

29 “Construction Fund” shall have the meaning given in Section 37 of the
30 Fifty-Second Supplement.

31 “Delivery Date” means the date all or any portion of the Bonds are delivered
32 to the Purchaser in exchange for the agreed purchase price of the delivered Bonds.

33 “Fifty-Second Supplement” means this Ordinance No. 20260423-__
34 authorizing the issuance of the Bonds.

35 “Holders” means the registered owners or holders of the Bonds.

36
37 “Initial Bond” shall have the meaning given in Section 9 of the Fifty-Second
38 Supplement.

39
40 “Master Ordinance” means Ordinance No. 000608-56A passed by council
41 on June 8, 2000.

42 “Paying Agent/Registrar” means Wilmington Trust, N.A., Dallas, Texas.

43 “Paying Agent/Registrar Agreement” means the agreement between the City
44 and the Paying Agent/Registrar as described in Section 5 of this Fifty-Second
45 Supplement.

46 “Previously Issued Parity Water/Wastewater Obligations” means the
47 outstanding (1) City of Austin, Texas, Water and Wastewater System Revenue
48 Bonds, Series 2010”, (2) “City of Austin, Texas, Water and Wastewater System
49 Revenue Refunding Bonds, Series 2010B (Direct Subsidy-Build America Bonds)”,
50 (3) “City of Austin, Texas, Water and Wastewater System Revenue Refunding
51 Bonds, Series 2015A”, (4) “City of Austin, Texas, Water and Wastewater System
52 Revenue Refunding Bonds, Series 2016”, (5) “City of Austin, Texas, Water and
53 Wastewater System Revenue Bonds, Series 2016A”, (6) “City of Austin, Texas,
54 Water and Wastewater System Revenue Refunding Bonds, Series 2017”, (7) “City
55 of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2017A”,
56 (8) “City of Austin, Texas Water and Wastewater System Revenue Bonds, Series
57 2018”, (9) “City of Austin, Texas Water and Wastewater System Revenue Bonds,
58 Series 2019”, (10) “City of Austin, Texas Water and Wastewater System Revenue
59 Bonds, Series 2020A”, (11) “City of Austin, Texas Water and Wastewater System
60 Revenue Bonds, Series 2020B”, (12) “City of Austin, Texas, Water and
61 Wastewater System Revenue Refunding Bonds, Series 2020C”, (13) “City of
62 Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2020D”,
63 (14) “City of Austin, Texas, Water and Wastewater System Revenue Refunding
64 Bonds, Series 2021”, (15) “City of Austin, Texas, Water and Wastewater System

65 Revenue Bonds, Series 2021A”, (16) “City of Austin, Texas, Water and
66 Wastewater System Revenue Bonds, Series 2021B”, (17) “City of Austin, Texas,
67 Water and Wastewater System Revenue Bonds, Series 2021C”, (18) “City of
68 Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021D
69 (CWSRF)”, (19) “City of Austin, Texas, Water and Wastewater System Revenue
70 Bonds, Series 2021E (DWSRF)”, (20) “City of Austin, Texas, Water and
71 Wastewater System Revenue Refunding Bonds, Series 2022”, (21) “City of Austin,
72 Texas, Water and Wastewater System Revenue Bonds, Series 2022A (SWIRFT)”
73 (22) “City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series
74 2022B (DWSRF)”, (23) “City of Austin, Texas, Water and Wastewater System
75 Revenue Bonds, Series 2022C (CWSRF)”, (24) “City of Austin, Texas, Water and
76 Wastewater System Revenue Refunding Bonds, Series 2023 (Forward Delivery)”,
77 (25) “City of Austin, Texas Water and Wastewater System Revenue Bonds, Series
78 2023A (SWIRFT), (26) “City of Austin, Texas, Water and Wastewater System
79 Revenue Refunding and Improvement Bonds, Series 2024”, (27) “City of Austin,
80 Texas, Water and Wastewater System Revenue Bonds, Series 2024A (SWIRFT)”,
81 (28) “City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series
82 2025A (SWIRFT)”, (29) “City of Austin, Texas, Water and Wastewater System
83 Revenue Bonds, Series 2025B (SWIRFT)”, and “City of Austin, Texas, Water and
84 Wastewater System Revenue Refunding and Improvement Bonds, Series 2026”;

85
86 “Prior Supplements” mean Ordinances Nos. 20091217-004, 20101118-074,
87 20150604-038, 20160421-011, 20161020-002, 20170622-016, 20171012-002,
88 20181018-004, 20191003-002, 20200123-106, 20200123-107, 20200927-057,
89 20201029-041, 20201210-004, 20201210-005, 20211014-004, 20211014-005,
90 20211014-006, 20211014-009, 20220915-003, 20221013-002, 20221013-003
91 20221013-004, 20231019-002, 20240502-015, 20241024-006, 20251023-006,
92 20251023-005 and 20260312-____ authorizing the issuance of the Previously Issued
93 Parity Water/Wastewater Obligations.

94 “Purchaser” or “TWDB” means the Texas Water Development Board.
95

96 “Security Register” shall have the meaning given in Section 5 of the Fifty-
97 Second Supplement.
98

99 “State” means the State of Texas.

100 The terms used in the Fifty-Second Supplement and not otherwise defined
101 shall have the meanings given in the Master Ordinance or the Prior Supplements.

102 The Bonds shall be secured by a lien on, and pledge of, the Net Revenues on
103 parity with the outstanding “Parity Water/Wastewater Obligations” issued in

104 accordance with and under the terms and provisions of the Master Ordinance and
105 the Prior Supplements. There are no Prior First Lien Obligations or Prior
106 Subordinate Lien Obligations (as such terms are defined in the Master Ordinance)
107 currently outstanding.

108 **SECTION 2: AUTHORIZATION – DESIGNATION – PRINCIPAL**
109 **AMOUNT - PURPOSE.** Revenue bonds of the City shall be and are authorized
110 to be issued in the aggregate principal amount of \$59,000,000 and designated the
111 “CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM
112 REVENUE BONDS, SERIES 2026A (CWSRF)” (the “Bonds”), for the purpose of
113 improving and extending the Water/Wastewater System by financing wastewater
114 improvements, and paying costs of issuance, in conformity with the Constitution
115 and laws of the State, including Chapter 1502.

116 **SECTION 3: FULLY REGISTERED OBLIGATIONS – AUTHORIZED**
117 **DENOMINATIONS – STATED MATURITIES - DATE.** The Bonds shall be
118 issued as fully registered obligations, without coupons, shall be in denominations of
119 \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be numbered
120 consecutively from R-1 upward (except as provided in Section 9 of the Fifty-Second
121 Supplement). The Bonds shall bear interest on the unpaid principal amounts from
122 the date and at the rate(s) per annum as specified in Section 4 below (calculated on
123 the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be
124 payable on May 15 and November 15 in each year, commencing on November 15,
125 2026 until maturity or prior redemption, as provided in the FORM OF BOND.

126
127 **SECTION 4: PRINCIPAL PAYMENTS AND INTEREST RATES;**
128 **REDEMPTION.**

129
130 (a) The Bonds shall be dated May 1, 2026 (the “Dated Date”), shall be in
131 any Authorized Denomination, shall bear interest from their Delivery Date in the
132 manner described in the FORM OF BOND at the rates per annum, and the
133 principal on the Bonds shall mature on November 15 in each of the years and in
134 the amounts, respectively, set forth in Schedule I attached to this Fifty-Second
135 Supplement.

136
137 (b) The City may redeem Bonds prior to their scheduled maturity on the
138 dates and in the manner set forth in the FORM OF BOND. If less than all of the
139 maturities of the Bonds are redeemed by the City, the City shall determine the
140 maturities and amounts to be redeemed and shall direct the Paying Agent/Registrar
141 to call Bonds by lot within a maturity and in a principal amount for redemption.
142 Notice of any redemption shall be given in the manner set forth in the FORM OF

143 BOND. Notice of any redemption also shall be given by United States mail, first
144 class postage prepaid, (i) at least 30 days prior to the scheduled redemption date to
145 the MSRB and to any national information service that disseminates redemption
146 notices, and (ii) at least 90 days prior to the scheduled redemption date to the
147 TWDB. Any notice sent to the MSRB and to any national information service that
148 disseminates redemption notices must be sent so that the notice is received at least
149 two days prior to the general mailing of notice as set forth in the FORM OF
150 BOND.

151
152 (c) Each redemption notice, whether required in the FORM OF BOND or
153 otherwise by this Fifty-Second Supplement, shall contain a description of the
154 Bonds to be redeemed, including the complete name of the Bonds, the series, the
155 date of issue, the interest rate, the maturity date, the CUSIP number, if any, the
156 amounts called for redemption, the publication and mailing date for the notice, the
157 date of redemption, the redemption price, the name of the Paying Agent/Registrar
158 and the address at which the Bond may be redeemed including a contact person
159 and telephone number. All redemption payments made by the Paying
160 Agent/Registrar to the registered owners of the Bonds shall include a CUSIP
161 number relating to each amount paid to such registered owner.

