



30 “Initial Bond” has the meaning set forth in Section 9 of the Thirty-Fourth  
31 Supplement.

32 “Master Ordinance” means Ordinance No. 000608-56A passed by council  
33 on June 8, 2000.

34 “Paying Agent/Registrar” means U.S. Bank National Association, or other  
35 financial institution specified in the Paying Agent/Registrar Agreement.

36 “Previously Issued Parity Water/Wastewater Obligations” means the  
37 outstanding (1) “City of Austin, Texas, Water and Wastewater System Variable  
38 Rate Revenue Refunding Bonds, Series 2008”, together with certain regularly  
39 scheduled payments under the Series 2008 Interest Rate Management Agreement  
40 and the Series 2008 Liquidity Agreement (as these terms are defined in Ordinance  
41 No. 20080306-053), (2) “City of Austin, Texas, Water and Wastewater System  
42 Revenue Refunding Bonds, Series 2009”, (3) “City of Austin, Texas, Water and  
43 Wastewater System Revenue Bonds, Series 2010”, (4) “City of Austin, Texas,  
44 Water and Wastewater System Revenue Refunding Bonds, Series 2010A”, (5)  
45 “City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds,  
46 Series 2010B (Direct Subsidy-Build America Bonds)”, (6) “City of Austin, Texas,  
47 Water and Wastewater System Revenue Refunding Bonds, Series 2011”, (7) “City  
48 of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series  
49 2012”, (8) “City of Austin, Texas, Water and Wastewater System Revenue  
50 Refunding Bonds, Series 2013A”, (9) “City of Austin, Texas, Water and  
51 Wastewater System Revenue Refunding Bonds, Series 2014”, (10) “City of Austin,  
52 Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2015A”,  
53 (11) “City of Austin, Texas, Water and Wastewater System Revenue Refunding  
54 Bonds, Taxable Series 2015B”, (12) “City of Austin, Texas, Water and Wastewater  
55 System Revenue Refunding Bonds, Series 2016”, (13) “City of Austin, Texas,  
56 Water and Wastewater System Revenue Bonds, Series 2016A”, (14) “City of  
57 Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series  
58 2017”, (15) “City of Austin, Texas, Water and Wastewater System Revenue  
59 Bonds, Series 2017A”, (16) “City of Austin, Texas Water and Wastewater System  
60 Revenue Bonds, Series 2018”, (17) “City of Austin, Texas Water and Wastewater  
61 System Revenue Bonds, Series 2019”, (18) “City of Austin, Texas Water and  
62 Wastewater System Revenue Bonds, Series 2020A”, and (19) “City of Austin,  
63 Texas Water and Wastewater System Revenue Bonds, Series 2020B”.

64 “Prior Supplements” mean Ordinance Nos. 20080306-052, 20080306-053,  
65 20081211-77, 20091105-051, 20101118-074, 20111103-051, 20120628-101,  
66 20130620-074, 20140522-040, 20150604-038, 20150604-039, 20160421-011,  
67 20161020-002, 20170622-016, 20171012-002, 20181018-004, 20191003-002,

68 20200123-106, and 20200123-107, authorizing the issuance of the Previously  
69 Issued Parity Water/Wastewater Obligations.

70 “Program Notes” means the City of Austin, Texas Combined Utility  
71 Systems Tax-Exempt Program Notes, consisting of a Commercial Paper Sub-  
72 Series and a Direct Purchase Sub-Series, up to an aggregate principal amount of  
73 \$400,000,000 to finance the costs of additions, improvements and extensions to the  
74 City’s water and wastewater system and the City’s electric light and power system.

75 “Refunded Bonds” means the principal amount of each of the series of  
76 bonds identified in **Schedule I** attached to the Thirty-Fourth Supplement and  
77 specified in the Bond Purchase Agreement.

78 “Refunded Notes” means the principal amount of the Program Notes as  
79 specified in the Bond Purchase Agreement.

80 “Refunded Obligations” means collectively, the Refunded Bonds and the  
81 Refunded Notes.

82 “Security Register” shall have the meaning given in Section 5 of the Thirty-  
83 Fourth Supplement.

84 “Thirty-Fourth Supplement” means this Ordinance No. 20200917-\_\_\_\_  
85 authorizing the issuance of the Bonds.

86 “Underwriters” means the investment banking firms purchasing the initial  
87 offering of the Bonds, as described in the Bond Purchase Agreement.

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

90 In accordance with the provisions of Chapter 1207, the City is authorized to  
91 issue refunding bonds and deposit the proceeds of sale directly with any place of  
92 payment for the Refunded Obligations, or other authorized depository, and this  
93 deposit, when made in accordance with Chapter 1207, shall constitute the making  
94 of firm banking and financial arrangements for the discharge and final payment of  
95 the Refunded Obligations.

96 In accordance with the provisions of Chapter 1371, the City has authorized  
97 by ordinance and provided for the issuance and sale of the Program Notes; and  
98 council finds that the refunding of the Program Notes for the purposes of  
99 converting the Refunded Notes into long-term fixed rate debt of the City and  
100 restructuring the debt payable from the revenues of the Water/Wastewater System  
101 is in the best interest of the City, and the manner in which the refunding of the

102 Refunded Notes is being executed does not make it practicable to make the  
103 determinations otherwise required by Section 1207.008(a)(2), Texas Government  
104 Code.

105 In accordance with the provisions of Chapter 1207, council is delegating to  
106 the Pricing Officer (as defined in Section 4 of the Thirty-Fourth Supplement) the  
107 authority to establish the terms and details related to the issuance and sale of the  
108 Bonds including: (i) the principal amount of the Refunded Bonds and the Refunded  
109 Notes to be refunded; (ii) the form and designation of the Bonds; (iii) the principal  
110 amount of the Bonds and the amount of the Bonds to mature in each year; (iv) the  
111 dates, price, interest rates, interest payment dates, principal payment dates, and  
112 redemption features of the Bonds; and (v) any other details relating to the issuance,  
113 sale, delivery, and/or exchange of the Bonds, all within certain specified  
114 parameters set forth in the Thirty-Fourth Supplement. In the Bond Purchase  
115 Agreement, the Pricing Officer shall determine, based upon advice provided by the  
116 City's financial advisor, that acceptance of the purchase price for the Bonds is in  
117 the best interests of the City.

118 The Refunded Notes should be refunded and refinanced into long term  
119 obligations at this time to enable the City's Water and Wastewater Department to  
120 continue utilizing its allocated share of Program Notes and it is a public purpose  
121 and in the best interests of the City to refund the Refunded Bonds in order to  
122 achieve a present value debt service savings. The savings resulting from the  
123 refunding of the Refunded Bonds shall be included in a certificate to be executed  
124 by the Pricing Officer, all in accordance with the provisions of Section 1207.007,  
125 Texas Government Code, and Section 4 of the Thirty-Fourth Supplement.

126 The Bonds shall be secured by a lien on, and pledge of, the Net Revenues on  
127 parity with the outstanding "Parity Water/Wastewater Obligations" issued in  
128 accordance with and under the terms and provisions of the Master Ordinance and  
129 the Prior Supplements. There are no Previously Issued Separate Lien Obligations  
130 outstanding. Council affirms that the Master Ordinance provides that no additional  
131 revenue obligations shall be issued on parity with the Prior Subordinate Lien  
132 Obligations.

133 **SECTION 2: AUTHORIZATION – DESIGNATION – PRINCIPAL**  
134 **AMOUNT - PURPOSE.** Revenue bonds of the City shall be and are authorized  
135 to be issued in an amount not to exceed the maximum aggregate principal amount  
136 determined as provided in Section 4 of the Thirty-Fourth Supplement and  
137 designated the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER  
138 SYSTEM REVENUE REFUNDING BONDS, SERIES 2020C" (the "Bonds"), for  
139 the purpose of refinancing and refunding the Refunded Obligations identified in

140 the Bond Purchase Agreement, and paying costs of issuance, in conformity with  
141 the Constitution and laws of the State of Texas, including Chapter 1207.

142 **SECTION 3: FULLY REGISTERED OBLIGATIONS–AUTHORIZED**  
143 **DENOMINATIONS – STATED MATURITIES - DATE.** The Bonds shall be  
144 issued as fully registered obligations, without coupons, shall be dated as provided  
145 in the Bond Purchase Agreement (the “Date of Initial Delivery”) and shall be in  
146 denominations of \$5,000 or any integral multiple thereof (within a Stated  
147 Maturity), shall be numbered consecutively from R-1 upward (except as provided  
148 in Section 9 of the Thirty-Fourth Supplement) and shall become due and payable  
149 on May 15 or November 15 in each of the years and in principal amounts (the  
150 “Stated Maturities”) and bear interest at the rate(s) per annum in accordance with  
151 the details of the Bonds as set forth in the Bond Purchase Agreement.

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

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

160 (a) As authorized by Section 1207.007, Texas Government Code, the City  
161 Manager or Chief Financial Officer of the City (any one of them, the “Pricing  
162 Officer”) is authorized to act on behalf of the City in selling and delivering the  
163 Bonds and carrying out the other procedures specified in the Thirty-Fourth  
164 Supplement, including selection of the Refunded Notes to be refunded, the  
165 specified maturities or series in whole or in part of the Refunded Bonds to be  
166 refunded, determining the aggregate principal amount of the Bonds, the date of the  
167 Bonds, any additional or different designation or title by which the Bonds shall be  
168 known, the price at which the Bonds will be sold, the years in which the Bonds  
169 will mature, the principal amount to mature in each of such years, the rate of  
170 interest to be borne by each such maturity, the first interest payment date, the price  
171 and terms upon and at which the Bonds shall be subject to redemption prior to  
172 maturity at the option of the City, as well as any mandatory sinking fund  
173 redemption provisions, the designation of a paying agent/registrar, if different from  
174 the Paying Agent/Registrar, and all other matters relating to the issuance, sale, and  
175 delivery of the Bonds, all of which shall be specified in the Bond Purchase  
176 Agreement, provided that:

177 (i) the aggregate original principal amount of the Bonds shall not exceed  
178 \$262,000,000;

179 (ii) the Bonds shall bear interest at a rate not greater than 15.0% per  
180 annum and the net effective interest rate (as defined in Chapter 1204) for the  
181 Bonds shall not exceed 15.0%;

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

185 (iv) the maximum maturity for the Bonds shall not extend beyond  
186 November 15, 2050.

187 The execution of the Bond Purchase Agreement shall evidence the sale date  
188 of the Bonds by the City to the Underwriters.

189 (b) In establishing the aggregate principal amount of the Bonds, the  
190 Pricing Officer shall establish an amount not exceeding the amount authorized in  
191 Subsection (a)(i) above, which shall be sufficient in amount to provide for the  
192 purposes for which the Bonds are authorized and to pay costs of issuing the Bonds.  
193 This delegation shall expire if not exercised by the Pricing Officer on or prior to  
194 December 29, 2017. The Bonds shall be sold by negotiated sale to the  
195 Underwriters, at the price, and with and subject to the terms, as set forth in the  
196 Bond Purchase Agreement.

197 (c) The Pricing Officer shall not execute the Bond Purchase Agreement  
198 unless the Underwriters have confirmed to the Pricing Officer that the  
199 Underwriters have made disclosure filings to the Texas Ethics Commission in  
200 accordance with Section 2252.908, Texas Government Code. Within 30 days of  
201 receipt of the disclosure filings from the Underwriters, the City will submit a copy  
202 of the disclosure filings to the Texas Ethics Commission.

203 **SECTION 5: TERMS OF PAYMENT - PAYING AGENT**  
204 **/REGISTRAR.** The principal of, premium, if any, and the interest on the Bonds,  
205 due and payable by reason of maturity, redemption or otherwise, shall be payable  
206 only to the Holders appearing on the registration and transfer books maintained by  
207 the Paying Agent/Registrar and the payment shall be in any coin or currency of the  
208 United States of America, which at the time of payment is legal tender for the  
209 payment of public and private debts, and shall be without exchange or collection  
210 charges to the Holders.

