

In the event of a nonpayment of interest on a scheduled payment date on the Bonds, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from LCRA. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Register is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Redemption

Mandatory Sinking Fund Redemption of Series 2012A Bonds. The Series 2012A Bonds maturing May 15, 2036 and May 15, 2039 will be subject to mandatory sinking fund redemption prior to maturity on May 15 in each of the following years and in the following amounts at the redemption price equal to the principal amount thereof plus accrued interest to the redemption date, with the particular Series 2012A Bonds or portions thereof to be redeemed, to be selected and designated by LCRA (provided that a portion of a Series 2012A Bond may be redeemed only in an integral multiple of \$5,000):

Term Bond Maturing May 15, 2036	
<u>Redemption</u>	<u>Amount</u>
May 15, 2034	\$12,475,000
May 15, 2035	12,510,000
May 15, 2036*	13,130,000
*Final maturity	

Term Bond Maturing May 15, 2039	
<u>Redemption</u>	<u>Amount</u>
May 15, 2037	\$12,460,000
May 15, 2038	13,085,000
May 15, 2039*	13,740,000
*Final maturity	

The principal amount of the Series 2012A Bonds subject to mandatory sinking fund redemption will be reduced, at the option of LCRA, by the principal amount of any Series 2012A Bonds which, at least 50 days prior to the mandatory sinking fund redemption date, have been (i) acquired by LCRA and delivered to the Paying Agent/Registrar for cancellation, or (ii) redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Mandatory Sinking Fund Redemption of Series 2012B Bonds. The Series 2012B Bonds maturing May 15, 2037 which bear interest at a rate of 3.375% per annum and May 15, 2037 which bear interest at a rate of 5.000% per annum will be subject to mandatory sinking fund redemption prior to maturity on May 15 in each of the following years and in the following amounts at the redemption price equal to the principal amount thereof plus accrued interest to the redemption date, with the particular Series 2012B Bonds or portions thereof to be redeemed, to be selected and

designated by LCRA (provided that a portion of a Series 2012B Bond may be redeemed only in an integral multiple of \$5,000):

3.375% Term Bond Maturing May 15, 2037

<u>Redemption</u>	<u>Amount</u>
May 15, 2034	\$2,500,000
May 15, 2035	2,500,000
May 15, 2036	2,500,000
May 15, 2037*	2,500,000
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*Final maturity	

5.000% Term Bond Maturing May 15, 2037

<u>Redemption</u>	<u>Amount</u>
May 15, 2034	\$6,610,000
May 15, 2035	7,030,000
May 15, 2036	7,460,000
May 15, 2037*	7,920,000
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*Final maturity	

The principal amount of the Series 2012B Bonds subject to mandatory sinking fund redemption will be reduced, at the option of LCRA, by the principal amount of any Series 2012B Bonds which, at least 50 days prior to the mandatory sinking fund redemption date, have been (i) acquired by LCRA and delivered to the Paying Agent/Registrar for cancellation, or (ii) redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Optional Redemption. The Bonds of each Series that mature on and after May 15, 2023, are redeemable at the option of LCRA, on May 15, 2022 or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or integral multiples thereof (and, if in part, the particular Bonds or portions thereof to be redeemed shall be selected by LCRA in its sole discretion) at a redemption price equal to the principal amount of such Bonds to be redeemed, plus accrued interest to the redemption date.

LCRA may retain its optional redemption rights in the event of the defeasance to maturity of the Bonds that are subject to optional redemption. See "- Defeasance."

Notice of Redemption and Defeasance. LCRA shall give notice of redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption and on the defeasance date in the case of a defeasance (unless a lesser period is acceptable to the Paying Agent/Registrar), and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid, at least thirty (30) days prior to a redemption date and within thirty (30) days after a defeasance date to each registered securities depository and to any national information service that disseminates such notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Master Resolution or the Thirty-Eighth Supplement have been met and moneys sufficient to pay the principal