162
163 **SECTION 5: TERMS OF PAYMENT - PAYING AGENT**
164 **/REGISTRAR.** The principal of, premium, if any, and the interest on the Bonds,
165 due and payable by reason of maturity, redemption or otherwise, shall be payable
166 only to the Holders appearing on the registration and transfer books maintained by
167 the Paying Agent/Registrar and the payment shall be in any coin or currency of the
168 United States of America, which at the time of payment is legal tender for the
169 payment of public and private debts, and shall be without exchange or collection
170 charges to the Holders.

171 The selection and appointment of the Paying Agent/Registrar for the Bonds
172 is approved and confirmed. Books and records relating to the registration,
173 payment, exchange and transfer of the Bonds (the "Security Register") shall at all
174 times be kept and maintained on behalf of the City by the Paying Agent/Registrar,
175 all as provided in the Fifty-Second Supplement, in accordance with the terms and
176 provisions of the Paying Agent/Registrar Agreement, substantially in the form of
177 paying agent agreements previously approved by council in connection with the
178 issuance of public securities, and such reasonable rules and regulations as the
179 Paying Agent/Registrar and the City may prescribe. The City covenants to
180 maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid
181 and discharged, and any successor Paying Agent/Registrar shall be a bank, trust
182 company, financial institution or other entity qualified and authorized to serve in

183 such capacity and perform the duties and services of Paying Agent/Registrar.
184 Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to
185 promptly cause a written notice of the change to be sent to each Holder by United
186 States Mail, first class postage prepaid, which notice shall also give the address of
187 the new Paying Agent/Registrar.

188 If required by law, the City shall not execute the Paying Agent/Registrar
189 Agreement unless the Paying Agent/Registrar has confirmed to the City that it has
190 made disclosure filings to the Texas Ethics Commission in accordance with
191 Section 2252.908, Texas Government Code. Within 30 days of receipt of the
192 disclosure filings from the Paying Agent/Registrar, the City will submit a copy of
193 the disclosure filings to the Texas Ethics Commission.

194 Principal of and premium, if any, on the Bonds shall be payable at the Stated
195 Maturities or redemption of the Bonds, only upon presentation and surrender of the
196 Bonds to the Paying Agent/Registrar at its designated office set forth in the Paying
197 Agent/Registrar Agreement (the "Designated Payment/Transfer Office"). Interest
198 on the Bonds shall be paid to the Holders whose names appear in the Security
199 Register at the close of business on the Record Date (the last Business Day of the
200 month next preceding each interest payment date), and interest shall be paid by the
201 Paying Agent/Registrar (i) by check sent United States Mail, first class postage
202 prepaid, to the address of the Holder recorded in the Security Register or (ii) by
203 such other method, acceptable to the Paying Agent/Registrar, requested by, and at
204 the risk and expense of, the Holder. If the date for the payment of the principal of
205 or interest on the Bonds is a day other than a Business Day, then the date for
206 payment shall be the next succeeding Business Day; and payment on that date shall
207 have the same force and effect as if made on the original date payment was due. If
208 TWDB is the Beneficial Owner of 100% in aggregate principal amount of the
209 Bonds then Outstanding, principal shall be paid to TWDB by wire transfer, at no
210 expense to TWDB.

211 In the event of a non-payment of interest on one or more maturities on a
212 scheduled payment date, and for 30 days thereafter, a new record date for the
213 interest payment for the maturity or maturities (a "Special Record Date") will be
214 established by the Paying Agent/Registrar, if and when funds for the payment of
215 interest have been received from the City. Notice of the Special Record Date and
216 of the scheduled payment date of the past due interest (which shall be 15 days after
217 the Special Record Date) shall be sent at least five Business Days prior to the
218 Special Record Date by United States Mail, first class postage prepaid, to the
219 address of each Holder of such maturity or maturities appearing on the Security
220 Register at the close of business on the last Business Day next preceding the date
221 of mailing of the notice.

222 **SECTION 6: REGISTRATION-TRANSFER-EXCHANGE OF BONDS -**
223 **PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain, record, and
224 maintain in the Security Register the name and address of each registered owner of
225 the Bonds issued under the provisions of the Fifty-Second Supplement. Any Bond
226 may, in accordance with its terms and the terms of the Fifty-Second Supplement, be
227 transferred or exchanged for Bonds of other authorized denominations upon the
228 Security Register by the Holder, in person or the Holder's authorized agent, upon
229 surrender of the Bond to the Paying Agent/Registrar for cancellation, accompanied
230 by a written instrument of transfer or request for exchange executed by the Holder or
231 the Holder's authorized agent, in form satisfactory to the Paying Agent/ Registrar.

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

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

248 All Bonds issued upon any transfer or exchange of Bonds shall be delivered
249 at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent
250 by United States Mail, first class postage prepaid, to the Holder and, upon the
251 delivery, the same shall be valid obligations of the City, evidencing the same
252 obligation to pay, and entitled to the same benefits under the Fifty-Second
253 Supplement, as the Bonds surrendered in such transfer or exchange.

254 All transfers or exchanges of Bonds under this Section shall be made
255 without expense or service charge to the Holder, except as otherwise provided in
256 the Fifty-Second Supplement, and except that the Paying Agent/Registrar shall
257 require payment by the Holder requesting such transfer or exchange of any tax or
258 other governmental charges required to be paid with respect to such transfer or
259 exchange.

260 Bonds canceled by reason of an exchange or transfer under the provisions of
261 the Fifty-Second Supplement are defined to be “Predecessor Bonds,” evidencing
262 all or a portion, as the case may be, of the same obligation to pay evidenced by the
263 Bond or Bonds registered and delivered in the exchange or transfer. Additionally,
264 the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen
265 Bond for which a replacement Bond has been issued, registered and delivered
266 under Section 20 of the Fifty-Second Supplement and the new replacement Bond
267 shall be deemed to evidence the same obligation as the mutilated, lost, destroyed,
268 or stolen Bond.

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

274 The Paying Agent/Registrar for the Bonds shall act as the closing agent for
275 the delivery of the Bonds to the TWDB, and in connection therewith, the Paying
276 Agent/Registrar understands the Bonds are to be delivered to the TWDB using the
277 book-entry only system provided by DTC.
278

279 The City agrees to deliver to the Paying Agent/Registrar one initial Bond
280 numbered T-1, as provided in Section 9 of the Fifty-Second Supplement, and
281 registered to the TWDB following the approval by the Attorney General of the
282 State and the registration by the Comptroller of Public Accounts. Proceeds from
283 the Bonds will be held in escrow and disbursed to the City in accordance with
284 procedures approved by the TWDB.
285

286 **SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND**
287 **TRANSACTIONS.** Notwithstanding the provisions contained in Sections 4, 5 and 6
288 of the Fifty-Second Supplement relating to the payment, and transfer/exchange of
289 the Bonds, the City approves and authorizes the use of the “Book-Entry-Only”
290 securities clearance, settlement and transfer system provided by The Depository
291 Trust Company, New York, New York (“DTC”), a limited purpose trust company
292 organized under the laws of the State of New York, in accordance with the
293 operational arrangements referenced in the Blanket Issuer Letter of Representation,
294 by and between the City and DTC (the “Depository Agreement”).

295 Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall
296 be deposited with DTC, who shall hold the Bonds for its participants (the “DTC
297 Participants”). While the Bonds are held by DTC under the Depository
298 Agreement, the Holder of the Bonds on the Security Register for all purposes,

299 including payment and notices, shall be Cede & Co., as nominee of DTC,
300 notwithstanding the ownership of each actual purchaser or owner of each Bond
301 (the “Beneficial Owners”) being recorded in the records of DTC and DTC
302 Participants.

303 In the event DTC determines to discontinue serving as securities depository
304 for the Bonds or otherwise ceases to provide book-entry clearance and settlement
305 of securities transactions in general or the City determines that DTC is incapable of
306 properly discharging its duties as securities depository for the Bonds, the City
307 covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in
308 definitive form and provide for the Bond certificates to be issued and delivered to
309 DTC Participants and Beneficial Owners, as the case may be. The Bonds in
310 definitive form shall be assigned, transferred and exchanged on the Security
311 Register maintained by the Paying Agent/Registrar and payment of the Bonds not
312 held by DTC under the Depository Agreement shall be made in accordance with
313 the provisions of Sections 4, 5 and 6 of the Fifty-Second Supplement.

314 **SECTION 8: EXECUTION - REGISTRATION.** The Bonds shall be
315 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal
316 reproduced or impressed on the Bonds and countersigned by the City Clerk. The
317 signature of the officers on the Bonds may be manual or facsimile. Bonds bearing
318 the manual or facsimile signatures of individuals who are or were the proper officers
319 of the City on the Dated Date shall be deemed to be executed on behalf of the City,
320 notwithstanding that those individuals or either of them shall cease to hold the
321 offices at the time of delivery of the Bonds to the Purchaser and with respect to
322 Bonds delivered in subsequent exchanges and transfers, all as authorized and
323 provided in Chapter 1201.

324 No Bond shall be entitled to any right or benefit under the Fifty-Second
325 Supplement, or be valid or obligatory for any purpose, unless there appears on the
326 Bond either a certificate of registration substantially in the form provided in the
327 FORM OF BOND, manually executed by the Comptroller of Public Accounts of
328 the State or his or her authorized agent, or a certificate of registration substantially
329 in the form provided in the FORM OF BOND, manually executed by an authorized
330 officer, employee or representative of the Paying Agent/Registrar, and either
331 certificate upon any Bond signed shall be conclusive evidence, and the only
332 evidence, that the Bond has been certified, registered and delivered.