211 The selection and appointment of the Paying Agent/Registrar for the Bonds  
212 is approved and confirmed. Books and records relating to the registration,

213 payment, exchange and transfer of the Bonds (the “Security Register”) shall at all  
214 times be kept and maintained on behalf of the City by the Paying Agent/Registrar,  
215 all as provided in the Thirty-Fourth Supplement, in accordance with the terms and  
216 provisions of a “Paying Agent/Registrar Agreement,” substantially in the form of  
217 paying agent agreements previously approved by council in connection with the  
218 issuance of public securities, and such reasonable rules and regulations as the  
219 Paying Agent/Registrar and the City may prescribe. The Pricing Officer is  
220 authorized to execute and deliver this Agreement in connection with the delivery  
221 of the Bonds. The City covenants to maintain and provide a Paying  
222 Agent/Registrar at all times until the Bonds are paid and discharged, and any  
223 successor Paying Agent/Registrar shall be a bank, trust company, financial  
224 institution or other entity qualified and authorized to serve in such capacity and  
225 perform the duties and services of Paying Agent/Registrar. Upon any change in  
226 the Paying Agent/Registrar for the Bonds, the City agrees to promptly cause a  
227 written notice of the change to be sent to each Holder by United States Mail, first  
228 class postage prepaid, which notice shall also give the address of the new Paying  
229 Agent/Registrar.

230 If required by law, the Pricing Officer shall not execute the Paying  
231 Agent/Registrar Agreement unless the Paying Agent/Registrar has confirmed to the  
232 Pricing Officer that it has made disclosure filings to the Texas Ethics Commission  
233 in accordance with Section 2252.908, Texas Government Code. Within 30 days of  
234 receipt of the disclosure filings from the Paying Agent/Registrar, the City will  
235 submit a copy of the disclosure filings to the Texas Ethics Commission.

236 Principal of and premium, if any, on the Bonds shall be payable at the Stated  
237 Maturities or redemption of the Bonds, only upon presentation and surrender of the  
238 Bonds to the Paying Agent/Registrar at its designated office in Houston, Texas (the  
239 “Designated Payment/Transfer Office”). Interest on the Bonds shall be paid to the  
240 Holders whose names appear in the Security Register at the close of business on  
241 the Record Date (the last Business Day of the month next preceding each interest  
242 payment date), and interest shall be paid by the Paying Agent/Registrar (i) by  
243 check sent United States Mail, first class postage prepaid, to the address of the  
244 Holder recorded in the Security Register or (ii) by such other method, acceptable to  
245 the Paying Agent/Registrar, requested by, and at the risk and expense of, the  
246 Holder. If the date for the payment of the principal of or interest on the Bonds is a  
247 day other than a Business Day, then the date for payment shall be the next  
248 succeeding Business Day; and payment on that date shall have the same force and  
249 effect as if made on the original date payment was due.

250 In the event of a non-payment of interest on one or more maturities on a  
251 scheduled payment date, and for 30 days thereafter, a new record date for the  
252 interest payment for the maturity or maturities (a “Special Record Date”) will be

253 established by the Paying Agent/Registrar, if and when funds for the payment of  
254 interest have been received from the City. Notice of the Special Record Date and  
255 of the scheduled payment date of the past due interest (which shall be 15 days after  
256 the Special Record Date) shall be sent at least five Business Days prior to the  
257 Special Record Date by United States Mail, first class postage prepaid, to the  
258 address of each Holder of such maturity or maturities appearing on the Security  
259 Register at the close of business on the last Business Day next preceding the date  
260 of mailing of the notice.

261           **SECTION 6: REGISTRATION-TRANSFER-EXCHANGE OF BONDS**  
262 **- PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain, record,  
263 and maintain in the Security Register the name and address of each registered  
264 owner of the Bonds issued under the provisions of the Thirty-Fourth Supplement.  
265 Any Bond may, in accordance with its terms and the terms of the Thirty-Fourth  
266 Supplement, be transferred or exchanged for Bonds of other authorized  
267 denominations upon the Security Register by the Holder, in person or the Holder's  
268 authorized agent, upon surrender of the Bond to the Paying Agent/Registrar for  
269 cancellation, accompanied by a written instrument of transfer or request for  
270 exchange executed by the Holder or the Holder's authorized agent, in form  
271 satisfactory to the Paying Agent/ Registrar.

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

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

288           All Bonds issued upon any transfer or exchange of Bonds shall be delivered  
289 at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent  
290 by United States Mail, first class postage prepaid, to the Holder and, upon the  
291 delivery, the same shall be valid obligations of the City, evidencing the same

292 obligation to pay, and entitled to the same benefits under the Thirty-Fourth  
293 Supplement, as the Bonds surrendered for transfer or exchange.

294 All transfers or exchanges of Bonds under this Section shall be made  
295 without expense or service charge to the Holder, except as otherwise provided in  
296 the Thirty-Fourth Supplement, and except that the Paying Agent/Registrar shall  
297 require payment by the Holder requesting the transfer or exchange of any tax or  
298 other governmental charges required to be paid with respect to such transfer or  
299 exchange.

300 Bonds canceled by reason of an exchange or transfer under the provisions of  
301 the Thirty-Fourth Supplement are defined to be "Predecessor Bonds," evidencing  
302 all or a portion, as the case may be, of the same obligation to pay evidenced by the  
303 Bond or Bonds registered and delivered in the exchange or transfer. Additionally,  
304 the term "Predecessor Bonds" shall include any mutilated, lost, destroyed, or stolen  
305 Bond for which a replacement Bond has been issued, registered and delivered  
306 under Section 19 of the Thirty-Fourth Supplement and the new replacement Bond  
307 shall be deemed to evidence the same obligation as the mutilated, lost, destroyed,  
308 or stolen Bond.

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

314 The City agrees to deliver to the Paying Agent/Registrar one initial Bond,  
315 numbered T-1, as provided in Section 9 of the Thirty-Fourth Supplement, and  
316 registered to the representative of the Underwriters named in the Bond Purchase  
317 Agreement following the approval by the Attorney General of the State and the  
318 registration by the Comptroller of Public Accounts.

319 **SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND**  
320 **TRANSACTIONS.** Notwithstanding the provisions contained in Sections 4, 5  
321 and 6 of the Thirty-Fourth Supplement relating to the payment, and  
322 transfer/exchange of the Bonds, the City approves and authorizes the use of the  
323 "Book-Entry-Only" securities clearance, settlement and transfer system provided  
324 by The Depository Trust Company ("DTC"), a limited purpose trust company  
325 organized under the laws of the State of New York, in accordance with the  
326 operational arrangements referenced in the Blanket Issuer Letter of Representation,  
327 by and between the City and DTC (the "Depository Agreement").

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

336 In the event DTC determines to discontinue serving as securities depository  
337 for the Bonds or otherwise ceases to provide book-entry clearance and settlement  
338 of securities transactions in general or the City determines that DTC is incapable of  
339 properly discharging its duties as securities depository for the Bonds, the City  
340 covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in  
341 definitive form and provide for the Bond certificates to be issued and delivered to  
342 DTC Participants and Beneficial Owners, as the case may be. The Bonds in  
343 definitive form shall be assigned, transferred and exchanged on the Security  
344 Register maintained by the Paying Agent/Registrar and payment of the Bonds not  
345 held by DTC under the Depository Agreement shall be made in accordance with  
346 the provisions of Sections 4, 5 and 6 of the Thirty-Fourth Supplement.

347 **SECTION 8: EXECUTION - REGISTRATION.** The Bonds shall be  
348 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal  
349 reproduced or impressed on the Bonds and countersigned by the City Clerk. The  
350 signature of the officers on the Bonds may be manual or facsimile. Bonds bearing  
351 the manual or facsimile signatures of individuals who are or were the proper  
352 officers of the City on the Bond Date shall be deemed to be executed on behalf of  
353 the City, notwithstanding that those individuals or either of them shall cease to  
354 hold the offices at the time of delivery of the Bonds to the Underwriters and with  
355 respect to Bonds delivered in subsequent exchanges and transfers, all as authorized  
356 and provided in Chapter 1201.

357 No Bond shall be entitled to any right or benefit under the Thirty-Fourth  
358 Supplement, or be valid or obligatory for any purpose, unless there appears on the  
359 Bond either a certificate of registration substantially in the form provided in the  
360 FORM OF BOND, manually executed by the Comptroller of Public Accounts of  
361 the State of Texas or his or her authorized agent, or a certificate of registration  
362 substantially in the form provided in the FORM OF BOND, manually executed by  
363 an authorized officer, employee or representative of the Paying Agent/Registrar,  
364 and either certificate upon any Bond signed shall be conclusive evidence, and the  
365 only evidence, that the Bond has been certified, registered and delivered.

366           **SECTION 9: INITIAL BOND.** The Bonds shall be initially issued as a  
367 single fully registered bond in the total principal amount specified in the Bond  
368 Purchase Agreement with principal installments to become due and payable as  
369 provided in the Bond Purchase Agreement and numbered T-1 (the “Initial Bond”).  
370 The Initial Bond shall be registered in the name of the representative of the  
371 Underwriters named in the Bond Purchase Agreement or its designee. The Initial  
372 Bond shall be submitted to the Office of the Attorney General of the State of Texas  
373 for approval, certified and registered by the Office of the Comptroller of Public  
374 Accounts of the State of Texas and delivered to the Underwriters. Any time after  
375 the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written  
376 instructions from the Underwriters, or their designee, shall cancel the Initial Bond  
377 and deliver and exchange for the Initial Bond definitive Bonds of authorized  
378 denominations, Stated Maturities, principal amounts and bearing applicable  
379 interest rates, and numbered consecutively from R-1 upward, for transfer and  
380 delivery to the Holders named at the addresses identified for the Holders; all  
381 pursuant to and in accordance with such written instructions from the  
382 Underwriters, or their designee, and any other information and documentation as  
383 the Paying Agent/Registrar may reasonably require.

384           **SECTION 10: FORMS.** The Bonds, the Registration Certificate of the  
385 Comptroller of Public Accounts of the State of Texas, the Certificate of  
386 Registration, and the form of Assignment to be printed on each of the Bonds, shall  
387 be substantially in the forms set forth in the FORM OF BOND set forth in **Exhibit**  
388 **A** to the Thirty-Fourth Supplement, with appropriate insertions, omissions,  
389 substitutions, and other variations as are permitted or required by the Thirty-Fourth  
390 Supplement, and may have such letters, numbers, or other marks of identification  
391 (including identifying numbers and letters of the Committee on Uniform Securities  
392 Identification Procedures of the American Bankers Association) and any other  
393 legends and endorsements (including insurance legends in the event the Bonds, or  
394 any maturities of the Bonds, are purchased with insurance and any reproduction of  
395 an opinion of counsel) as may be established by the City or determined by the  
396 officers executing the Bonds as evidenced by their execution of the Bonds. Any  
397 portion of the text of any Bond may be set forth on the reverse of the Bond, with an  
398 appropriate reference on the face of the Bond. The FORM OF BOND set forth in  
399 **Exhibit A** to the Thirty-Fourth Supplement will be revised to reflect the terms of  
400 the Bond Purchase Agreement and the sale of the Bonds to the Underwriters.

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

405           **SECTION 11: CRITERIA FOR ISSUANCE OF PARITY WATER/**  
406 **WASTEWATER OBLIGATIONS.** The City has provided certain criteria and  
407 established certain covenants and agreements in relation to the issuance of Parity  
408 Water/Wastewater Obligations of the Water/Wastewater System pursuant to the  
409 Master Ordinance and Prior Supplements. The Thirty-Fourth Supplement provides  
410 for the authorization, issuance, sale, delivery, form, characteristics, provisions of  
411 payment, and security of the Bonds which are Parity Water/Wastewater  
412 Obligations. The Master Ordinance is incorporated by reference and made a part  
413 of the Thirty-Fourth Supplement for all purposes, except to the extent modified and  
414 supplemented by the Prior Supplements and the Thirty-Fourth Supplement, and the  
415 Bonds are declared to be Parity Water/Wastewater Obligations under the Master  
416 Ordinance and Prior Supplements. The City determines that it will have sufficient  
417 funds to meet the financial obligations of the Water/Wastewater System, including  
418 sufficient Net Revenues to pay the Annual Debt Service Requirements of the  
419 Bonds and the Previously Issued Parity Water/Wastewater Obligations and to meet  
420 all financial obligations of the City relating to the Water/Wastewater System.

