorgan.com

JPMorgan Chase Bank, National Association
Public Finance Credit Origination
383 Madison Avenue, 3rd Floor
Mail Code: NY1 M165
New York, New York 10179
Attention: Justin Wahn, Executive Director
Telephone: (212) 270-3813
Email: justin.d.wahn@jpmorgan.com

With a copy to:
Email: public.finance.notices@jpmorgan.com

Re: City of Austin, Texas
Combined Utility Systems Tax-Exempt Program Notes, Direct Purchase
Sub-Series (the "Notes")

Date: _____

Ladies and Gentlemen:

The City refers to the Amended and Restated Note Purchase Agreement dated as of September 1, 2020 (together with any amendments or supplements thereto, the "*Agreement*"), between the City of Austin, Texas (the "*City*") and JPMorgan Chase Bank, National Association (the "*Bank*") (the terms defined therein being used herein as therein defined) and hereby gives the Bank notice irrevocably, pursuant to Section 2.03(b) of the Agreement, of the continuation of the interest rate on the Note(s) specified herein, that:

1. The Business Day of the proposed continuation is _____, 20__ (the "*Continuation Date*"), which is at least three London Banking Days following the date hereof.

2. The aggregate amount of the Note(s) to be continued is \$_____.

3. (i) The duration of the Interest Period for the Note(s) to be continued shall be **[one]** **[three]** **[six]** months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the proposed continuation date, before and after giving effect thereto and to the application of the proceeds therefrom:

(a) the representations and warranties of the City set forth in Article V of the Agreement and in each Related Document are true and correct in all material respects on the date hereof, as if made on the date hereof, except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct as of such earlier date; and

(b) no Default or Event of Default shall have occurred and be continuing as of such date.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Notice of Continuation as of the _____ day of _____, _____.

CITY OF AUSTIN, TEXAS

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF INVESTOR LETTER

_____, 20__

City of Austin, Texas
Austin, Texas 78701

Re: City of Austin, Texas
Combined Utility Systems Tax-Exempt Program Notes,
Direct Purchase Sub-Series

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all of the above-referenced commercial paper notes (the "*Notes*"), dated their date of issuance. The Notes were issued pursuant to that certain Ordinance No. 20170831-012, adopted by the City Council of the City of Austin, Texas (the "*City*") on August 31, 2017, as amended and supplemented on September __, 2020 (as further amended and supplemented from time to time, the "*Ordinance*"). JPMorgan Chase Bank, National Association (the "*Bank*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Notes pursuant to the Amended and Restated Note Purchase Agreement dated as of September 1, 2020, between the City and the Bank. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Notes have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state nor has the Ordinance been qualified pursuant to the Trust Agreement Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Notes (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, and (ii) will not be listed on any securities exchange.

2. We have not offered, offered to sell, offered for sale or sold any of the Notes by means of any form of general solicitation or general advertising, we are not an underwriter of the Notes within the meaning of Section 2(11) of the 1933 Act, and we are not selling or offering to sell the Notes in a primary offering by, or on behalf of, the City.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations and taxable obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Notes.

4. The Bank is either a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act, or an “institutional accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act, and is able to bear the economic risks of such investment.

5. The Bank understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Notes. The Bank has made its own inquiry and analysis with respect to the City, the Notes and the security therefor, and other material factors affecting the security for and payment of the Notes.

6. The Bank acknowledges that it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the City, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the City, the Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Notes.

7. The Notes are being acquired by the Bank for investment for its own account and not with a present view toward resale or distribution; *provided, however*, that the Bank reserves the right to sell, transfer or redistribute the Notes, but agrees that any such sale, transfer or distribution by the Bank shall be to a Person:

- (a) that is an affiliate of the Bank;
- (b) that is a trust or other custodial arrangement established by the Bank or one of its affiliates, the owners of any beneficial interest in which are limited to qualified institutional buyers or institutional accredited investors;
- (c) that is a secured party, custodian or other entity in connection with a pledge by the Bank to secure public deposits or other obligations of the Bank or one of its affiliates to state or local governmental entities; or
- (d) that the Bank reasonably believes to be a qualified institutional buyer or institutional accredited investor and who executes an investor letter substantially in the form of this letter.

Very truly yours,

JPMORGAN CHASE BANK, NATIONAL
ASSOCIATION

By: _____
Name: _____
Title: _____

DRAFT

SCHEDULE I

CERTAIN ADDRESSES FOR NOTICES

If to the City, to:

City of Austin, Texas
700 Lavaca, Suite 940
Austin, Texas 78701
Attention: Treasurer
Telephone: (512) 974-7882
Telecopy: (512) 370-3838
E-Mail: belinda.weaver@austintexas.gov

with a copy to:

City of Austin, Texas
700 Lavaca, Suite 940
Austin, Texas 78701
Attention: Assistant Treasurer – Debt Management
Telephone: (512) 974-7891
Telecopy: (512) 370-3838
E-Mail: bryan.rivera@austintexas.gov

with a copy to:

City of Austin, Texas
301 West 2nd Street, Third Floor
Austin, Texas 78701
Attention: CFO
Telephone: (512) 974-2283
Telecopy: (512) 974-2573
E-Mail: elaine.hart@austintexas.gov

If to the Bank, to:

JPMorgan Chase Bank, National Association
Loan & Agency Services
500 Stanton Christiana Road, NCC5, Floor 1
Newark, Delaware 19713
Attention: Brandon Allen/PFG Servicing
Facsimile: (302)634-0588
Telephone: (302) 634-4733
Email: PFG_servicing@jpmorgan.com

and

JPMorgan Chase Bank, National Association
Public Finance Credit Origination
383 Madison Avenue, 3rd Floor
Mail Code: NY1 M165
New York, New York 10179
Attention: Justin Wahn, Executive Director
Telephone: (212) 270-3813
Email: justin.d.wahn@jmporgan.com

With a copy to:

Email: public.finance.notices@jpmorgan.com

Wire instructions for Lending Office:

Payments from the City to made by wire transfer in immediately available funds through the Federal Reserve Wire System to the Bank's account c/o JPMorgan Chase Bank, National Association, Attention: Account Manager, ABA No.: [____], Account No.: [____], Account Name: [____] or such other account as the Bank may specify in writing from time to time.

If to the Paying Agent/Registrar, to:

JPMorgan Chase Bank, National Association
500 Stanton Christiana Road, NCC5, 1st Floor
Newark, Delaware 19713-2107
Attention: George Ionas
Telephone: (302) 634-1651
Telecopy: (302) 634-4733
E-Mail: 12012443628@tls.ldsprod.com