333 **SECTION 9: INITIAL BOND.** The Bonds shall be initially issued as a
334 single fully registered bond, payable in the aggregate principal amount of the Bonds,
335 and numbered T-1 (the “Initial Bond”). The Initial Bond shall be registered in the
336 name of the Purchaser or its designee. The Initial Bond shall be submitted to the

337 Office of the Attorney General of the State for approval, certified and registered by
338 the Office of the Comptroller of Public Accounts of the State and delivered to the
339 Purchaser. Any time after the delivery of the Initial Bond, the Paying
340 Agent/Registrar, pursuant to written instructions from the Purchaser, or its designee,
341 shall cancel the Initial Bond delivered and exchange for the Initial Bond definitive
342 Bonds of authorized denominations, Stated Maturities, principal amounts and
343 bearing applicable interest rates for transfer and delivery to the Holders named at the
344 addresses identified for the Holders; all pursuant to and in accordance with such
345 written instructions from the Purchaser, or its designee, and any other information
346 and documentation as the Paying Agent/Registrar may reasonably require.

347 **SECTION 10: FORMS.** The Bonds, the Registration Certificate of the
348 Comptroller of Public Accounts of the State, the Certificate of Registration, and the
349 form of Assignment to be printed on each of the Bonds, shall be substantially in the
350 forms set forth in the FORM OF BOND set forth in **Exhibit A** to the Fifty-Second
351 Supplement, with appropriate insertions, omissions, substitutions, and other
352 variations as are permitted or required by the Fifty-Second Supplement, and may
353 have such letters, numbers, or other marks of identification (including identifying
354 numbers and letters of the Committee on Uniform Securities Identification
355 Procedures (CUSIP) of the American Bankers Association) and any other legends
356 and endorsements (including insurance legends in the event the Bonds, or any
357 maturities of the Bonds, are purchased with insurance and any reproduction of an
358 opinion of counsel) as may be established by the City or determined by the officers
359 executing the Bonds as evidenced by their execution of the Bonds. Any portion of
360 the text of any Bond may be set forth on the reverse of the Bond, with an appropriate
361 reference on the face of the Bond.

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

366 **SECTION 11: CRITERIA FOR ISSUANCE OF PARITY WATER/
367 WASTEWATER OBLIGATIONS.** The City has provided certain criteria and
368 established certain covenants and agreements in relation to the issuance of Parity
369 Water/Wastewater Obligations of the Water/Wastewater System pursuant to the
370 Master Ordinance and Prior Supplements. The Fifty-Second Supplement provides
371 for the authorization, issuance, sale, delivery, form, characteristics, provisions of
372 payment, and security of the Bonds which are Parity Water/Wastewater Obligations.
373 The Master Ordinance is incorporated by reference and made a part of the Fifty-
374 Second Supplement for all purposes, except to the extent modified and
375 supplemented by the Prior Supplements and the Fifty-Second Supplement, and the

376 Bonds are declared to be Parity Water/Wastewater Obligations under the Master
377 Ordinance and Prior Supplements. The City determines that it will have sufficient
378 funds to meet the financial obligations of the Water/Wastewater System, including
379 sufficient Net Revenues to pay the Annual Debt Service Requirements of the Bonds
380 and the Previously Issued Parity Water/Wastewater Obligations and to meet all
381 financial obligations of the City relating to the Water/Wastewater System.

382 SECTION 12: **PLEDGE.** The Net Revenues of the Water/Wastewater
383 System are pledged to the payment of the Bonds, and the Bonds, together with the
384 Previously Issued Parity Water/Wastewater Obligations currently Outstanding, shall
385 be equally and ratably secured by a parity lien on and pledge of the Net Revenues of
386 the Water/Wastewater System in accordance with the terms of the Master Ordinance
387 and the Fifty-Second Supplement. Additionally, the Bonds and the Previously Issued
388 Parity Water/Wastewater Obligations shall be equally and ratably secured by a lien
389 on the funds, if any, deposited to the credit of the Debt Service Fund in accordance
390 with the terms of the Master Ordinance, the Prior Supplements and the Fifty-Second
391 Supplement. The Parity Water/Wastewater Obligations, and the interest on the Parity
392 Water/Wastewater Obligations, shall constitute a lien on the Net Revenues of the
393 Water/Wastewater System and be valid and binding and fully perfected from and
394 after the date of adoption of the Fifty-Second Supplement without physical delivery
395 or transfer of control of the Net Revenues, the filing of the Fifty-Second Supplement
396 or any other act, all as provided in Chapter 1208. The owners of the Parity
397 Water/Wastewater Obligations shall never have the right to demand payment out of
398 funds raised or to be raised by taxation, or from any source other than specified in
399 the Master Ordinance, the Prior Supplements and the Fifty-Second Supplement.

400 Chapter 1208 applies to the issuance of the Bonds and the pledge of the Net
401 Revenues of the Water/Wastewater System granted by the City under this Section
402 12, and the pledge is valid, effective and perfected. If Texas law is amended at any
403 time while the Bonds are Outstanding such that the pledge of the Net Revenues of
404 the Water/Wastewater System granted by the City under this Section 12 is to be
405 subject to the filing requirements of Chapter 9, then to preserve to the registered
406 owners of the Bonds the perfection of the security interest in the pledge, the City
407 agrees to take measures as it determines are reasonable and necessary under Texas
408 law to comply with the applicable provisions of Chapter 9, and enable a filing to
409 perfect the security interest in the pledge to occur.

410 SECTION 13: **DEBT SERVICE FUND.** By reason of the issuance of the
411 Bonds, the City need not establish any special accounts within the Debt Service
412 Fund and following the delivery of the Bonds, the City agrees and covenants that in
413 addition to the deposits for the payment of the Previously Issued Parity
414 Water/Wastewater Obligations there shall be deposited to the credit of the Debt

415 Service Fund an amount equal to one hundred percent (100%) of the amount
416 required to fully pay the interest on and principal of the Bonds falling due on or
417 before each maturity, mandatory redemption date and interest payment date, and
418 such deposits shall be made in substantially equal monthly amounts on or before the
419 14th day of each month beginning on or before the 14th day of the month next
420 following the month the Bonds are delivered to the Purchaser.

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

428 Any accrued interest received from the Purchaser shall be deposited in the
429 Debt Service Fund, and shall be taken into consideration and reduce the amount of
430 the monthly deposits that would otherwise be required to be deposited to the credit
431 of the Debt Service Fund from the Net Revenues of the Water/Wastewater System.

432 **SECTION 14: RESERVE FUND.** A Reserve Fund for the Bonds shall be
433 funded in an amount of no less than the average annual debt service requirements on
434 the Bonds, either (a) with proceeds of the Bonds, in the amount described in the
435 letter of instructions executed in accordance with Section 27 of the Fifty-Second
436 Supplement, or (b) by the deposit of Net Revenues in approximately equal monthly
437 installments over the initial 60 months following the issuance of the Bonds, all in
438 accordance with the Board Resolution and as further provided in the letter of
439 instructions.

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

446 **SECTION 15: PAYMENT OF BONDS.** On or before the first scheduled
447 interest payment date, and on or before each subsequent interest payment date and
448 principal payment date while any Bond is Outstanding, the City shall cause an
449 amount to be transferred to the Paying Agent/Registrar in immediately available
450 funds from the Debt Service Fund sufficient to pay the interest on and the principal
451 amount of the Bonds, as shall become due on each payment date, respectively, at

452 maturity or by redemption prior to maturity. The Paying Agent/Registrar shall
453 destroy all paid Bonds and furnish the City with an appropriate certificate of
454 cancellation or destruction.

455

456 **SECTION 16: PAYMENTS OR CREDITS TO THE GENERAL FUND**
457 **OF THE CITY.** In accordance with the provisions authorized by law and after the
458 payments have been made in full in accordance with the provisions of Section 6 of
459 the Master Ordinance, there shall be paid over or credited to the General Fund of the
460 City (for general purposes of the City), to the extent Net Revenues of the
461 Water/Wastewater System are available in the System Fund, an amount as
462 determined by the governing body of the City not to exceed the maximum
463 percentage limitation set forth in the City's established financial policies.