421           **SECTION 12: PLEDGE.** The Net Revenues of the Water/Wastewater  
422 System are pledged to the payment of the Bonds, and the Bonds, together with the  
423 Prior Subordinate Lien Obligations and the Previously Issued Parity  
424 Water/Wastewater Obligations currently Outstanding, shall be equally and ratably  
425 secured by a parity lien on and pledge of the Net Revenues of the  
426 Water/Wastewater System in accordance with the terms of the Master Ordinance  
427 and the Thirty-Fourth Supplement. Additionally, the Bonds and the Previously  
428 Issued Parity Water/Wastewater Obligations shall be equally and ratably secured  
429 by a lien on the funds, if any, deposited to the credit of the Debt Service Fund in  
430 accordance with the terms of the Master Ordinance, the Prior Supplements and the  
431 Thirty-Fourth Supplement. The Parity Water/Wastewater Obligations, and the  
432 interest on the Parity Water/Wastewater Obligations, shall constitute a lien on the  
433 Net Revenues of the Water/Wastewater System and be valid and binding and fully  
434 perfected from and after the date of adoption of the Thirty-Fourth Supplement  
435 without physical delivery or transfer of control of the Net Revenues, the filing of  
436 the Thirty-Fourth Supplement or any other act, all as provided in Chapter 1208.  
437 The owners of the Parity Water/Wastewater Obligations shall never have the right  
438 to demand payment out of funds raised or to be raised by taxation, or from any  
439 source other than specified in the Master Ordinance, the Prior Supplements and the  
440 Thirty-Fourth Supplement.

441           Chapter 1208 applies to the issuance of the Bonds and the pledge of the Net  
442 Revenues of the Water/Wastewater System granted by the City under this Section  
443 12, and the pledge is valid, effective and perfected. If Texas law is amended at any  
444 time while the Bonds are Outstanding such that the pledge of the Net Revenues of

445 the Water/Wastewater System granted by the City under this Section 12 is to be  
446 subject to the filing requirements of Chapter 9, then to preserve to the registered  
447 owners of the Bonds the perfection of the security interest in the pledge, the City  
448 agrees to take measures as it determines are reasonable and necessary under Texas  
449 law to comply with the applicable provisions of Chapter 9, and enable a filing to  
450 perfect the security interest in the pledge to occur.

451         **SECTION 13: DEBT SERVICE FUND.** By reason of the issuance of the  
452 Bonds, the City need not establish any special accounts within the Debt Service  
453 Fund and following the delivery of the Bonds, the City agrees and covenants that  
454 in addition to the deposits for the payment of the Previously Issued Parity  
455 Water/Wastewater Obligations there shall be deposited to the credit of the Debt  
456 Service Fund an amount equal to one hundred percent (100%) of the amount  
457 required to fully pay the interest on and principal of the Bonds falling due on or  
458 before each maturity, mandatory redemption date and interest payment date, and  
459 such deposits shall be made in substantially equal monthly amounts on or before  
460 the 14th day of each month beginning on or before the 14th day of the month next  
461 following the month the Bonds are delivered to the Underwriters.

462         The required monthly deposits to the Debt Service Fund for the payment of  
463 principal of and interest on the Bonds shall continue to be made in the manner  
464 provided in this Section until such time as (i) the total amount on deposit in the  
465 Debt Service Fund is equal to the amount required to fully pay and discharge all  
466 Parity Water/Wastewater Obligations then Outstanding or (ii) the Bonds are no  
467 longer outstanding, *i.e.*, fully paid as to principal and interest or all the Bonds have  
468 been refunded.

469         Any accrued interest received from the Underwriters shall be deposited in  
470 the Debt Service Fund, and shall be taken into consideration and reduce the  
471 amount of the monthly deposits that would otherwise be required to be deposited to  
472 the credit of the Debt Service Fund from the Net Revenues of the  
473 Water/Wastewater System.

474         **SECTION 14: RESERVE FUND.** In accordance with the provisions of the  
475 Prior Supplements authorizing the issuance of certain of the Previously Issued  
476 Water/Wastewater Obligations, the Required Reserve Amount is funded with cash  
477 and Credit Facilities originally issued by Ambac Assurance Corporation and XL  
478 Capital Assurance Inc.

479         Acting in accordance with the provisions of the Master Ordinance,  
480 specifically Section 8 of the Master Ordinance, the City is exercising the authority  
481 to determine in a Supplement that it is not necessary for the Bonds to be secured by  
482 the Reserve Fund established for the benefit of the owners of certain series of the

483 Previously Issued Parity Water/Wastewater Obligations. The City shall not make  
484 deposits of any Reserve Fund Obligations to the credit of the Reserve Fund for the  
485 benefit of the Bonds, and the City shall not be required, but reserves the right in the  
486 future, to make deposits of Reserve Fund Obligations to the credit of the Reserve  
487 Fund with respect to the Bonds.

488 Furthermore, in accordance with Section 10(d) of the Master Ordinance,  
489 council finds that the Gross Revenues will be sufficient to meet the obligations of  
490 the Water/Wastewater System, including sufficient Net Revenues to satisfy the  
491 Annual Debt Service Requirements of Parity Water/Wastewater Obligations  
492 currently Outstanding and the financial obligations of the City under any Credit  
493 Facility entered into with the Credit Facility providers.

494 **SECTION 15: PAYMENT OF BONDS.** On or before the first scheduled  
495 interest payment date, and on or before each subsequent interest payment date and  
496 principal payment date while any Bond is Outstanding, the City shall cause an  
497 amount to be transferred to the Paying Agent/Registrar in immediately available  
498 funds from the Debt Service Fund sufficient to pay the interest on and the principal  
499 amount of the Bonds, as shall become due on each payment date, respectively, at  
500 maturity or by redemption prior to maturity. The Paying Agent/Registrar shall  
501 destroy all paid Bonds and furnish the City with an appropriate certificate of  
502 cancellation or destruction.

503 **SECTION 16: COVENANTS TO MAINTAIN TAX-EXEMPT**  
504 **STATUS.**

505 The City covenants to refrain from any action which would adversely  
506 affect, or to take any action to assure, the treatment of the Bonds as obligations  
507 described in section 103 of the Code, the interest on which is not includable in the  
508 "gross income" of the holder for purposes of federal income taxation. In  
509 furtherance thereof, the City covenants as follows:

510 (a) to take any action to assure that no more than 10 percent of the  
511 proceeds of the Bonds or the projects financed therewith (less amounts deposited  
512 to a reserve fund, if any) are used for any "private business use", as defined in  
513 section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so  
514 used, that amounts, whether or not received by the City, with respect to such  
515 private business use, do not, under the terms of the Thirty-Fourth Supplement or  
516 any underlying arrangement, directly or indirectly, secure or provide for the  
517 payment of more than 10 percent of the debt service on the Bonds, in contravention  
518 of section 141(b)(2) of the Code;

519 (b) to take any action to assure that in the event that the "private business  
520 use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the  
521 Bonds or the projects financed therewith (less amounts deposited into a reserve  
522 fund, if any) then the amount in excess of 5 percent is used for a "private business  
523 use" which is "related" and not "disproportionate", within the meaning of section  
524 141(b)(3) of the Code, to the governmental use;

525 (c) to take any action to assure that no amount which is greater than the  
526 lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts  
527 deposited into a reserve fund, if any), is directly or indirectly used to finance loans  
528 to persons, other than state or local governmental units, in contravention of section  
529 141(c) of the Code;

530 (d) to refrain from taking any action which would otherwise result in the  
531 Bonds being treated as "private activity bonds" within the meaning of section  
532 141(a) of the Code;

533 (e) to refrain from taking any action that would result in the Bonds being  
534 "federally guaranteed" within the meaning of section 149(b) of the Code;

535 (f) to refrain from using any portion of the proceeds of the Bonds,  
536 directly or indirectly, to acquire or to replace funds which were used, directly or  
537 indirectly, to acquire investment property (as defined in section 148(b)(2) of the  
538 Code) which produces a materially higher yield over the term of the Bonds, other  
539 than investment property acquired with --

540 (1) proceeds of the Bonds invested for a reasonable temporary  
541 period, until such proceeds are needed for the purpose for which the Bonds  
542 are issued,

543 (2) amounts invested in a bona fide debt service fund, within the  
544 meaning of section 1.148-1(b) of the Treasury Regulations, and

545 (3) amounts deposited in any reasonably required reserve or  
546 replacement fund to the extent such amounts do not exceed 10 percent of the  
547 proceeds of the Bonds;

548 (g) to otherwise restrict the use of the proceeds of the Bonds or amounts  
549 treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not  
550 otherwise contravene the requirements of section 148 of the Code (relating to  
551 arbitrage);

552 (h) to refrain from using the proceeds of the Bonds or the proceeds of any  
553 prior bonds to pay debt service on another issue more than ninety (90) days after

554 the issuance of the Bonds in contravention of section 149 of the Code (relating to  
555 advance refundings); and

556 (i) to pay to the United States of America at least once during each five-  
557 year period (beginning on the date of initial delivery of the Bonds) an amount that  
558 is at least equal to 90 percent of the "excess earnings", within the meaning of  
559 section 148(f) of the Code, and to pay to the United States of America, not later  
560 than 60 days after the Bonds have been paid in full, 100 percent of the amount then  
561 required to be paid as a result of Excess Earnings under section 148(f) of the Code.

562 The City understands that the term "proceeds" includes "disposition  
563 proceeds" as defined in the Treasury Regulations and, in the case of a refunding  
564 bond, transferred proceeds (if any) and proceeds of the refunded bonds expended  
565 prior to the date of the issuance of the Bonds. It is the understanding of the City  
566 that these covenants are intended to assure compliance with the Code and any  
567 regulations or rulings promulgated by the U.S. Department of the Treasury  
568 pursuant to the Code. In the event that regulations or rulings are hereafter  
569 promulgated which modify or expand provisions of the Code, as applicable to the  
570 Bonds, the City will not be required to comply with any covenant contained in this  
571 Section to the extent that the failure to comply, in the opinion of nationally-rec-  
572 ognized bond counsel, will not adversely affect the exemption from federal income  
573 taxation of interest on the Bonds under section 103 of the Code. In the event that  
574 regulations or rulings are hereafter promulgated which impose additional  
575 requirements which are applicable to the Bonds, the City agrees to comply with the  
576 additional requirements to the extent necessary, in the opinion of nationally-recog-  
577 nized bond counsel, to preserve the exemption from federal income taxation of  
578 interest on the Bonds under section 103 of the Code. In furtherance of the  
579 foregoing, the Mayor, the City Manager, any Assistant City Manager, the Chief  
580 Financial Officer of the City, any Deputy Financial Officer of the City and the City  
581 Treasurer may execute any certificates or other reports required by the Code and  
582 make such elections, on behalf of the City, which may be permitted by the Code as  
583 are consistent with the purpose for the issuance of the Bonds. In order to facilitate  
584 compliance with the above clause (i), a "Rebate Fund" is established by the City  
585 for the sole benefit of the United States of America, and the Rebate Fund shall not  
586 be subject to the claim of any other person, including without limitation the  
587 registered owners of the Bonds. The Rebate Fund is established for the additional  
588 purpose of compliance with section 148 of the Code.

589 **SECTION 16A: DISPOSITION OF BOND-FINANCED PROPERTY.**

590 The City covenants that the property constituting an improvement to the City  
591 originally financed with the proceeds of the Refunded Obligations will not be sold  
592 or otherwise disposed in a transaction resulting in the receipt by the City of cash or

593 other compensation, unless the City obtains an opinion of nationally-recognized  
594 bond counsel substantially to the effect that the sale or other disposition will not  
595 adversely affect the tax-exempt status of the Bonds or the Refunded Obligations.  
596 The portion of the property comprising personal property and disposed of in the  
597 ordinary course of business shall not be treated as a transaction resulting in the  
598 receipt of cash or other compensation. The City shall not be obligated to comply  
599 with this covenant if it obtains an opinion of nationally-recognized bond counsel to  
600 the effect that the failure to comply will not adversely affect the excludability for  
601 federal income tax purposes from gross income of the interest on the Bonds.

602 **SECTION 17: AMENDMENT OF THIRTY-FOURTH SUPPLEMENT.**

603 (a) Required Owner Consent for Amendments. The owners of a majority  
604 in Outstanding Principal Amount of the Bonds shall have the right from time to  
605 time to approve any amendment to the Thirty-Fourth Supplement which may be  
606 deemed necessary or desirable by the City; provided, however, nothing contained  
607 in the Thirty-Fourth Supplement shall permit or be construed to permit the  
608 amendment of the terms and conditions in the Thirty-Fourth Supplement so as to:

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

620  
621 unless such amendment or amendments be approved by the owners of all of the  
622 Bonds affected by the change or amendment then Outstanding.

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

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

642 (d) Revocation of Consent. Any consent given by the owner of a Bond  
643 pursuant to the provisions of this Section shall be irrevocable for a period of six  
644 months from the date for measuring the one year period to obtain consents noted in  
645 paragraph (c) above, and shall be conclusive and binding upon all future owners of  
646 the same Bonds during such period. At any time after six months from the date for  
647 measuring the one year period to obtain consents noted in paragraph (c) above,  
648 consent may be revoked by the owner who gave the consent, or by a successor in  
649 title, by filing written notice with the Paying Agent/Registrar for the Bonds and the  
650 City, but revocation shall not be effective if the owners of at least a majority in  
651 Outstanding Principal Amount of the then Outstanding Bonds as determined in  
652 accordance with this Section have, prior to the attempted revocation, consented to  
653 and approved the amendment.

654 (e) Implementation of Amendment. Upon the passage of any amendatory  
655 ordinance pursuant to the provisions of this Section, the Thirty-Fourth Supplement  
656 shall be deemed to be amended, and the respective rights, duties and obligations of  
657 the City under the Thirty-Fourth Supplement and all the owners of then  
658 Outstanding Bonds shall be determined, exercised and enforced in all respects in  
659 accordance with the amendment.

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

663 (1) To add to the covenants and agreements of the City  
664 contained in the Thirty-Fourth Supplement, other covenants and  
665 agreements thereafter to be observed, grant additional rights or  
666 remedies to the owners of the Bonds or to surrender, restrict or limit  
667 any right or power reserved in the Thirty-Fourth Supplement to or  
668 conferred upon the City;

669 (2) To make provision for the purpose of curing any ambiguity,  
670 or curing, correcting or supplementing any defective provision  
671 contained in the Thirty-Fourth Supplement, or in regard to clarifying  
672 matters or questions arising under the Thirty-Fourth Supplement, as  
673 are necessary or desirable and not contrary to or inconsistent with the  
674 Thirty-Fourth Supplement and which shall not adversely affect the  
675 interests of the owners of the Bonds then Outstanding;

676 (3) To modify any of the provisions of the Thirty-Fourth  
677 Supplement in any other respect whatever, provided that any  
678 modification shall be, and be expressed to be, effective only after all  
679 the Bonds outstanding at the date of the adoption of the modification  
680 shall cease to be outstanding;

681 (4) To make amendments to the Thirty-Fourth Supplement as  
682 may be required, in the opinion of Bond Counsel, to ensure  
683 compliance with sections 103 and 141 through 150 of the Code and  
684 the regulations promulgated under and applicable to those sections  
685 and regulations;

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

693 (6) To make amendments to the Thirty-Fourth Supplement as  
694 permitted by Section 21(e) of the Thirty-Fourth Supplement;

695 (7) To make changes, modifications or amendments as may be  
696 necessary or desirable to obtain the approval of the Bonds from the

697 Attorney General of Texas, to obtain or maintain the granting of a  
698 rating on the Bonds by a Rating Agency or to obtain or maintain a  
699 Credit Agreement or a Credit Facility; and

700 (8) To make changes, modifications or amendments as may be  
701 necessary or desirable, which shall not adversely affect the interests of  
702 the owners of the Bonds, in order, to the extent permitted by law, to  
703 facilitate the economic and practical utilization of interest rate swap  
704 agreements, foreign currency exchange agreements, or similar types  
705 of agreements with respect to the Bonds.

706 Notice of an amendment may be published by the City in the manner described in  
707 clause (b) of this Section; provided, however, that the publication of a notice shall  
708 not constitute a condition precedent to the adoption of an amendatory ordinance  
709 and the failure to publish a notice shall not adversely affect the implementation of  
710 an amendment as adopted pursuant to the amendatory ordinance.

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

720 **SECTION 18: FINAL DEPOSITS; GOVERNMENT OBLIGATIONS.**  
721 All or any of the Bonds shall be deemed to be paid, retired and no longer  
722 outstanding within the meaning of the Thirty-Fourth Supplement when payment of  
723 the principal of, and redemption premium, if any, on the Bonds, plus interest on the  
724 Bonds to the due date (whether the due date is by reason of maturity or otherwise)  
725 either (i) shall have been made or caused to be made in accordance with the terms  
726 of the Bonds, or (ii) shall have been provided by irrevocably depositing with, or  
727 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside  
728 exclusively for this payment, (1) money sufficient to make the payment or  
729 (2) Government Obligations, certified by an independent public accounting firm of  
730 national reputation, to mature as to principal and interest in amounts and at the  
731 times as will insure the availability, without reinvestment, of sufficient money to  
732 make this payment, and all necessary and proper fees, compensation and expenses  
733 of the Paying Agent/Registrar with respect to which the deposit is made shall have  
734 been paid or the payment provided for the satisfaction of the Paying  
735 Agent/Registrar. Once a Bond shall be deemed to be paid under the Thirty-Fourth

736 Supplement, it shall no longer be secured by or entitled to the benefit of the Thirty-  
737 Fourth Supplement, the Master Ordinance or a lien on and pledge of the Net  
738 Revenues of the Water/Wastewater System, and shall be entitled to payment solely  
739 from the money or Government Obligations.

740 Any moneys so deposited with the Paying Agent/Registrar, or an authorized  
741 escrow agent, may at the direction of the City also be invested in Government  
742 Obligations, maturing in the amounts and at the times as set forth in this Section,  
743 and all income from all Government Obligations not required for the payment of  
744 the Bonds, the redemption premium, if any, and interest on the Bonds, with respect  
745 to which the money has been so deposited, shall be turned over to the City or  
746 deposited as directed by the City. The City covenants that no deposit will be made  
747 or accepted under clause (ii) of this Section and no use made of any deposit which  
748 would cause the Bonds to be treated as arbitrage bonds within the meaning of  
749 section 148 of the Code.

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

757 **SECTION 19: DAMAGED, MUTILATED, LOST, STOLEN, OR**  
758 **DESTROYED BONDS.** In the event any Outstanding Bond is damaged,  
759 mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be  
760 printed, executed, and delivered, a new bond of the same principal amount,  
761 maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed  
762 Bond, in replacement for the Bond in the manner provided in this Section. An  
763 application for the replacement of damaged, mutilated, lost, stolen, or destroyed  
764 Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or  
765 destruction of a Bond, the applicant for a replacement bond shall furnish to the  
766 City and to the Paying Agent/Registrar security or indemnity as may be required  
767 by them to save each of them harmless from any loss or damage with respect  
768 thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant  
769 shall furnish to the City and to the Paying Agent/Registrar evidence to their  
770 satisfaction of the loss, theft, or destruction of the Bond, as the case may be. In  
771 every case of damage or mutilation of a Bond, the applicant shall surrender to the  
772 Paying Agent/Registrar for cancellation the Bond so damaged or mutilated. Prior  
773 to the issuance of any replacement bond, the Paying Agent/Registrar shall charge  
774 the owner of the Bond with all legal, printing, and other expenses in connection  
775 with this issuance. Every replacement bond issued pursuant to the provisions of

776 this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall  
777 constitute a contractual obligation of the City whether the lost, stolen, or destroyed  
778 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled  
779 to all the benefits of the Thirty-Fourth Supplement equally and proportionately  
780 with any and all other Bonds issued under the Thirty-Fourth Supplement.

781 Notwithstanding the preceding provisions of this Section, in the event any  
782 Bond shall have matured, and no default has occurred which is then continuing in  
783 the payment of the principal of, redemption premium, if any, or interest on the  
784 Bond, the City may authorize the payment of the same (without surrender of the  
785 Bond except in the case of a damaged or mutilated Bond) instead of issuing a  
786 replacement Bond, provided security or indemnity is furnished as above provided  
787 in this Section. Furthermore, in accordance with Chapter 1206 (specifically  
788 Section 1206.022), this Section shall constitute authority for the issuance of any  
789 replacement bond without necessity of further action by the governing body of the  
790 City or any other body or person, and the duty of the replacement of Bonds is  
791 authorized and imposed upon the Paying Agent/Registrar, and the Paying  
792 Agent/Registrar shall authenticate and deliver replacement bonds in the form and  
793 manner and with the effect, as provided in Section 6 of the Thirty-Fourth  
794 Supplement for Bonds issued in exchange for other Bonds.

795 **SECTION 20: THIRTY-FOURTH SUPPLEMENT TO CONSTITUTE**  
796 **A CONTRACT; EQUAL SECURITY.** In consideration of the acceptance of the  
797 Bonds by the Holders from time to time, the Thirty-Fourth Supplement shall be  
798 deemed to be and shall constitute a contract between the City and the Holders from  
799 time to time of the Bonds and the pledge made in the Thirty-Fourth Supplement by  
800 the City and the covenants and agreements set forth in the Thirty-Fourth  
801 Supplement to be performed by the City shall be for the equal and proportionate  
802 benefit, security, and protection of all Holders, without preference, priority, or  
803 distinction as to security or otherwise of any of the Bonds authorized under the  
804 Thirty-Fourth Supplement over any of the others by reason of time of issuance,  
805 sale, or maturity or otherwise for any cause whatsoever, except as expressly  
806 provided in or permitted by the Thirty-Fourth Supplement.

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

808 (a) Definitions. As used in this Section, the following terms have the  
809 meanings ascribed below:

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

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

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

815           (b) Annual Reports. The City shall provide annually to the MSRB (1)  
816 within six months after the end of each fiscal year ending in or after 2021, financial  
817 information and operating data with respect to the City of the general type included  
818 in the final Official Statement and which is described in **Exhibit B** to the Thirty-  
819 Fourth Supplement, and (2) if not provided as part of the financial information and  
820 operating data, audited financial statements of the City, when and if available.  
821 Any financial statements provided shall be prepared in accordance with the  
822 accounting principles described in **Exhibit B** to the Thirty-Fourth Supplement, or  
823 other accounting principles as the City may be required to employ from time to  
824 time pursuant to state law or regulation, and audited, if the City commissions an  
825 audit of the statements and the audit is completed within twelve months after the  
826 end of each fiscal year ending in or after 2021. If audited financial statements of  
827 the City are not available by the end of the 12 month period, the City will provide  
828 notice that the audited financial statements are not available, and will provide  
829 unaudited financial statements by the end of the 12 month period and audited  
830 financial statements for the applicable fiscal year when and if the audited financial  
831 statements become available.