464 **SECTION 17: COVENANTS TO MAINTAIN TAX-EXEMPT STATUS.**

465

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

471

472 (a) to take any action to assure that no more than 10 percent of the
473 proceeds of the Bonds or the projects financed therewith (less amounts deposited
474 to a reserve fund, if any) are used for any "private business use", as defined in
475 section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so
476 used, that amounts, whether or not received by the City, with respect to such
477 private business use, do not, under the terms of this Fifty-Second Supplement or
478 any underlying arrangement, directly or indirectly, secure or provide for the
479 payment of more than 10 percent of the debt service on the Bonds, in contravention
480 of section 141(b)(2) of the Code;

481 (b) to take any action to assure that in the event that the "private business
482 use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the
483 Bonds or the projects financed therewith (less amounts deposited into a reserve
484 fund, if any) then the amount in excess of 5 percent is used for a "private business
485 use" which is "related" and not "disproportionate", within the meaning of section
486 141(b)(3) of the Code, to the governmental use;

487 (c) to take any action to assure that no amount which is greater than the
488 lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts
489 deposited into a reserve fund, if any), is directly or indirectly used to finance loans

490 to persons, other than state or local governmental units, in contravention of section
491 141(c) of the Code;

492 (d) to refrain from taking any action which would otherwise result in the
493 Bonds being treated as "private activity bonds" within the meaning of section
494 141(a) of the Code;

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

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

502 (1) proceeds of the Bonds invested for a reasonable temporary
503 period, until such proceeds are needed for the purpose for which the Bonds
504 are issued,

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

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

510 (g) to otherwise restrict the use of the proceeds of the Bonds or amounts
511 treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not
512 otherwise contravene the requirements of section 148 of the Code (relating to
513 arbitrage);

514 (h) to refrain from using the proceeds of the Bonds or the proceeds of any
515 prior bonds to pay debt service on another issue more than ninety (90) days after
516 the issuance of the Bonds in contravention of section 149 of the Code (relating to
517 advance refundings);

518 (i) to pay to the United States of America at least once during each five-
519 year period (beginning on the Delivery Date of the Bonds) an amount that is at
520 least equal to 90 percent of the "excess earnings", within the meaning of section
521 148(f) of the Code, and to pay to the United States of America, not later than 60
522 days after the Bonds have been paid in full, 100 percent of the amount then

523 required to be paid as a result of Excess Earnings under section 148(f) of the Code;
524 and

525 (j) to file with the Internal Revenue Service an executed Form 8038-G, in
526 furtherance of the requirements of section 149(e) of the Code.

527 The City understands that the term "proceeds" includes "disposition
528 proceeds" as defined in the Treasury Regulations and, in the case of a refunding
529 bond, transferred proceeds (if any) and proceeds of the refunded bonds expended
530 prior to the date of the issuance of the Bonds. It is the understanding of the City
531 that these covenants are intended to assure compliance with the Code and any
532 regulations or rulings promulgated by the U.S. Department of the Treasury
533 pursuant to the Code. In the event that regulations or rulings are hereafter
534 promulgated which modify or expand provisions of the Code, as applicable to the
535 Bonds, the City will not be required to comply with any covenant contained in this
536 Section to the extent that the failure to comply, in the opinion of nationally-rec-
537 ognized bond counsel, will not adversely affect the exemption from federal income
538 taxation of interest on the Bonds under section 103 of the Code. In the event that
539 regulations or rulings are hereafter promulgated which impose additional
540 requirements which are applicable to the Bonds, the City agrees to comply with the
541 additional requirements to the extent necessary, in the opinion of nationally-recog-
542 nized bond counsel, to preserve the exemption from federal income taxation of
543 interest on the Bonds under section 103 of the Code. In furtherance of the
544 foregoing, the Mayor, the City Manager or Acting or Interim City Manager, any
545 Assistant City Manager, the Chief Financial Officer, Director of Financial Services
546 or any Deputy Financial Officer of the City and the City Treasurer may execute
547 any certificates or other reports required by the Code and make such elections, on
548 behalf of the City, which may be permitted by the Code as are consistent with the
549 purpose for the issuance of the Bonds. In order to facilitate compliance with the
550 above clause (i), a "Rebate Fund" is established by the City for the sole benefit of
551 the United States of America, and the Rebate Fund shall not be subject to the claim
552 of any other person, including without limitation the registered owners of the
553 Bonds. The Rebate Fund is established for the additional purpose of compliance
554 with section 148 of the Code.

555 **SECTION 17A: ALLOCATION OF, AND LIMITATION ON,**
556 **EXPENDITURES FOR THE BOND-FINANCED PROPERTY;**
557 **DISPOSITION OF BOND-FINANCED PROPERTY.**

558 The City covenants to account for on its books and records the expenditure
559 of proceeds from the sale of the Bonds and any investment earnings thereon to be
560 used for the improvement and extension of the Water/Wastewater System (referred

561 to in this Section as a "Project") by allocating proceeds to expenditures within 18
562 months of the later of the date that (a) the expenditure on a Project is made or (b)
563 each such Project is completed. The foregoing notwithstanding, the City shall not
564 expend such proceeds or investment earnings more than 60 days after the later of
565 (a) the fifth anniversary of the Delivery Date of the Bonds or (b) the date the
566 Bonds are retired, unless the City obtains an opinion of nationally-recognized bond
567 counsel substantially to the effect that such expenditure will not adversely affect
568 the tax-exempt status of the Bonds. For purposes of this Section, the City shall not
569 be obligated to comply with this covenant if it obtains an opinion of nationally-
570 recognized bond counsel to the effect that such failure to comply will not adversely
571 affect the excludability for federal income tax purposes from gross income of the
572 interest.

573

574 The City covenants that the property constituting the Project will not be sold
575 or otherwise disposed in a transaction resulting in the receipt by the City of cash or
576 other compensation, unless the City obtains an opinion of nationally-recognized
577 bond counsel substantially to the effect that the sale or other disposition will not
578 adversely affect the tax-exempt status of the Bonds. The portion of the property
579 comprising personal property and disposed of in the ordinary course of business
580 shall not be treated as a transaction resulting in the receipt of cash or other
581 compensation. The City shall not be obligated to comply with this covenant if it
582 obtains an opinion of nationally-recognized bond counsel to the effect that the
583 failure to comply will not adversely affect the excludability for federal income tax
584 purposes from gross income of the interest.

585

586 **SECTION 18: AMENDMENT OF FIFTY-SECOND SUPPLEMENT.**

587

588 (a) Required Owner Consent for Amendments. The owners of a majority
589 in Outstanding Principal Amount of the Bonds shall have the right from time to
590 time to approve any amendment to the Fifty-Second Supplement which may be
591 deemed necessary or desirable by the City; provided, however, nothing contained
592 in the Fifty-Second Supplement shall permit or be construed to permit the
593 amendment of the terms and conditions in the Fifty-Second Supplement so as to:

594

(1) Make any change in the maturity of any of the Outstanding Bonds;

595

(2) Reduce the rate of interest borne by any of the Outstanding Bonds;

596

(3) Reduce the amount of the principal payable on the Bonds;

597

(4) Modify the terms of payment of principal of, premium, if any, or

598

interest on the Outstanding Bonds or impose any conditions with

599

respect to such payment;

- 600 (5) Affect the rights of the owners of less than all of the Bonds then
601 Outstanding;
602 (6) Amend this subsection (a) of this Section; or
603 (7) Change the minimum percentage of the principal amount of Bonds
604 necessary for consent to any amendment;
605

606 unless such amendment or amendments be approved by the owners of all of the
607 Bonds affected by the change or amendment then Outstanding.
608

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

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

628 (d) Revocation of Consent. Any consent given by the owner of a Bond
629 pursuant to the provisions of this Section shall be irrevocable for a period of six
630 months from the date for measuring the one year period to obtain consents noted in
631 paragraph (c) above, and shall be conclusive and binding upon all future owners of
632 the same Bonds during such period. At any time after six months from the date for
633 measuring the one year period to obtain consents noted in paragraph (c) above,
634 consent may be revoked by the owner who gave the consent, or by a successor in
635 title, by filing written notice with the Paying Agent/Registrar for the Bonds and the
636 City, but revocation shall not be effective if the owners of at least a majority in
637 Outstanding Principal Amount of the then Outstanding Bonds as determined in

638 accordance with this Section have, prior to the attempted revocation, consented to
639 and approved the amendment.

640 (e) Implementation of Amendment. Upon the passage of any amendatory
641 ordinance pursuant to the provisions of this Section, the Fifty-Second Supplement
642 shall be deemed to be amended, and the respective rights, duties and obligations of
643 the City under the Fifty-Second Supplement and all the owners of then
644 Outstanding Bonds shall be determined, exercised and enforced in all respects in
645 accordance with the amendment.

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

649 (1) To add to the covenants and agreements of the City
650 contained in the Fifty-Second Supplement, other covenants and
651 agreements thereafter to be observed, grant additional rights or
652 remedies to the owners of the Bonds or to surrender, restrict or limit
653 any right or power reserved in the Fifty-Second Supplement to or
654 conferred upon the City;

655 (2) To make provision for the purpose of curing any ambiguity,
656 or curing, correcting or supplementing any defective provision
657 contained in the Fifty-Second Supplement, or in regard to clarifying
658 matters or questions arising under the Fifty-Second Supplement, as
659 are necessary or desirable and not contrary to or inconsistent with the
660 Fifty-Second Supplement and which shall not adversely affect the
661 interests of the owners of the Bonds then Outstanding;

662 (3) To modify any of the provisions of the Fifty-Second
663 Supplement in any other respect whatever, provided that any
664 modification shall be, and be expressed to be, effective only after all
665 the Bonds outstanding at the date of the adoption of the modification
666 shall cease to be outstanding;

667 (4) To make amendments to the Fifty-Second Supplement as
668 may be required, in the opinion of Bond Counsel, to ensure
669 compliance with sections 103 and 141 through 150 of the Code and
670 the regulations promulgated under and applicable to those sections
671 and regulations;

672 (5) To make changes, modifications or amendments as may be
673 necessary or desirable to allow the owners of the Bonds to avail