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

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

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

- 843           (1) Principal and interest payment delinquencies;
- 844           (2) Non-payment related defaults, if material;
- 845           (3) Unscheduled draws on debt service reserves reflecting financial  
846 difficulties;
- 847           (4) Unscheduled draws on credit enhancements reflecting financial  
848 difficulties;
- 849           (5) Substitution of credit or liquidity providers, or their failure to perform;

- 850 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of  
851 proposed or final determinations of taxability, Notices of Proposed  
852 Issue (IRS Form 5701-TEB), or other material notices or  
853 determinations with respect to the tax status of the Bonds, or other  
854 material events affecting the tax status of the Bonds;
- 855 (7) Modifications to rights of holders of the Bonds, if material;
- 856 (8) Bond calls, if material, and tender offers;
- 857 (9) Defeasances;
- 858 (10) Release, substitution, or sale of property securing repayment of the  
859 Bonds, if material;
- 860 (11) Rating changes;
- 861 (12) Bankruptcy, insolvency, receivership, or similar event of the City,  
862 which shall occur as described below;
- 863 (13) The consummation of a merger, consolidation, or acquisition  
864 involving the City or the sale of all or substantially all of its assets,  
865 other than in the ordinary course of business, the entry into a  
866 definitive agreement to undertake such an action or the termination of  
867 a definitive agreement relating to any such actions, other than  
868 pursuant to its terms, if material;
- 869 (14) Appointment of a successor or additional paying agent/registrar or the  
870 change of name of a paying agent/registrar, if material;
- 871 (15) Incurrence of a Financial Obligation of the Obligated Person, if  
872 material, or agreement to covenants, events of default, remedies,  
873 priority rights, or other similar terms of a Financial Obligation of the  
874 Obligated Person, any of which affect security holders, if material;  
875 and
- 876 (16) Default, event of acceleration, termination event, modification of  
877 terms, or other similar event under the terms of a Financial Obligation  
878 of the Obligated Person, and which reflect financial difficulties.

879  
880 The City shall notify the MSRB, in a timely manner, of any failure by the City to  
881 provide financial information or operating data in accordance with this Section by  
882 the time required by this Section.

883  
884 For these purposes, any event described in the immediately preceding  
885 paragraph 12 is considered to occur when any of the following occur: the  
886 appointment of a receiver, fiscal agent, or similar officer for the City in a  
887 proceeding under the United States Bankruptcy Code or in any other proceeding  
888 under state or federal law in which a court or governmental authority has assumed  
889 jurisdiction over substantially all of the assets or business of the City, or if  
890 jurisdiction has been assumed by leaving the existing governing body and officials  
891 or officers in possession but subject to the supervision and orders of a court or

892 governmental authority, or the entry of an order confirming a plan of  
893 reorganization, arrangement, or liquidation by a court or governmental authority  
894 having supervision or jurisdiction over substantially all of the assets or business of  
895 the City.

896  
897 As used in paragraphs 15 and 16 above, the term "Financial Obligation"  
898 means: (i) a debt obligation; (ii) a derivative instrument entered into in connection  
899 with, or pledged as security or a source of payment for, an existing or planned debt  
900 obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation  
901 shall not include Municipal Securities as to which a final official statement has  
902 been provided to the MSRB consistent with the Rule; the term "Municipal  
903 Securities" means securities which are direct obligations of, or obligations  
904 guaranteed as to principal or interest by, a state or any political subdivision thereof,  
905 or any agency or instrumentality of a state or any political subdivision thereof, or  
906 any municipal corporate instrumentality of one or more states and any other  
907 Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act  
908 of 1934, as the same may be amended from time to time; and the term "Obligated  
909 Person" means the City.

910  
911 The City shall notify the MSRB, in a timely manner, of any failure by the  
912 City to provide financial information or operating data in accordance with this  
913 Section by the time required by this Section.

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

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

926 The provisions of this Section are for the sole benefit of the Holders and  
927 beneficial owners of the Bonds, and nothing in this Section, express or implied,  
928 shall give any benefit or any legal or equitable right, remedy, or claim to any other  
929 person. The City undertakes to provide only the financial information, operating  
930 data, financial statements, and notices which it has expressly agreed to provide  
931 pursuant to this Section and does not undertake to provide any other information

932 that may be relevant or material to a complete presentation of the financial results,  
933 condition, or prospects of the City or the State of Texas or undertake to update any  
934 information provided in accordance with this Section or otherwise, except as  
935 expressly provided in this Section. The City does not make any representation or  
936 warranty concerning the information or its usefulness to a decision to invest in or  
937 sell Bonds at any future date.

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

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

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

952 Should the Rule be amended to obligate the City to make filings with or  
953 provide notices to entities other than the MSRB, the City agrees to undertake the  
954 obligation in accordance with the Rule as amended.

955 Notwithstanding any provisions in the Thirty-Fourth Supplement to the  
956 contrary, the provisions of this Section may be amended by the City from time to  
957 time to adapt to changed circumstances resulting from a change in legal  
958 requirements, a change in law, or a change in the identity, nature, status, or type of  
959 operations of the City, but only if (1) the provisions of this Section, as so amended,  
960 would have permitted an underwriter to purchase or sell Bonds in the primary  
961 offering of the Bonds in compliance with the Rule, taking into account any  
962 amendments or interpretations of the Rule to the date of the amendment, as well as  
963 the changed circumstances, and (2) either (a) the Holders of a majority in  
964 aggregate principal amount (or any greater amount required by any other provision  
965 of the Thirty-Fourth Supplement that authorizes the amendment) of the  
966 Outstanding Bonds consent to the amendment or (b) a Person that is unaffiliated  
967 with the City and the State of Texas (such as nationally recognized bond counsel)  
968 determines that the amendment will not materially impair the interests of the  
969 Holders and beneficial owners of the Bonds. The provisions of this Section may

970 also be amended from time to time or repealed by the City if the SEC amends or  
971 repeals the applicable provisions of the Rule or a court of final jurisdiction  
972 determines that the provisions are invalid, but only if and to the extent that  
973 reservation of the City's right to do so would not prevent underwriters of the initial  
974 public offering of the Bonds from lawfully purchasing or selling Bonds in the  
975 offering. If the City so amends the provisions of this Section, it shall include with  
976 any amended financial information or operating data next provided in accordance  
977 with subsection (b) an explanation, in narrative form, of the reasons for the  
978 amendment and of the impact of any change in the type of financial information or  
979 operating data so provided.

980         **SECTION 22: REMEDY IN EVENT OF DEFAULT.** In addition to all  
981 rights and remedies provided by the laws of the State of Texas, the City covenants  
982 and agrees particularly that in the event the City (a) defaults in payments to be  
983 made to the Debt Service Fund as required by the Thirty-Fourth Supplement or the  
984 Master Ordinance, (b) defaults in the observance or performance of any other of  
985 the covenants, conditions or obligations set forth in the Thirty-Fourth Supplement  
986 or the Master Ordinance or (c) the City declares bankruptcy, the Holders of any of  
987 the Bonds shall be entitled to a writ of mandamus issued by a court of proper  
988 jurisdiction, compelling and requiring the City and its officers to observe and  
989 perform any covenant, condition or obligation prescribed in the Thirty-Fourth  
990 Supplement or the Master Ordinance. No delay or omission to exercise any right  
991 or power accruing upon any default shall impair any such right or power, or shall  
992 be construed to be a waiver of any such default or acquiescence in such default,  
993 and every such right and power may be exercised from time to time and as often as  
994 may be deemed expedient.

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

998         **SECTION 23: SALE OF BONDS; OFFICIAL STATEMENT**  
999 **APPROVAL.** The Bonds are to be sold by the City to the Underwriters in  
1000 accordance with the Bond Purchase Agreement. The terms and provisions of the  
1001 Bond Purchase Agreement are to be determined by the Pricing Officer, in  
1002 accordance with Sections 3 and 4 of the Thirty-Fourth Supplement. With regard to  
1003 the terms and provisions of the Bond Purchase Agreement, the Pricing Officer may  
1004 come to an agreement with the Underwriters on the following, among other  
1005 matters:

- 1006             (1) The details of the purchase and sale of the Bonds;
- 1007             (2) The details of the public offering of the Bonds by the Underwriters;

- 1008 (3) The details of an Official Statement (and, if appropriate, any  
1009 Preliminary Official Statement) relating to the Bonds and the City's  
1010 compliance with the Rule;
- 1011 (4) A security deposit for the Bonds;
- 1012 (5) The representations and warranties of the City to the Underwriters;
- 1013 (6) The details of the delivery of, and payment for, the Bonds;
- 1014 (7) The Underwriters' obligations under the Bond Purchase Agreement;
- 1015 (8) The certain conditions to the obligations of the City under the Bond  
1016 Purchase Agreement;
- 1017 (9) Termination of the Bond Purchase Agreement;
- 1018 (10) Particular covenants of the City;
- 1019 (11) The survival of representations made in the Bond Purchase  
1020 Agreement;
- 1021 (12) The payment of any expenses relating to the Bond Purchase  
1022 Agreement;
- 1023 (13) Notices; and
- 1024 (14) Any and all such other details that are found by the Pricing Officer to  
1025 be necessary and advisable for the purchase and sale of the Bonds.

1026 The Pricing Officer may execute the Bond Purchase Agreement for and on  
1027 behalf of the City and as the act and deed of council.

1028 The Mayor and City Clerk of the City may manually or electronically  
1029 execute and deliver for and on behalf of the City copies of a Preliminary Official  
1030 Statement and Official Statement, prepared in connection with the offering of the  
1031 Bonds by the Underwriters, in final form as may be required by the Underwriters,  
1032 and the final Official Statement in the form and content as approved by the Pricing  
1033 Officer or as manually or electronically executed by the City officials shall be  
1034 deemed to be approved by council and constitute the Official Statement authorized  
1035 for distribution and use by the Underwriters.

1036 **SECTION 24: ESCROW AGREEMENT.** An "Escrow Agreement" (the  
1037 "Escrow Agreement") by and between the City and U.S. Bank National  
1038 Association (the "Escrow Agent"), if an agreement is required in connection with  
1039 the issuance of the Bonds, substantially in the form of escrow agreements  
1040 previously approved by council in connection with the refunding of outstanding  
1041 obligations, is approved. The Escrow Agreement is authorized to be finalized and  
1042 executed by the Pricing Officer for and on behalf of the City and as the act and  
1043 deed of council; and the Escrow Agreement as executed by the Pricing Officer  
1044 shall be deemed approved by the council and constitute the Escrow Agreement  
1045 approved by the Thirty-Fourth Supplement. With regard to the finalization of  
1046 certain terms and provisions of the Escrow Agreement, a Pricing Officer is

1047 authorized to come to an agreement with the Escrow Agent on the following  
1048 details, among other matters:

1049 (a) The identification of the Refunded Bonds;

1050 (b) The creation and funding of the Escrow Fund or Funds; and

1051 (c) The Escrow Agent's compensation, administration of the Escrow  
1052 Fund or Funds, and the settlement of any paying agents' charges relating to the  
1053 Refunded Bonds.

1054 Furthermore, appropriate officials of the City in cooperation with the Escrow  
1055 Agent are authorized and directed to make the necessary arrangements for the  
1056 purchase of the escrowed securities referenced in the Escrow Agreement and the  
1057 delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the  
1058 Purchasers for deposit to the credit of the "CITY OF AUSTIN, TEXAS, WATER  
1059 AND WASTEWATER SYSTEM REVENUE REFUNDING BONDS, SERIES  
1060 2020C ESCROW FUND" (referred to as the "Escrow Fund"), all as contemplated  
1061 and provided in Chapter 1207, the Thirty-Fourth Supplement, the Bond Purchase  
1062 Agreement, and the Escrow Agreement.

1063 If required by law, the Pricing Officer shall not execute the Escrow  
1064 Agreement unless the Escrow Agent has confirmed to the Pricing Officer that it  
1065 has made disclosure filings to the Texas Ethics Commission in accordance with  
1066 Section 2252.908, Texas Government Code. Within 30 days of receipt of the  
1067 disclosure filings from the Escrow Agent, the City will submit a copy of the  
1068 disclosure filings to the Texas Ethics Commission.