674 themselves of a book-entry system for payments, transfers and other
675 matters relating to the Bonds, which changes, modifications or
676 amendments are not contrary to or inconsistent with other provisions
677 of the Fifty-Second Supplement and which shall not adversely affect
678 the interests of the owners of the Bonds;

679 (6) To make amendments to the Fifty-Second Supplement as
680 permitted by Section 22(e) of the Fifty-Second Supplement;

681 (7) To make changes, modifications or amendments as may be
682 necessary or desirable to obtain the approval of the Bonds from the
683 Attorney General of Texas, to obtain or maintain the granting of a
684 rating on the Bonds by a Rating Agency or to obtain or maintain a
685 Credit Agreement or a Credit Facility; and

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

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

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

706 **SECTION 19: FINAL DEPOSITS; GOVERNMENT OBLIGATIONS.**
707 All or any of the Bonds shall be deemed to be paid, retired and no longer
708 outstanding within the meaning of the Fifty-Second Supplement when payment of
709 the principal of, and redemption premium, if any, on the Bonds, plus interest on the

710 Bonds to the due date (whether the due date is by reason of maturity or otherwise)
711 either (i) shall have been made or caused to be made in accordance with the terms of
712 the Bonds, or (ii) shall have been provided by irrevocably depositing with, or
713 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside
714 exclusively for this payment, (1) money sufficient to make the payment or
715 (2) Government Obligations, certified by an independent public accounting firm of
716 national reputation, to mature as to principal and interest in amounts and at the times
717 as will insure the availability, without reinvestment, of sufficient money to make this
718 payment, and all necessary and proper fees, compensation and expenses of the
719 Paying Agent/Registrar with respect to which the deposit is made shall have been
720 paid or the payment provided for the satisfaction of the Paying Agent/Registrar.
721 Once a Bond shall be deemed to be paid under the Fifty-Second Supplement, it shall
722 no longer be secured by or entitled to the benefit of the Fifty-Second Supplement,
723 the Master Ordinance or a lien on and pledge of the Net Revenues of the
724 Water/Wastewater System, and shall be entitled to payment solely from the money
725 or Government Obligations.

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

736 Notwithstanding any other provisions of the Fifty-Second Supplement, all
737 money or Government Obligations set aside and held in trust pursuant to the
738 provisions of this Section for the payment of the Bonds, the redemption premium,
739 if any, and interest on the Bonds, shall be applied to and used for the payment of
740 the Bonds, the redemption premium, if any, and interest on the Bonds and the
741 income on the money or Government Obligations shall not be considered to be
742 "Gross Revenues" under the Fifty-Second Supplement.

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

749 the replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be
750 made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a
751 Bond, the applicant for a replacement bond shall furnish to the City and to the
752 Paying Agent/Registrar security or indemnity as may be required by them to save
753 each of them harmless from any loss or damage with respect thereto. Also, in every
754 case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City
755 and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or
756 destruction of the Bond, as the case may be. In every case of damage or mutilation
757 of a Bond, the applicant shall surrender to the Paying Agent/Registrar for
758 cancellation the Bond so damaged or mutilated. Prior to the issuance of any
759 replacement bond, the Paying Agent/Registrar shall charge the owner of the Bond
760 with all legal, printing, and other expenses in connection with this issuance. Every
761 replacement bond issued pursuant to the provisions of this Section by virtue of the
762 fact that any Bond is lost, stolen, or destroyed shall constitute a contractual
763 obligation of the City whether the lost, stolen, or destroyed Bond shall be found at
764 any time, or be enforceable by anyone, and shall be entitled to all the benefits of the
765 Fifty-Second Supplement equally and proportionately with any and all other Bonds
766 issued under the Fifty-Second Supplement.

767 Notwithstanding the preceding provisions of this Section, in the event any
768 Bond shall have matured, and no default has occurred which is then continuing in
769 the payment of the principal of, redemption premium, if any, or interest on the
770 Bond, the City may authorize the payment of the same (without surrender of the
771 Bond except in the case of a damaged or mutilated Bond) instead of issuing a
772 replacement Bond, provided security or indemnity is furnished as above provided
773 in this Section. Furthermore, in accordance with Chapter 1206 (specifically
774 Section 1206.022), this Section shall constitute authority for the issuance of any
775 replacement bond without necessity of further action by the governing body of the
776 City or any other body or person, and the duty of the replacement of Bonds is
777 authorized and imposed upon the Paying Agent/Registrar, and the Paying
778 Agent/Registrar shall authenticate and deliver replacement bonds in the form and
779 manner and with the effect, as provided in Section 6 of the Fifty-Second
780 Supplement for Bonds issued in exchange for other Bonds.

781 **SECTION 21: EQUAL SECURITY.** The pledge made in the Fifty-Second
782 Supplement by the City and the covenants and agreements set forth in the Fifty-
783 Second Supplement to be performed by the City shall be for the equal and
784 proportionate benefit, security, and protection of all Holders, without preference,
785 priority, or distinction as to security or otherwise of any of the Bonds authorized
786 under the Fifty-Second Supplement over any of the others by reason of time of

787 issuance, sale, or maturity or otherwise for any cause whatsoever, except as
788 expressly provided in or permitted by the Fifty-Second Supplement.

789 **SECTION 22: CONTINUING DISCLOSURE UNDERTAKING.**

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

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

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

795 “*SEC*” means the United States Securities and Exchange
796 Commission.

797 (b) Annual Reports. The City shall provide annually to the MSRB (1)
798 within six months after the end of each fiscal year ending in or after 2026, financial
799 information and operating data with respect to the City of the general type included
800 in the final Official Statement and which is described in **Exhibit B** to the Fifty-
801 Second Supplement, and (2) if not provided as part of the financial information and
802 operating data, audited financial statements of the City, when and if available.
803 Any financial statements provided shall be prepared in accordance with the
804 accounting principles described in **Exhibit B** to the Fifty-Second Supplement, or
805 other accounting principles as the City may be required to employ from time to
806 time pursuant to state law or regulation, and audited, if the City commissions an
807 audit of the statements and the audit is completed within twelve months after the
808 end of each fiscal year ending in or after 2026. If audited financial statements of
809 the City are not available by the end of the 12 month period, the City will provide
810 notice that the audited financial statements are not available, and will provide
811 unaudited financial statements by the end of the 12 month period and audited
812 financial statements for the applicable fiscal year when and if the audited financial
813 statements become available.

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

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

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

- 825 (1) Principal and interest payment delinquencies;
- 826 (2) Non-payment related defaults, if material;
- 827 (3) Unscheduled draws on debt service reserves reflecting financial
828 difficulties;
- 829 (4) Unscheduled draws on credit enhancements reflecting financial
830 difficulties;
- 831 (5) Substitution of credit or liquidity providers, or their failure to perform;
- 832 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of
833 proposed or final determinations of taxability, Notices of Proposed
834 Issue (IRS Form 5701-TEB), or other material notices or
835 determinations with respect to the tax status of the Bonds, or other
836 material events affecting the tax status of the Bonds;
- 837 (7) Modifications to rights of holders of the Bonds, if material;
- 838 (8) Bond calls, if material, and tender offers;
- 839 (9) Defeasances;
- 840 (10) Release, substitution, or sale of property securing repayment of the
841 Bonds, if material;
- 842 (11) Rating changes;
- 843 (12) Bankruptcy, insolvency, receivership, or similar event of the City,
844 which shall occur as described below;
- 845 (13) The consummation of a merger, consolidation, or acquisition
846 involving the City or the sale of all or substantially all of its assets,
847 other than in the ordinary course of business, the entry into a
848 definitive agreement to undertake such an action or the termination of
849 a definitive agreement relating to any such actions, other than
850 pursuant to its terms, if material;
- 851 (14) Appointment of a successor or additional trustee or the change of
852 name of a trustee, if material;
- 853 (15) Incurrence of a Financial Obligation of the Obligated Person, if
854 material, or agreement to covenants, events of default, remedies,
855 priority rights, or other similar terms of a Financial Obligation of the
856 Obligated Person, any of which affect security holders, if material;
857 and
- 858 (16) Default, event of acceleration, termination event, modification of
859 terms, or other similar event under the terms of a Financial Obligation
860 of the Obligated Person, and which reflect financial difficulties.

861
862 The City shall notify the MSRB, in a timely manner, of any failure by the City to
863 provide financial information or operating data in accordance with this Section by
864 the time required by this Section.

865
866 For these purposes, any event described in the immediately preceding
867 paragraph 12 is considered to occur when any of the following occur: the
868 appointment of a receiver, fiscal agent, or similar officer for the City in a
869 proceeding under the United States Bankruptcy Code or in any other proceeding
870 under state or federal law in which a court or governmental authority has assumed
871 jurisdiction over substantially all of the assets or business of the City, or if
872 jurisdiction has been assumed by leaving the existing governing body and officials
873 or officers in possession but subject to the supervision and orders of a court or
874 governmental authority, or the entry of an order confirming a plan of
875 reorganization, arrangement, or liquidation by a court or governmental authority
876 having supervision or jurisdiction over substantially all of the assets or business of
877 the City.