1069 On or immediately prior to the date of the delivery of the Bonds to the  
1070 Underwriters, the Pricing Officer shall also cause to be deposited (and is  
1071 authorized to cause to be deposited) with the Escrow Agent from moneys on  
1072 deposit in the debt service fund(s) maintained for the payment of the Refunded  
1073 Bonds an amount which, together with the proceeds of sale, and the investment  
1074 earnings thereon, will be sufficient to pay in full the Refunded Bonds (or the  
1075 amount of accrued interest due thereon) scheduled to mature and authorized to be  
1076 redeemed on the earliest date established in the Bond Purchase Agreement for the  
1077 redemption of any of the Refunded Bonds (or the earliest date of payment, to be  
1078 made from moneys in the Escrow Fund(s), as established in the Bond Purchase  
1079 Agreement, of the amount of accrued interest due thereon).

1080 **SECTION 25: REFUNDED BONDS.** (a) In order to provide for the  
1081 refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds,  
1082 identified, described, and in the amounts set forth in the Bond Purchase  
1083 Agreement, are called for redemption on the first date(s) the Refunded Bonds are

1084 subject to redemption or such other date specified by the Pricing Officer in the  
1085 Bond Purchase Agreement at the price of par plus accrued interest to the  
1086 redemption dates, and notice of any redemption shall be given in accordance with  
1087 the applicable provisions of the ordinance(s) adopted by council, which authorized  
1088 the issuance of the Refunded Bonds. The Pricing Officer is authorized and  
1089 directed to issue or cause to be issued a Notice of Redemption for each series of  
1090 the Refunded Bonds in substantially the form(s) required by the ordinance(s)  
1091 which authorized the issuance of the Refunded Bonds, to each and every paying  
1092 agent/registrar for Refunded Bonds, in accordance with the redemption provisions  
1093 applicable to each series of the Refunded Bonds.

1094 (b) Each paying agent/registrar for Refunded Bonds is directed to provide  
1095 the appropriate notice(s) of redemption as required by the respective ordinances  
1096 authorizing the Refunded Bonds and is directed to make appropriate arrangements  
1097 so that the Refunded Bonds may be redeemed on the redemption date.

1098 (c) The source of funds for payment of the principal of and interest on the  
1099 Refunded Bonds on their respective maturity or redemption dates shall be from the  
1100 funds deposited with the Escrow Agent or the paying agent/registrar for the  
1101 Refunded Bonds pursuant to the provisions of Chapter 1207, the Thirty-Fourth  
1102 Supplement and the Bond Purchase Agreement.

1103 **SECTION 26: CONTROL AND CUSTODY OF BONDS.** The City  
1104 Manager of the City shall be and is authorized to take and have charge of all  
1105 necessary orders and records pending the sale of the Bonds, and shall take and  
1106 have charge and control of the Initial Bond(s) pending the approval thereof by the  
1107 Attorney General, the registration thereof by the Comptroller of Public Accounts  
1108 and the delivery thereof to the Underwriters.

1109 Furthermore, the Mayor, Mayor Pro Tem, City Manager, any Assistant City  
1110 Manager, Chief Financial Officer, any Deputy Financial Officer, City Clerk, City  
1111 Treasurer and City Attorney, any one or more of these officials, are authorized and  
1112 directed to furnish and execute any documents relating to the City and its financial  
1113 affairs as may be necessary for the sale of the Bonds, the approval of the Attorney  
1114 General and registration by the Comptroller of Public Accounts and, together with  
1115 the City's financial advisor, bond counsel and the Paying Agent/Registrar, make  
1116 the necessary arrangements for their delivery to the Underwriters following the  
1117 sale.

1118 **SECTION 27: PROCEEDS OF SALE.** Immediately following the  
1119 delivery of the Bonds, the proceeds of sale (less those proceeds of sale designated  
1120 to pay costs of issuance and any accrued interest received from the Underwriters)  
1121 shall be deposited with (i) U.S. Bank National Association (the "Deposit Agent")

1122 for the payment and discharge of the Refunded Notes, or (ii) the Escrow Agent for  
1123 the payment and redemption of the Refunded Bonds. The proceeds of sale of the  
1124 Bonds not so deposited with the Escrow Agent for the refunding of the Refunded  
1125 Bonds or with the Deposit Agent for the refunding of the Refunded Notes shall be  
1126 disbursed for payment of costs of issuance, or deposited in the Debt Service Fund  
1127 for the Bonds, all in accordance with written instructions from the City or its  
1128 financial advisor. Accrued interest, if any, received from the Underwriters shall be  
1129 deposited to the credit of the Debt Service Fund, and premium, if any, received  
1130 from the Underwriters as part of the purchase price of the Bonds shall be used in a  
1131 manner consistent with Chapter 1201 (specifically Section 1201.041(d)).

1132 Furthermore, appropriate officials of the City in cooperation with the  
1133 Deposit Agent and the Escrow Agent, as applicable, are authorized and directed to  
1134 make the necessary arrangements for the deposit of funds for the payment of the  
1135 Refunded Obligations, all as contemplated and provided in Chapter 1207 and the  
1136 Thirty-Fourth Supplement.

1137 Additionally, the Pricing Officer shall determine the amount of any City  
1138 contribution to the refunding from moneys on deposit in the interest and sinking  
1139 fund(s) or reserve fund(s) maintained for the payment of the applicable Refunded  
1140 Obligations.

1141 **SECTION 28: LEGAL OPINION.** The obligation of the Underwriters to  
1142 accept delivery of the Bonds is subject to being furnished a final opinion of  
1143 McCall, Parkhurst & Horton L.L.P., approving the Bonds as to their validity, the  
1144 opinion to be dated and delivered as of the date of initial delivery and payment for  
1145 the Bonds. A true and correct reproduction of the opinion is authorized to be  
1146 printed on the definitive Bonds or an executed counterpart of the opinion shall  
1147 accompany the global Bonds deposited with DTC.

1148 **SECTION 29: CUSIP NUMBERS.** CUSIP numbers may be printed or  
1149 typed on the definitive Bonds. It is expressly provided, however, that the presence  
1150 or absence of CUSIP numbers on the definitive Bonds shall be of no significance  
1151 or effect as regards the legality thereof and neither the City nor attorneys approving  
1152 the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly  
1153 printed or typed on the definitive Bonds.

1154 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS**  
1155 **DAYS.** Whenever under the terms of the Thirty-Fourth Supplement or the Bonds,  
1156 the performance date of any provision of the Thirty-Fourth Supplement or the  
1157 Bonds, including the payment of principal of or interest on the Bonds, shall occur  
1158 on a day other than a Business Day, then performance, including the payment of  
1159 principal of and interest on the Bonds, need not be made on that day but may be

1160 performed or paid, as the case may be, on the next succeeding Business Day with  
1161 the same force and effect as if made on the date of performance or payment.

1162         **SECTION 31: LIMITATION OF BENEFITS WITH RESPECT TO**  
1163 **THE THIRTY-FOURTH SUPPLEMENT.** With the exception of the rights or  
1164 benefits expressly conferred in the Thirty-Fourth Supplement, nothing expressed or  
1165 contained in the Thirty-Fourth Supplement or implied from the provisions of the  
1166 Thirty-Fourth Supplement or the Bonds is intended or should be construed to  
1167 confer upon or give to any person other than the City, the Holders, and the Paying  
1168 Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason  
1169 of or in respect to the Thirty-Fourth Supplement or any covenant, condition,  
1170 stipulation, promise, agreement, or provision contained in the Thirty-Fourth  
1171 Supplement. The Thirty-Fourth Supplement and all of the covenants, conditions,  
1172 stipulations, promises, agreements, and provisions of the Thirty-Fourth  
1173 Supplement are intended to be and shall be for and inure to the sole and exclusive  
1174 benefit of the City, the Holders, and the Paying Agent/Registrar as provided in the  
1175 Thirty-Fourth Supplement and in the Bonds.

1176         **SECTION 32: NOTICES TO HOLDERS - WAIVER.** Wherever the  
1177 Thirty-Fourth Supplement provides for notice to Holders of any event, the notice  
1178 shall be sufficiently given (unless otherwise expressly provided in the Thirty-  
1179 Fourth Supplement) if in writing and sent by United States Mail, first class postage  
1180 prepaid, to the address of each Holder appearing in the Security Register at the  
1181 close of business on the Business Day next preceding the mailing of the notice.

1182         In any case where notice to Holders is given by mail, neither the failure to  
1183 mail the notice to any particular Holders nor any defect in any notice so mailed  
1184 shall affect the sufficiency of the notice with respect to all other Bonds. Where the  
1185 Thirty-Fourth Supplement provides for notice in any manner, the notice may be  
1186 waived in writing by the Holder entitled to receive the notice, either before or after  
1187 the event with respect to which notice is given, and the waiver shall be the  
1188 equivalent of the notice. Waivers of notice by Holders shall be filed with the  
1189 Paying Agent/Registrar, but a filing shall not be a condition precedent to the  
1190 validity of any action taken in reliance upon the waiver.

1191         **SECTION 33: GOVERNING LAW.** The Thirty-Fourth Supplement shall  
1192 be construed and enforced in accordance with the laws of the State of Texas and  
1193 the United States of America.

1194         **SECTION 34: EFFECT OF HEADINGS.** The Section headings in the  
1195 Thirty-Fourth Supplement are for convenience of reference only and shall not  
1196 affect the construction of the Thirty-Fourth Supplement.

1197           **SECTION 35: CONSTRUCTION OF TERMS.** If appropriate in the  
1198 context of the Thirty-Fourth Supplement, words of the singular number shall be  
1199 considered to include the plural, words of the plural number shall be considered to  
1200 include the singular, and words of the masculine, feminine or neuter gender shall  
1201 be considered to include the other genders. References to any named person shall  
1202 mean that person and his or her successors and assigns. References to any office  
1203 shall include the person holding the office in an interim or permanent capacity.  
1204 References to any constitutional, statutory or regulatory provision means the  
1205 provision as it exists on the date the Thirty-Fourth Supplement is adopted by  
1206 council. Any reference to the payment of principal in the Thirty-Fourth  
1207 Supplement shall include the payment of any mandatory sinking fund redemption  
1208 payments as described in the Thirty-Fourth Supplement. Any reference to "FORM  
1209 OF BOND" refers to the form of the Bonds in **Exhibit A** to the Thirty-Fourth  
1210 Supplement.

1211           **SECTION 36: SEVERABILITY.** If any provision of the Thirty-Fourth  
1212 Supplement or its application to any circumstance shall be held to be invalid, the  
1213 remainder of the Thirty-Fourth Supplement and its application to other  
1214 circumstances shall nevertheless be valid, and council declares that the Thirty-  
1215 Fourth Supplement would have been enacted without such invalid provision.

1216           **SECTION 37: INSURANCE.** The Bonds may but are not required to be  
1217 sold with the principal of and interest being insured by a qualified municipal bond  
1218 insurance provider. The Pricing Officer is authorized to make the selection of  
1219 municipal bond insurance (if any) for the Bonds and to determine the provisions of  
1220 any commitment for the municipal bond insurance. The Pricing Officer is  
1221 authorized to execute any agreement with a qualified municipal bond insurance  
1222 provider in connection with obtaining municipal bond insurance. In addition, if  
1223 municipal bond insurance is obtained, the City will comply with the conditions  
1224 applicable to the Bonds as set forth in the commitment or agreement entered into  
1225 with the provider, as if the conditions were incorporated in the Thirty-Fourth  
1226 Supplement.

1227           **SECTION 38: SECTION 2252.908, TEXAS GOVERNMENT CODE.**  
1228 The City shall not execute the Bond Purchase Agreement, the Paying Agency  
1229 Agreement or the Note Paying Agent Agreement unless the each of the parties has  
1230 confirmed to an Authorized Representative that either it (i) has made disclosure  
1231 filings to the Texas Ethics Commission in accordance with Section 2252.908,  
1232 Texas Government Code or (ii) is exempt from making filings under Section  
1233 2252.908(c)(4), Texas Government Code. If clause (i) of this Section 41 applies to  
1234 any party, within 30 days of receipt of any such disclosure filing the filing will be  
1235 acknowledged by the City in accordance with the rules of the Texas Ethics  
1236 Commission.



**PASSED AND APPROVED**

**CITY OF AUSTIN, TEXAS**

\_\_\_\_\_, 2020

§  
§  
§

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

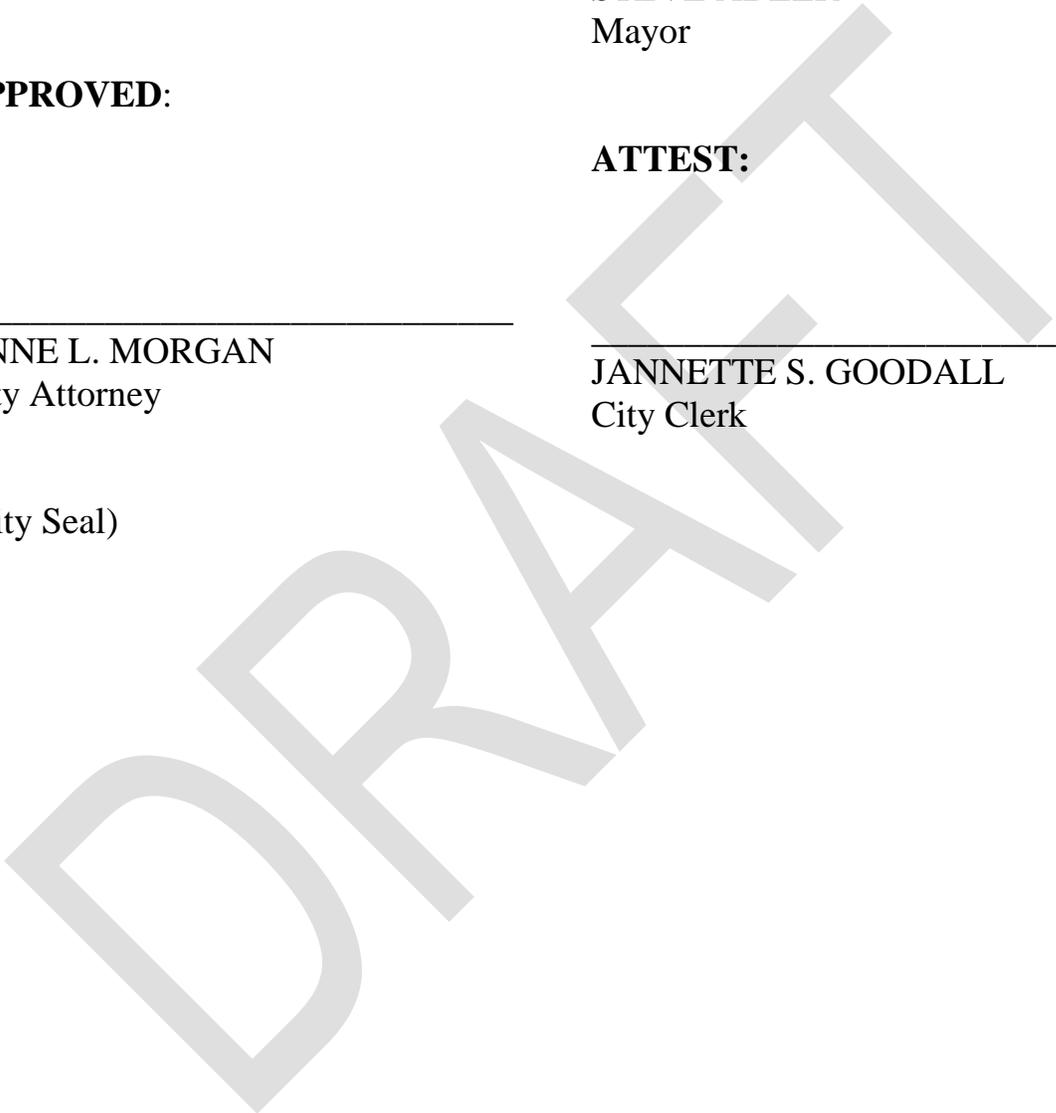
**APPROVED:**

**ATTEST:**

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

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

(City Seal)



1249

SCHEDULE I

1250

SCHEDULE OF REFUNDED BONDS

1251

1252

1253

1254

1255

1256

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2010A, bonds maturing on November 15 in each of the years 2022 through 2030, inclusive, and on November 15 in each of the years 2035 and 2040, aggregating \$58,170,000 in principal amount; Redemption Date: November 15, 2020; Redemption Price: par plus accrued interest to the Redemption Date.

DRAFT

1257

EXHIBIT A

1258

FORM OF BOND

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

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

1259

UNITED STATES OF AMERICA

1260

STATE OF TEXAS

1261

CITY OF AUSTIN, TEXAS,

1262

WATER AND WASTEWATER SYSTEM

1263

REVENUE REFUNDING BOND,

1264

SERIES 2020C

<u>Date of Initial Delivery</u>	<u>Interest Rate</u>	<u>Stated Maturity</u>	<u>CUSIP No.</u>
August 22, 2017	_____	_____	_____

Registered Owner:

Principal Amount: \_\_\_\_\_ Dollars

1265

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received promises to pay to the registered owner named above, or their registered assigns (the "Registered Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date specified above the Principal Amount stated above (or so much of the Principal Amount as shall not have been paid upon prior redemption), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount of this Bond from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Date of Initial Delivery at the per annum rate of interest specified above); such interest being payable on May 15, 2021 and on each succeeding November 15 and May 15 until maturity or prior redemption. Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing on this Bond, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount of this Bond may be accomplished without presentation and surrender of this Bond. Interest is payable to the Registered Owner of this Bond (or one or more Predecessor Bonds, as defined in the Thirty-Fourth Supplemental Ordinance to the

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1288 Master Ordinance (the "Thirty-Fourth Supplement")) whose name appears on the  
1289 "Security Register" maintained by the Paying Agent/Registrar at the close of  
1290 business on the "Record Date", which is the last business day of the month next  
1291 preceding each interest payment date and interest shall be paid by the Paying  
1292 Agent/Registrar by check sent United States Mail, first class postage prepaid, to  
1293 the address of the registered owner recorded in the Security Register or by such  
1294 other method, acceptable to the Paying Agent/Registrar, requested by, and at the  
1295 risk and expense of, the registered owner. If the date for the payment of the  
1296 principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday,  
1297 or a day when banking institutions in the city where the Designated  
1298 Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized  
1299 by law or executive order to close, then the date for such payment shall be the next  
1300 succeeding day which is not such a Saturday, Sunday, legal holiday, or day when  
1301 banking institutions are authorized to close; and payment on such date shall have  
1302 the same force and effect as if made on the original date payment was due. All  
1303 payments of principal of, premium, if any, and interest on this Bond shall be  
1304 without exchange or collection charges to the owner of this Bond and in any coin  
1305 or currency of the United States of America which at the time of payment is legal  
1306 tender for the payment of public and private debts.

1307

1308 This Bond, dated as of the Date of Initial Delivery specified above, is one of  
1309 the series specified in its title, issued in the aggregate principal amount of  
1310 \$\_\_\_,000,000 (the "Bonds") for the purpose of refinancing and refunding the  
1311 Refunded Obligations (identified and defined in the Thirty-Fourth Supplement), in  
1312 conformity with the Constitution and laws of the State of Texas, including  
1313 V.T.C.A., Government Code, Chapter 1207, and pursuant to a Master Ordinance  
1314 and the Thirty-Fourth Supplement adopted by the City Council of the City  
1315 (collectively referred to as the "Ordinances").

1316

1317 The Bonds maturing on and after November 15, 2031, may be redeemed  
1318 prior to their Stated Maturities, at the option of the City, in whole or in part in  
1319 principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated  
1320 Maturity by lot by the Paying Agent/Registrar), on November 15, 2030, or on any  
1321 date thereafter at the redemption price of par plus accrued interest thereon to the  
1322 redemption date.

1323

1324 The Bonds maturing on the dates identified below (the "Term Bonds") are  
1325 subject to mandatory redemption prior to maturity with funds on deposit in the  
1326 Debt Service Fund established and maintained for the payment of the Bonds in the  
1327 Master Ordinance, and shall be redeemed in part prior to maturity at the price of  
1328 par and accrued interest thereon to the date of redemption, and without premium,  
1329 on the dates and in the principal amounts as follows:

1330

Term Bonds Maturing November 15, 20

Term Bonds Maturing November 15, 20

Redemption Date      Principal Amount (\$)

Redemption Date      Principal Amount (\$)

\*Final maturity

1331            The particular Term Bonds of a stated maturity to be redeemed on each  
1332 redemption date shall be chosen by lot by the Paying Agent/Registrar; provided,  
1333 however, that the principal amount of Term Bonds for a stated maturity required to  
1334 be redeemed on a mandatory redemption date may be reduced, at the option of the  
1335 City, by the principal amount of Term Bonds of like stated maturity which, at least  
1336 fifty days prior to the mandatory redemption date, (1) shall have been acquired by  
1337 the City at a price not exceeding the principal amount of such Term Bonds plus  
1338 accrued interest to the date of purchase, and delivered to the Paying  
1339 Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the  
1340 optional redemption provisions appearing below and not previously credited  
1341 against a mandatory redemption requirement.  
1342

1343            Not less than thirty days prior to a redemption date, the City shall cause a  
1344 written notice of such redemption to be sent by United States Mail, first class  
1345 postage prepaid, to the registered owners of each Bond to be redeemed at the  
1346 address shown on the Security Register and subject to the terms and provisions  
1347 relating thereto contained in the Ordinances. If a Bond (or any portion of its  
1348 principal sum) shall have been called for redemption and notice of such  
1349 redemption given, then upon such redemption date such Bond (or the portion of its  
1350 principal sum to be redeemed) shall become due and payable, and interest thereon  
1351 shall cease to accrue from and after the redemption date therefor, provided moneys  
1352 for the payment of the redemption price and the interest on the principal amount to  
1353 be redeemed to the date of redemption are held for the purpose of such payment by  
1354 the Paying Agent/Registrar.  
1355

1356            In the event a portion of the principal amount of a Bond is to be redeemed  
1357 and the registered owner is someone other than Cede & Co., payment of the  
1358 redemption price of such principal amount shall be made to the registered owner  
1359 only upon presentation and surrender of such Bond to the Designated  
1360 Payment/Transfer Office of the Paying Agent/Registrar, and a new Bond or Bonds  
1361 of like maturity and interest rate in any authorized denominations provided by the  
1362 Ordinances for the then unredeemed balance of the principal sum of such Bond or  
1363 Bonds will be issued to the registered owner, without charge. If a Bond is selected  
1364 for redemption, in whole or in part, the City and the Paying Agent/Registrar shall  
1365 not be required to transfer such Bond to an assignee of the registered owner within

1366 forty-five days of the redemption date; provided, however, such limitation on  
1367 transferability shall not be applicable to an exchange by the registered owner of the  
1368 unredeemed balance of a Bond redeemed in part.

1369  
1370 With respect to any optional redemption of the Bonds, unless the Paying  
1371 Agent/Registrar has received funds sufficient to pay the principal and premium, if  
1372 any, and interest on the Bonds to be redeemed before giving of a notice of  
1373 redemption, the notice may state the City may condition redemption on the receipt  
1374 of such funds by the Paying Agent/Registrar on or before the date fixed for the  
1375 redemption, or on the satisfaction of any other prerequisites set forth in the notice  
1376 of redemption. If a notice of conditional redemption is given and such  
1377 prerequisites to the redemption and sufficient funds are not received, the notice  
1378 shall be of no force and effect, the City shall not redeem the Bonds and the Paying  
1379 Agent/Registrar shall give notice, in the manner in which the notice of conditional  
1380 redemption was given, that the Bonds have not been redeemed.