878 As used in paragraphs 15 and 16 above, the term "Financial Obligation"
879 means: (i) a debt obligation; (ii) a derivative instrument entered into in connection
880 with, or pledged as security or a source of payment for, an existing or planned debt
881 obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation
882 shall not include Municipal Securities as to which a final official statement has
883 been provided to the MSRB consistent with the Rule; the term "Municipal
884 Securities" means securities which are direct obligations of, or obligations
885 guaranteed as to principal or interest by, a state or any political subdivision thereof,
886 or any agency or instrumentality of a state or any political subdivision thereof, or
887 any municipal corporate instrumentality of one or more states and any other
888 Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act
889 of 1934, as the same may be amended from time to time; and the term "Obligated
890 Person" means the City.

891
892 (d) Filings with the MSRB. All financial information, operating data,
893 financial statements, notices, and other documents provided to the MSRB in
894 accordance with this Section shall be provided in an electronic format prescribed
895 by the MSRB and shall be accompanied by identifying information as prescribed
896 by the MSRB.

897 (e) Limitations, Disclaimers, and Amendments. The City shall be
898 obligated to observe and perform the covenants specified in this Section with
899 respect to the City and the Bonds while, but only while, the City remains an
900 "obligated person" with respect to the Bonds within the meaning of the Rule,

901 except that the City in any event will give the notice required by subsection (c) of
902 this Section of any Bond calls and defeasance that cause the City to be no longer
903 such an “obligated person.”

904 The provisions of this Section are for the sole benefit of the Holders and
905 beneficial owners of the Bonds, and nothing in this Section, express or implied,
906 shall give any benefit or any legal or equitable right, remedy, or claim to any other
907 person. The City undertakes to provide only the financial information, operating
908 data, financial statements, and notices which it has expressly agreed to provide
909 pursuant to this Section and does not undertake to provide any other information
910 that may be relevant or material to a complete presentation of the financial results,
911 condition, or prospects of the City or the State or undertake to update any
912 information provided in accordance with this Section or otherwise, except as
913 expressly provided in this Section. The City does not make any representation or
914 warranty concerning the information or its usefulness to a decision to invest in or
915 sell Bonds at any future date.

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

925 No default by the City in observing or performing its obligations under this
926 Section shall constitute a breach of or default under the Fifty-Second Supplement
927 for purposes of any other provision of the Fifty-Second Supplement.

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

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

933 Notwithstanding any provisions in the Fifty-Second Supplement to the
934 contrary, the provisions of this Section may be amended by the City from time to
935 time to adapt to changed circumstances resulting from a change in legal
936 requirements, a change in law, or a change in the identity, nature, status, or type of

937 operations of the City, but only if (1) the provisions of this Section, as so amended,
938 would have permitted an underwriter to purchase or sell Bonds in the primary
939 offering of the Bonds in compliance with the Rule, taking into account any
940 amendments or interpretations of the Rule to the date of the amendment, as well as
941 the changed circumstances, and (2) either (a) the Holders of a majority in
942 aggregate principal amount (or any greater amount required by any other provision
943 of the Fifty-Second Supplement that authorizes the amendment) of the Outstanding
944 Bonds consent to the amendment or (b) a Person that is unaffiliated with the City
945 and the State (such as nationally recognized bond counsel) determines that the
946 amendment will not materially impair the interests of the Holders and beneficial
947 owners of the Bonds. The provisions of this Section may also be amended from
948 time to time or repealed by the City if the SEC amends or repeals the applicable
949 provisions of the Rule or a court of final jurisdiction determines that the provisions
950 are invalid, but only if and to the extent that reservation of the City's right to do so
951 would not prevent underwriters of the initial public offering of the Bonds from
952 lawfully purchasing or selling Bonds in the offering. If the City so amends the
953 provisions of this Section, it shall include with any amended financial information
954 or operating data next provided in accordance with subsection (b) an explanation,
955 in narrative form, of the reasons for the amendment and of the impact of any
956 change in the type of financial information or operating data so provided.

957 **SECTION 23: REMEDY IN EVENT OF DEFAULT.** In addition to all
958 rights and remedies provided by the laws of the State and set forth in the Board
959 Resolution (other than acceleration), the City covenants and agrees particularly that
960 in the event the City (a) defaults in payments to be made to the Debt Service Fund as
961 required by the Fifty-Second Supplement or the Master Ordinance, (b) defaults in
962 the observance or performance of any other of the covenants, conditions or
963 obligations set forth in the Fifty-Second Supplement or the Master Ordinance or (c)
964 the City declares bankruptcy, the Holders of any of the Bonds shall be entitled to a
965 writ of mandamus issued by a court of proper jurisdiction, compelling and requiring
966 the City and its officers to observe and perform any covenant, condition or
967 obligation prescribed in the Fifty-Second Supplement or the Master Ordinance. No
968 delay or omission to exercise any right or power accruing upon any default shall
969 impair any such right or power, or shall be construed to be a waiver of any such
970 default or acquiescence in such default, and every such right and power may be
971 exercised from time to time and as often as may be deemed expedient.

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

975 **SECTION 24: SALE OF BONDS.** The Bonds are to be sold by the City to
976 the Purchaser for the price of par, less an origination fee of \$1,014,742. The Bonds
977 have been purchased by the Purchaser pursuant to the Board Resolution. The Initial
978 Bond shall be registered in the name of the TWDB. The Private Placement
979 Memorandum prepared in connection with the sale of the Bonds to the Purchaser, in
980 substantially the form attached to the Fifty-Second Supplement, is approved. The
981 City has determined, based upon the advice provided by its financial advisor, that
982 acceptance of the purchase price for the Bonds is on terms advantageous to, and in
983 the best interests of, the City.

984 It is the intent of the parties to the sale of the Bonds that if TWDB ever
985 determines to sell all or a part of the Bonds, it shall notify the City at least 60 days
986 prior to the sale of the Bonds of the decision to sell the Bonds.

987 Payment of amounts due and owing on the Bonds to the TWDB shall be
988 made by wire transfer, at no expense to the TWDB, as provided in the FORM OF
989 BOND.

990
991 By agreeing to the purchase the Bonds, the TWDB agrees that the bond
992 proceeds shall be deposited into the escrow fund established in the Escrow
993 Agreement between the City and Wilmington Trust, N.A., Dallas Texas and that
994 the procedures set forth in Sections 5 and 6 of the Fifty-Second Supplement satisfy
995 the Board Resolution.

996
997 Proceeds from the sale of the Bonds shall be held at a designated state
998 depository or other properly chartered and authorized institution in accordance
999 with Chapter 2256 and Chapter 2257.

1000
1001 **SECTION 25: ADDITIONAL COVENANTS.** In connection with the sale
1002 of the Bonds to the TWDB, the City covenants as follows:

1003 (a) Compliance with 31 TAC Chapter 375. The City agrees and
1004 covenants that it will comply with the requirements in accordance with Title 31,
1005 Texas Administrative Code, Chapter 375.

1006 (b) Compliance with TWDB Rules and Regulations. The City will
1007 comply with all applicable laws of the State of Texas and Rules of the TWDB
1008 relating to the loan of funds evidenced by the Bonds and the Project for which the
1009 Bonds are issued, sold and delivered. In addition to the foregoing, the City hereby
1010 agrees to comply with all conditions set forth in TWDB Resolution No. 26-023,
1011 which conditions are incorporated herein.

1012 (c) Redemption. The Bonds may be called for early redemption in the
1013 manner set forth in the FORM OF BOND.

1014 (d) Rule 15c2-12 Compliance. The City agrees that it will comply with
1015 the provisions of Rule 15c2-12 in accordance with Section 22 above.

1016 (e) Covenant Regarding Taxes and System Rates. The City hereby
1017 agrees that, for so long as the Obligations are outstanding, to levy a tax and/or
1018 maintain and collect sufficient rates and charges to produce system funds in an
1019 amount necessary to meet the debt service requirements of all outstanding
1020 obligations, to maintain the funds established and required by the Obligations.

1021 (f) Final Accounting and Unused or Surplus Funds. The City shall render
1022 a final accounting of the cost of the Project to the TWDB within 60 days of the
1023 completion of the Project. The City shall use all proceeds from the Obligations
1024 that are determined to be remaining unused funds for enhancement to the Project
1025 that explicitly approved by executive administrator, or, if no enhancements are
1026 authorized by the executive administrator, the City shall submit the final
1027 accounting and disposition of any unused funds. "Unused funds" means those
1028 funds that remain unspent after the original approved project is completed. Any
1029 proceeds of the Obligations that are determined to be surplus funds may be used in
1030 a manner approved by the executive administrator of the TWDB. "Surplus funds"
1031 means those funds remaining after completion of the Project and completion of a
1032 final accounting.

1033 (g) Remedies. The TWDB may exercise all remedies available to it in
1034 law or equity, and any provision of the Obligations that restricts or limits the
1035 TWDB's full exercise of such remedies shall be of no force and effect.

1036 (h) Public Funds. The City agrees that the Proceeds from the sale of the
1037 Obligations shall be held at a designated state depository or other properly
1038 chartered and authorized institution in accordance with the Public Funds
1039 Investment Act, Government Code, Chapter 2256, and the Public Funds Collateral
1040 Act, Government Code, Chapter 2257.