1381  
1382 The Bonds are special obligations of the City payable solely from and,  
1383 together with the Prior Subordinate Lien Obligations and the Previously Issued  
1384 Parity Water/Wastewater Obligations currently Outstanding, equally and ratably  
1385 secured by a parity lien on and pledge of, the Net Revenues of the  
1386 Water/Wastewater System in the manner provided in the Ordinances.  
1387 Additionally, the Bonds and Previously Issued Parity Water/Wastewater  
1388 Obligations referenced above shall be equally and ratably secured by a parity lien  
1389 on the funds, if any, deposited to the credit of the Debt Service Fund in accordance  
1390 with the terms of the Ordinances. THE BONDS ARE NOT SECURED BY A  
1391 LIEN ON THE RESERVE FUND ESTABLISHED FOR THE BENEFIT OF  
1392 CERTAIN OF THE PREVIOUSLY ISSUED PARITY WATER/WASTEWATER  
1393 OBLIGATIONS, AND THE THIRTY-FOURTH SUPPLEMENT DOES NOT  
1394 REQUIRE THE CITY TO FUND THE RESERVE FUND FOR THE BENEFIT  
1395 OF THE HOLDERS OF THE BONDS. The Bonds do not constitute a legal or  
1396 equitable pledge, charge, lien or encumbrance upon any property of the City or the  
1397 Water/Wastewater System, except with respect to the Net Revenues. The Holder  
1398 of this Bond shall never have the right to demand payment of this obligation out of  
1399 any funds raised or to be raised by taxation.

1400  
1401 Subject to satisfying the related terms and conditions, the City has reserved  
1402 the right to issue additional revenue obligations payable from and equally and  
1403 ratably secured by a parity lien on and pledge of the Net Revenues of the  
1404 Water/Wastewater System, in the same manner and to the same extent as the  
1405 Bonds.

1406  
1407 Reference is made to the Ordinances, copies of which are on file with the  
1408 Paying Agent/Registrar, and to all of the provisions of which the Holder by the

1409 acceptance of this Bond assents, for definitions of terms; the description of and the  
1410 nature and extent of the security for the Bonds; the properties constituting the  
1411 Water/Wastewater System; the Net Revenues pledged to the payment of the  
1412 principal of and interest on the Bonds; the nature and extent and manner of  
1413 enforcement of the lien and pledge securing the payment of the Bonds; the terms  
1414 and conditions for the issuance of additional revenue obligations; the terms and  
1415 conditions relating to the transfer or exchange of this Bond; the conditions upon  
1416 which the Ordinances may be amended or supplemented with or without the  
1417 consent of the Holders; the rights, duties, and obligations of the City and the  
1418 Paying Agent/Registrar; the terms and provisions upon which the liens, pledges,  
1419 charges and covenants made in the Ordinances may be discharged at or prior to the  
1420 maturity of this Bond, and this Bond deemed to be no longer Outstanding under the  
1421 Ordinances; and for the other terms and provisions contained in the Ordinances.  
1422 Capitalized terms used in this Bond have the same meanings assigned in the  
1423 Ordinances.

1424  
1425 This Bond, subject to certain limitations contained in the Ordinances, may  
1426 be transferred on the Security Register only upon its presentation and surrender at  
1427 the Designated Payment/Transfer Office of the Paying Agent/Registrar, with the  
1428 Assignment endorsed by, or accompanied by a written instrument of transfer in  
1429 form satisfactory to the Paying Agent/Registrar executed by the Registered Owner,  
1430 or the authorized agent of the Registered Owner. When a transfer on the Security  
1431 Register occurs, one or more new fully registered Bonds of the same Stated  
1432 Maturity, of authorized denominations, bearing the same rate of interest and of the  
1433 same aggregate principal amount will be issued by the Paying Agent/Registrar to  
1434 the designated transferee or transferees.

1435  
1436 The City and the Paying Agent/Registrar, and any agent of either, may treat  
1437 the Registered Owner of this Bond whose name appears on the Security Register  
1438 (i) on the Record Date as the owner entitled to payment of interest on this Bond,  
1439 (ii) on the date of surrender of this Bond as the owner entitled to payment of  
1440 principal of this Bond at its Stated Maturity, or its redemption, in whole or in part,  
1441 and (iii) on any other date as the owner for all other purposes, and neither the City  
1442 nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice  
1443 to the contrary. In the event of non-payment of interest on a scheduled payment  
1444 date and for thirty days after such event, a new record date for such interest  
1445 payment (a "Special Record Date") will be established by the Paying  
1446 Agent/Registrar, if and when funds for the payment of such interest have been  
1447 received from the City. Notice of the Special Record Date and of the scheduled  
1448 payment date of the past due interest (which shall be fifteen days after the Special  
1449 Record Date) shall be sent at least five business days prior to the Special Record  
1450 Date by United States Mail, first class postage prepaid, to the address of each

1451 Holder appearing on the Security Register at the close of business on the last  
1452 business day next preceding the date of mailing of such notice.

1453  
1454 It is certified, recited, represented and covenanted that the City is a duly  
1455 organized and legally existing municipal corporation under and by virtue of the  
1456 Constitution and laws of the State of Texas; that the issuance of the Bonds is  
1457 authorized by law; that all acts, conditions and things required to exist and be done  
1458 precedent to and in the issuance of the Bonds to render the same lawful and valid  
1459 obligations of the City have been properly done, have happened and have been  
1460 performed in regular and due time, form and manner as required by the  
1461 Constitution and laws of the State of Texas, and the Ordinances; that the Bonds do  
1462 not exceed any constitutional or statutory limitation; and that due provision has  
1463 been made for the payment of the principal of and interest on the Bonds by a  
1464 pledge of the Net Revenues of the Water/Wastewater System. In case any  
1465 provision in this Bond or any application thereof shall be invalid, illegal, or  
1466 unenforceable, the validity, legality, and enforceability of the remaining provisions  
1467 and applications shall not in any way be affected or impaired. The terms and  
1468 provisions of this Bond and the Ordinances shall be construed in accordance with  
1469 and shall be governed by the laws of the State of Texas.

1470  
1471 IN WITNESS WHEREOF, the City Council of the City has caused this  
1472 Bond to be executed under the official seal of the City.

1473  
1474 CITY OF AUSTIN, TEXAS  
1475  
1476  
1477 \_\_\_\_\_  
1478 Steve Adler  
1479 Mayor

1480  
1481 COUNTERSIGNED:  
1482  
1483 \_\_\_\_\_ (SEAL)  
1484 Jannette S. Goodall  
1485 City Clerk

1486  
1487

1488 Form of Registration Certificate of Comptroller of Public Accounts  
1489 to Appear on Initial Bond only.

1490 REGISTRATION CERTIFICATE OF  
1491 COMPTROLLER OF PUBLIC ACCOUNTS

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

1492 I CERTIFY that this Bond has been examined, certified as to validity and  
1493 approved by the Attorney General of the State of Texas, and registered by the  
1494 Comptroller of Public Accounts of the State of Texas.

1495 WITNESS my signature and seal of office this \_\_\_\_\_.

1496 \_\_\_\_\_  
1497 Comptroller of Public Accounts  
1498 of the State of Texas

1499 (SEAL)

1500

1501 Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

1502 REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

1503 This Bond has been issued and registered in the name of the Registered  
1504 Owner shown above under the provisions of the within-mentioned Ordinances; the  
1505 bond or bonds of the above entitled and designated series originally delivered  
1506 having been approved by the Attorney General of the State of Texas and registered  
1507 by the Comptroller of Public Accounts, as shown by the records of the Paying  
1508 Agent/Registrar.

1509 The designated office of the Paying Agent/Registrar in Houston, Texas is the  
1510 Designated Payment/Transfer Office for this Bond.

1511 \_\_\_\_\_, as Paying  
1512 Agent/Registrar

1513 Registration date:

1514 \_\_\_\_\_ By: \_\_\_\_\_  
1515 Authorized Signature

FORM OF ASSIGNMENT.

ASSIGNMENT

1516

1517 FOR VALUE RECEIVED the undersigned sells, assigns, and transfers  
1518 unto (Print or typewrite name, address, and zip code of transferee):

1519 \_\_\_\_\_

1520

1521 (Social Security or other identifying number ( \_\_\_\_\_  
1522 \_\_\_\_\_) the within Bond and all rights under this Bond, and

1523 irrevocably constitutes and appoints \_\_\_\_\_

1524 attorney to transfer the within Bond on the books kept for registration of the

1525 Bonds, with full power of substitution in the premises.

1526

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

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

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

1527

1528 The Initial Bond shall be in the form set forth above, except that the form of the  
1529 single fully registered Initial Bond shall be modified as follows:

1530

1531 (i) immediately under the name of the bond the headings "Delivery  
1532 Date", "Interest Rate", "Stated Maturity" and "Cusip No." shall be  
1533 omitted; and

1534

1535 (ii) Paragraph one shall read as follows:

1536

1537 Registered Owner:

1538

1539 Principal Amount: \_\_\_\_\_ and No/100 Dollars

1540

1541 Delivery Date:

1542

1543 THE CITY OF AUSTIN, IN TRAVIS, WILLIAMSON AND HAYS  
1544 COUNTIES, TEXAS (the "Issuer") promises to pay to the Registered Owner  
1545 named above, or the registered assigns thereof, the Principal Amount hereinabove  
1546 stated on November 15 in each of the years and in principal installments in  
1547 accordance with the following schedule:

1548

1549 (Information from Bond Purchase Agreement to be inserted)

1550

1551 and to pay interest thereon from the delivery date specified above, on May 15,  
1552 2021 and semiannually on each November 15 and May 15 thereafter to the  
1553 maturity date specified above, or to the date of redemption prior to maturity, at the  
1554 interest rate per annum specified above. Interest shall be calculated on the basis of  
1555 a 360-day year consisting of twelve 30-day months.

1556 **Exhibit B**

1557  
1558 **DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

1559  
1560 The following information is referred to in Section 21 of the Thirty-Fourth  
1561 Supplement.

1562  
1563 **Annual Financial Information and Operating Data**

1564  
1565 The financial information and operating data with respect to the City to be  
1566 provided annually in accordance with Section 21 are as specified (and included in  
1567 the Appendix or under the headings of the Official Statement referred to) below:

1568  
1569 The quantitative financial information and operating data with respect to the  
1570 City within: (i) Tables One through Thirteen in the main text of the Official  
1571 Statement; (ii) "ELECTRIC UTILITY SYSTEM – Customer Base – Average  
1572 Monthly Number of Customers"; (iii) "ELECTRIC UTILITY SYSTEM – Fuel  
1573 Supply"; (iv) "CUSTOMER RATES – Typical Residential Electric Bills of Large  
1574 Texas Cities"; (v) Austin Energy's approved rate schedules incorporated by  
1575 reference into the Official Statement as described in "CUSTOMER STATISTICS  
1576 – Electric Rates"; (vi) "CUSTOMER STATISTICS – GreenChoice Energy Rider";  
1577 (vii) "COMPARATIVE ANALYSIS OF ELECTRIC UTILITY SYSTEM AND  
1578 WATER AND WASTEWATER SYSTEM OPERATIONS", (viii) "OPERATING  
1579 STATEMENT ELECTRIC UTILITY SYSTEM AND WATER AND  
1580 WASTEWATER SYSTEM"; (ix) the table of annual results of the City's  
1581 annexations in "THE CITY – Annexation Program"; and (x) "INVESTMENTS –  
1582 Current Investments".

1583  
1584 The financial statements of the City appended to the Official Statement as  
1585 Appendix B, but for the most recently concluded fiscal year.

1586  
1587 **Accounting Principles**

1588  
1589 The accounting principles referred to in Section 21 are the accounting  
1590 principles described in the notes to the financial statements referred to in the third  
1591 paragraph under the heading "Annual Financial Statements and Operating Data"  
1592 above.