1041 (i) Indemnification. The City further agrees, to the extent permitted by
1042 law, to indemnify, hold harmless and protect the TWDB from any and all claims or
1043 causes of action or damages to the person or property of third parties arising from
1044 the sampling, analysis, transport, storage, treatment, removal and off site
1045 disposition of any contaminated sewage sludge, contaminated sediments and/or
1046 contaminated media that may be generated by the City, its contractors, consultants,
1047 agents, officials and employees as a result of activities relating to the Project.

1048 (j) Contracts. **If applicable**, the City will submit executed contracts for
1049 engineering financial advisor and bond counsel contracts, for the project that are
1050 satisfactory to the Executive Administrator.

1051 (k) Escrow/Trust Agreement. If any money is to be held in escrow or
1052 trust, the City shall execute an escrow or trust agreement in the form approved by
1053 the executive administrator and submit such executed agreement to the TWDB.

1054 (l) Financial Assistance Compliance. The City will comply with all
1055 applicable TWDB laws and rules related to the use of financial assistance from the
1056 TWDB.

1057 (m) Environmental Determinations. The City agrees and covenants that it
1058 will comply with all conditions as specified in the final environmental finding of
1059 the executive administrator when issued including the standard emergency
1060 discovery conditions for threatened and endangered species and cultural resources.

1061 (n) Insurance. Insurance coverage will be obtained and maintained by the
1062 City in an amount sufficient to protect the interest of the TWDB in the Project.

1063 (o) Lawsuits. The City will immediately notify TWDB in writing of any
1064 suit against it by the Attorney General of Texas under Texas Government Code §
1065 2.103 and Texas Penal Code § 1.10(f) related to federal laws regulating firearms,
1066 firearm accessories, and firearm ammunition.

1067 (p) Annual Audit Reporting. The City shall provide the TWDB with an
1068 annual audit report prepared in accordance with generally accepted auditing
1069 standards by a certified public accountant or licensed public accountant.

1070 (q) Tax Exempt Status. The City agrees that it shall maintain the Bonds
1071 tax exempt status in accordance with Section 17 hereof.

1072 (r) Outlay Reports. The City will submit outlay reports on a quarterly or
1073 monthly basis with sufficient documentation on costs in accordance with TWDB
1074 outlay report guidelines.

1075 (s) Davis-Bacon Act Compliance. All laborers and mechanics employed
1076 by contractors and subcontractors for the Project who are paid from proceeds of the
1077 Obligations on deposit in the Construction Fund shall be paid wages at rates not
1078 less than those prevailing on projects of a similar character in the locality of the
1079 City in accordance with the federal Davis-Bacon Act and the U.S. Department of
1080 Labor's implementing regulations pertaining thereto.

1081 (t) Federal Funding Accountability and Transparency Act. The City shall
1082 provide the TWDB with all information required by the Federal Funding
1083 Accountability and Transparency Act of 2006, Pub. L. 109-282, as amended by
1084 Pub. L. 110-252. The City shall obtain a Unique Entity Identification Number and
1085 shall register with System for Award Management (SAM) and maintain current
1086 registration at all times during which the Obligations are outstanding.

1087 (u) Timely Expenditures. All proceeds of the Obligations will be timely
1088 and expeditiously used, as required by applicable federal statutes, including 40
1089 CFR § 35.3135(d) and the City shall adhere to the schedule for the Project.

1090 (v) American Iron and Steel Requirements. The City will abide by all
1091 applicable construction contract requirements related to the use of iron and steel
1092 products in the United States, as required by the Federal Appropriations Act (31
1093 TAC § 375.3, 33 U.S.C. § 1388) and related State Revolving Fund Policy
1094 Guidelines.

1095 (w) Build America, Buy America Act. The City will abide by all
1096 applicable requirements related to the Build America, Buy America Act, Public
1097 Law 117-58 and 2 CFR part 184.

1098 (x) Project Accounts. The City will comply with the requirements set
1099 forth in 33 U.S.C. § 1382 related to maintaining project accounts containing
1100 financial assistance for planning, design, acquisition, or construction in accordance
1101 with generally accepted accounting principles (GAAP).

1102 (y) Telecommunication. The City will abide by the prohibition on certain
1103 telecommunications and video surveillance services or equipment as required by 2
1104 CFR § 200.216.

1105
1106 **SECTION 26: CONTROL AND CUSTODY OF BONDS.** The City
1107 Manager of the City shall be and is authorized to take and have charge of all
1108 necessary orders and records pending the sale of the Bonds, and shall take and have
1109 charge and control of the Initial Bond pending the approval thereof by the Attorney
1110 General, the registration thereof by the Comptroller of Public Accounts and the
1111 delivery thereof to the Purchaser.

1112 The Mayor, the City Manager or Acting or Interim City Manager, any
1113 Assistant City Manager, the Chief Financial Officer, Director of Financial Services
1114 or any Deputy Financial Officer of the City and the City Treasurer, or any one or
1115 more of these officials, are authorized and directed to furnish and execute any

1116 documents relating to the City and its financial affairs as may be necessary for the
1117 sale of the Bonds, the approval of the Attorney General and registration by the
1118 Comptroller of Public Accounts and, together with the City's financial advisor,
1119 bond counsel and the Paying Agent/Registrar, make the necessary arrangements
1120 for their delivery to the Purchaser following the sale. Such officers shall be and
1121 they are hereby expressly authorized, empowered and directed from time to time
1122 and at any time to do and perform all such acts and things and to execute,
1123 acknowledge and deliver in the name and on behalf of the City such documents,
1124 certificates and other instruments, whether or not herein mentioned, as may be
1125 necessary or desirable in order to carry out the terms and provisions of this Fiftieth
1126 Supplement and the sale, issuance and delivery of the Bonds. In case any officer
1127 whose signature shall appear on any Certificate shall cease to be such officer
1128 before the delivery of such Certificate, such signature shall nevertheless be valid
1129 and sufficient for all purposes the same as if such officer had remained in office
1130 until such delivery. Furthermore, the City Council ratifies, authorizes and
1131 approves, in connection with all prior action of the City and its authorized officers
1132 relating to the application for financing with the TWDB including the execution
1133 and delivery of agreements, certifications and other requisite documentation,
1134 including the application and financing agreement between the City and the
1135 TWDB.

1136 **SECTION 27: PROCEEDS OF SALE.** The proceeds from the sale of the
1137 Bonds shall be used in the manner described in the letter of instructions executed by
1138 the City.

1139 **SECTION 28: LEGAL OPINION.** The obligation of the Purchaser to
1140 accept delivery of the Bonds is subject to being furnished a final opinion of McCall,
1141 Parkhurst & Horton L.L.P., approving the Bonds as to their validity, the opinion to
1142 be dated and delivered as of the Delivery Date and payment for the Bonds. A true
1143 and correct reproduction of the opinion is authorized to be printed on the definitive
1144 Bonds or an executed counterpart of the opinion shall accompany the global Bonds
1145 deposited with DTC.

1146 **SECTION 29: CUSIP NUMBERS.** CUSIP numbers may be printed or
1147 typed on the definitive Bonds. It is expressly provided, however, that the presence
1148 or absence of CUSIP numbers on the definitive Bonds shall be of no significance or
1149 effect as regards the legality thereof and neither the City nor attorneys approving the
1150 Bonds as to legality are to be held responsible for CUSIP numbers incorrectly
1151 printed or typed on the definitive Bonds.

1152 **SECTION 30: PAYMENT AND PERFORMANCE ON BUSINESS**
1153 **DAYS.** Whenever under the terms of the Fifty-Second Supplement or the Bonds,
1154 the performance date of any provision of the Fifty-Second Supplement or the Bonds,
1155 including the payment of principal of or interest on the Bonds, shall occur on a day
1156 other than a Business Day, then performance, including the payment of principal of

1157 and interest on the Bonds, need not be made on that day but may be performed or
1158 paid, as the case may be, on the next succeeding Business Day with the same force
1159 and effect as if made on the date of performance or payment.

1160 **SECTION 31: LIMITATION OF BENEFITS WITH RESPECT TO THE**
1161 **FIFTY-SECOND SUPPLEMENT.** With the exception of the rights or benefits
1162 expressly conferred in the Fifty-Second Supplement, nothing expressed or contained
1163 in the Fifty-Second Supplement or implied from the provisions of the Fifty-Second
1164 Supplement or the Bonds is intended or should be construed to confer upon or give
1165 to any person other than the City, the Holders, and the Paying Agent/Registrar, any
1166 legal or equitable right, remedy, or claim under or by reason of or in respect to the
1167 Fifty-Second Supplement or any covenant, condition, stipulation, promise,
1168 agreement, or provision contained in the Fifty-Second Supplement. The Fifty-
1169 Second Supplement and all of the covenants, conditions, stipulations, promises,
1170 agreements, and provisions of the Fifty-Second Supplement are intended to be and
1171 shall be for and inure to the sole and exclusive benefit of the City, the Holders, and
1172 the Paying Agent/Registrar as provided in the Fifty-Second Supplement and in the
1173 Bonds.

1174 **SECTION 32: NOTICES TO HOLDERS - WAIVER.** Wherever the Fifty-
1175 Second Supplement provides for notice to Holders of any event, the notice shall be
1176 sufficiently given (unless otherwise expressly provided in the Fifty-Second
1177 Supplement) if in writing and sent by United States Mail, first class postage prepaid,
1178 to the address of each Holder appearing in the Security Register at the close of
1179 business on the Business Day next preceding the mailing of the notice.

1180 In any case where notice to Holders is given by mail, neither the failure to
1181 mail the notice to any particular Holders nor any defect in any notice so mailed
1182 shall affect the sufficiency of the notice with respect to all other Bonds. Where the
1183 Fifty-Second Supplement provides for notice in any manner, the notice may be
1184 waived in writing by the Holder entitled to receive the notice, either before or after
1185 the event with respect to which notice is given, and the waiver shall be the
1186 equivalent of the notice. Waivers of notice by Holders shall be filed with the
1187 Paying Agent/Registrar, but a filing shall not be a condition precedent to the
1188 validity of any action taken in reliance upon the waiver.

1189 SECTION 33: **GOVERNING LAW.** The Fifty-Second Supplement shall be
1190 construed and enforced in accordance with the laws of the State and the United
1191 States of America.

1192 SECTION 34: **EFFECT OF HEADINGS.** The Section headings in the
1193 Fifty-Second Supplement are for convenience of reference only and shall not affect
1194 the construction of the Fifty-Second Supplement.

1195 SECTION 35: **CONSTRUCTION OF TERMS.** If appropriate in the
1196 context of the Fifty-Second Supplement, words of the singular number shall be
1197 considered to include the plural, words of the plural number shall be considered to
1198 include the singular, and words of the masculine, feminine or neuter gender shall be
1199 considered to include the other genders. References to any named person shall mean
1200 that person and his or her successors and assigns. References to any office shall
1201 include the person holding the office in an interim, acting or permanent capacity.
1202 References to any constitutional, statutory or regulatory provision means the
1203 provision as it exists on the date the Fifty-Second Supplement is adopted by council.
1204 Any reference to the payment of principal in the Fifty-Second Supplement shall
1205 include the payment of any mandatory sinking fund redemption payments as
1206 described in the Fifty-Second Supplement. Any reference to "FORM OF BOND"
1207 refers to the form of the Bonds in **Exhibit A** to the Fifty-Second Supplement.

1208 SECTION 36: **SEVERABILITY.** If any provision of the Fifty-Second
1209 Supplement or its application to any circumstance shall be held to be invalid, the
1210 remainder of the Fifty-Second Supplement and its application to other circumstances
1211 shall nevertheless be valid, and council declares that the Fifty-Second Supplement
1212 would have been enacted without such invalid provision.

1213 SECTION 37: **CONSTRUCTION FUND.** A fund entitled the "City of
1214 Austin, Texas Water and Wastewater System Series 2026A (CWSRF) Revenue
1215 Bonds Construction Fund" (the "Construction Fund") is created. Money in the
1216 Construction Fund shall be maintained at an official depository bank of the City.

1217 The proceeds of the Bonds shall be deposited into the Construction Fund and
1218 used by the City for payment of the costs of funding wastewater improvement
1219 projects that are part of the City's Water/Wastewater System, including any costs
1220 for engineering, financing, financial consultation, administrative, auditing and
1221 legal expenses. Amounts in the Construction Fund shall be used to pay costs
1222 timely, in compliance with applicable federal and State law.

1223 Any surplus proceeds, including the investment earnings derived from the
1224 investment of monies on deposit in the Construction Fund, from the Bonds

1225 remaining on deposit in the Construction Fund after completing the improvements
1226 and extensions to the Water/Wastewater System and upon the completion of the
1227 final accounting as described in Section 25 of the Fifty-Second Supplement, shall
1228 be transferred to the Debt Service Fund to redeem, the Bonds owned by TWDB,
1229 unless the Executive Administrator of TWDB approves the use of the surplus
1230 proceeds to pay eligible costs of improving or extending the Water/Wastewater
1231 System by funding projects that are consistent with the Board Resolution.

1232

1233

1234

1235 **SECTION 38: RESERVED.**

1236 **SECTION 39: PUBLIC MEETING.** It is officially found that the meeting
1237 at which the Fifty-Second Supplement is adopted was open to the public and public
1238 notice of the time, place, and subject matter of the public business to be considered
1239 at such meeting, including the Fifty-Second Supplement, was given; all as required
1240 by Chapter 551.

1241 **SECTION 40: EFFECTIVE DATE.** This Fifty-Second Supplement is
1242 passed on one reading as authorized by Chapter 1201 (specifically Section
1243 1201.028), and shall be effective immediately upon its passage and adoption.

1244

1245

1246 *[Execution page follows]*

1247

PASSED AND APPROVED
April 23, 2026.

CITY OF AUSTIN, TEXAS

KIRK WATSON
Mayor

APPROVED:

ATTEST:

DEBORAH THOMAS
City Attorney

ERIKA BRADY
City Clerk

(City Seal)

DRAFT

SCHEDULE I

<u>Year (11/15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2027		
2028		
2029		
2030		
2031		
2032		
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2056		

EXHIBIT A
FORM OF BOND

REGISTERED
NO. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
WATER AND WASTEWATER SYSTEM
REVENUE BOND, SERIES 2026A (CWSRF)

Delivery Date:
May 20, 2026

Interest Rate:

Stated Maturity:

CUSIP NO:

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received promises to pay to the registered owner named above, or their registered assigns (the "Registered Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date 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 Delivery Date of this Bond specified above at the per annum rate of interest specified above; such interest being payable on November 15, 2026, and on each succeeding May 15 and November 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 Fifty-Second Supplemental Ordinance to the Master Ordinance (the "Fifty-Second Supplement")) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The foregoing notwithstanding, so long as the Texas Water Development Board ("TWDB") is the beneficial owner of 100% in aggregate principal amount of the Bonds then outstanding, payment of principal of the Bonds shall be made thereto by wire transfer, at no expense to the TWDB. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner of this Bond and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title dated May 1, 2026, issued in the aggregate principal amount of \$59,000,000 (the "Bonds") for the purpose of (i) extending and improving the City's combined water and wastewater system through the financing of wastewater improvements that are part of the City's water and wastewater system, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of \$5,000 within a maturity (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Fifty-Second Supplement.

The Bonds maturing on and after November 15, 2036, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on May 15, 2036, or on any date

thereafter at the redemption price of par plus accrued interest thereon to the redemption date.

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

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

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

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

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

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

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

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

It is certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, the Master Ordinance and the Fifty-Second Supplement; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the

Water/Wastewater System. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired. The terms and provisions of this Bond, the Master Ordinance and the Fifty-Second Supplement shall be construed in accordance with and shall be governed by the laws of the State of Texas.

DRAFT

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

CITY OF AUSTIN, TEXAS

Kirk Watson
Mayor, City of Austin, Texas

COUNTERSIGNED:

Erika Brady
City Clerk, City of Austin, Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

Registration date:

Wilmington Trust, N.A.
as Paying Agent/Registrar

By: _____
Authorized Signature

FORM OF ASSIGNMENT.

ASSIGNMENT

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

Social Security or other identifying number

(_____)
the within Bond and all rights under this Bond, and irrevocably constitutes and appoints

attorney to transfer the within Bond on the books kept for registration of the Bonds, with full power of substitution in the premises.

DATED:

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.

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

- (i) immediately under the name of the bond the headings "Delivery Date", "Interest Rate", "Stated Maturity" and "CUSIP NO." shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner: Texas Water Development Board
Principal Amount: Fifty-Nine Million Dollars
Delivery Date: May 20, 2026

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

<u>Year (11/15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
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2055		
2056		

and to pay interest thereon from the delivery date specified above, on November 15, 2026, and semiannually on each May 15 and November 15 thereafter to the maturity date specified above, or to the date of redemption prior to maturity, at the interest rate per annum specified above. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Exhibit B

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 22 of the Fifty-Second Supplement.

Annual Financial Information and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with Section 22 are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

The quantitative financial information and operating data with respect to the City within the following tables in the main text of the Official Statement relating to the sale of the City of Austin, Texas Water and Wastewater System Revenue Refunding and Improvement Bonds, Series 2026 (the “Official Statement”):

- 1) “WATER SYSTEM – Historical Water Pumpage,”
- 2) “WATER SYSTEM – Projected Water Pumpage,”
- 3) “WATER SYSTEM – Information Concerning Water Sales,”
- 4) “WATER SYSTEM – Large Water Customers,”
- 5) “WASTEWATER SYSTEM – Historical Wastewater Flows,”
- 6) “WASTEWATER SYSTEM – Projected Wastewater Flows,”
- 7) “COMBINED WATER AND WASTEWATER SYSTEM INFORMATION– Water Service Rates,”
- 8) “COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Wastewater Service Rates,”
- 9) “COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Analysis of Water Bills,”
- 10) “COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Analysis of Wastewater Bills,”
- 11) “OPERATING STATEMENT WATER AND WASTEWATER SYSTEM,”
- 12) “DISCUSSION OF OPERATING STATEMENT – The Water and Wastewater System,”
- 13) The table of annual results of the City’s annexations in “THE CITY – Annexations,”
- 14) “INVESTMENTS – Current Investments,” and
- 15) Audited financial statements of the City, if not provided as part of such financial information and operating data, when and if available.

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

Accounting Principles

The accounting principles referred to in Section 22 are the accounting principles described in the notes to the financial statements referred to in the third paragraph under the heading "Annual Financial Statements and Operating Data" above.