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**ORDINANCE NO.**

**AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS, IN ONE OR MORE SERIES.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**SECTION 1: DEFINITIONS AND FINDINGS.** The following terms shall have the meanings set forth below, unless the text specifically indicates otherwise:

“Bond Purchase Agreement” means a bond purchase agreement or winning bid form related to the sale of the Bonds, between the City and the Underwriters.

“Bonds” means the “CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE REFUNDING AND IMPROVEMENT BONDS”, issued in one or more series as authorized by the Fifty-First Supplement.

“Business Day” means a day other than a Sunday, Saturday, a legal holiday, or a day on which banking institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

“Chapter 9” means V.T.C.A., Business & Commerce Code, Chapter 9.

“Chapter 551” means V.T.C.A., Government Code, Chapter 551.

“Chapter 1201” means V.T.C.A., Government Code, Chapter 1201.

“Chapter 1204” means V.T.C.A., Government Code, Chapter 1204.

“Chapter 1206” means V.T.C.A., Government Code, Chapter 1206.

“Chapter 1207” means V.T.C.A., Government Code, Chapter 1207.

“Chapter 1208” means V.T.C.A., Government Code, Chapter 1208.

“Chapter 1371” means V.T.C.A., Government Code, Chapter 1371.

“Chapter 1502” means V.T.C.A., Government Code, Chapter 1502.

30 “Code” means the Internal Revenue Code of 1986.

31 “Escrow Agent” means U.S. Bank Trust Company, National Association, or  
32 other financial institution specified in an Escrow Agreement.

33 “Escrow Agreement” means the agreement or agreements between the City  
34 and the Escrow Agent or Agents as described in Section 25 of this Fifty-First  
35 Supplement.

36 “Fifty-First Supplement” means this Ordinance No. 20230312-  
37 \_\_\_ authorizing the issuance of the Bonds.

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

39 “Initial Bond” has the meaning set forth in Section 9 of the Fifty-First  
40 Supplement.

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

43 “Paying Agent/Registrar” means U.S. Bank Trust Company, National  
44 Association, or other financial institution specified in the Paying Agent/Registrar  
45 Agreement.

46 “Paying Agent/Registrar Agreement” means the agreement between the City  
47 and the Paying Agent/Registrar as described in Section 5 of this Fifty-First  
48 Supplement.

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

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64 Wastewater System Revenue Refunding Bonds, Series 2020C”, (13) “City of  
65 Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2020D”,  
66 (14) “City of Austin, Texas, Water and Wastewater System Revenue Refunding  
67 Bonds, Series 2021”, (15) “City of Austin, Texas, Water and Wastewater System  
68 Revenue Bonds, Series 2021A”, (16) “City of Austin, Texas, Water and  
69 Wastewater System Revenue Bonds, Series 2021B”, (17) “City of Austin, Texas,  
70 Water and Wastewater System Revenue Bonds, Series 2021C”, (18) “City of  
71 Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021D  
72 (CWSRF)”, (19) “City of Austin, Texas, Water and Wastewater System Revenue  
73 Bonds, Series 2021E (DWSRF)”, (20) “City of Austin, Texas, Water and  
74 Wastewater System Revenue Refunding Bonds, Series 2022”, (21) “City of Austin,  
75 Texas, Water and Wastewater System Revenue Bonds, Series 2022A (SWIRFT)”  
76 (22) “City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series  
77 2022B (DWSRF)”, (23) “City of Austin, Texas, Water and Wastewater System  
78 Revenue Bonds, Series 2022C (CWSRF)”, (24) “City of Austin, Texas, Water and  
79 Wastewater System Revenue Refunding Bonds, Series 2023 (Forward Delivery)”,  
80 (25) “City of Austin, Texas Water and Wastewater System Revenue Bonds, Series  
81 2023A (SWIRFT), (26) “City of Austin, Texas, Water and Wastewater System  
82 Revenue Refunding and Improvement Bonds, Series 2024”, (27) “City of Austin,  
83 Texas, Water and Wastewater System Revenue Bonds, Series 2024A (SWIRFT)”,  
84 (28) “City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series  
85 2025A (SWIRFT)” and (29) “City of Austin, Texas, Water and Wastewater  
86 System Revenue Bonds, Series 2025B (SWIRFT)”;

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88 “Pricing Certificate” means a certificate setting forth certain details relating  
89 to the pricing and sale of the Bonds and signed by a Pricing Officer.

90 “Pricing Officer” has the meaning set forth in Section 4(a) of the Fifty-First  
91 Supplement.

92 “Prior Supplements” mean Ordinances Nos. 20091217-004, 20101118-074,  
93 20150604-038, 20160421-011, 20161020-002, 20170622-016, 20171012-002,  
94 20181018-004, 20191003-002, 20200123-106, 20200123-107, 20200927-057,  
95 20201029-041, 20201210-004, 20201210-005, 20211014-004, 20211014-005,  
96 20211014-006, 20211014-009, 20220915-003, 20221013-002, 20221013-003  
97 20221013-004, 20231019-002, 20240502-015, 20241024-006, 20251023-006 and  
98 20251023-005 authorizing the issuance of the Previously Issued Parity  
99 Water/Wastewater Obligations.

100 “Program Notes” means the City of Austin, Texas Combined Utility  
101 Systems Tax-Exempt Program Notes, currently consisting of a Commercial Paper  
102 Sub-Series and a Direct Purchase Sub-Series, up to an aggregate principal amount

103 of \$575,000,000 to finance the costs of additions, improvements and extensions to  
104 the Water/Wastewater System and the City's electric light and power system, as  
105 such program may be expanded, amended and supplemented from time to time.

106 "Refunded Bonds" means the outstanding bonds of each series identified in  
107 **Schedule I** attached to the Fifty-First Supplement and further specified in a Bond  
108 Purchase Agreement or Pricing Certificate.

109 "Refunded Notes" means the principal amount of the Program Notes as  
110 specified in the Bond Purchase Agreement or Pricing Certificate.

111 "Refunded Obligations" means collectively, the Refunded Bonds and the  
112 Refunded Notes.

113 "Security Register" shall have the meaning given in Section 5 of the Fifty-  
114 First Supplement.

115 "Underwriters" means the investment banking firms purchasing the initial  
116 offering of the Bonds, as described in the Bond Purchase Agreement.

117 The terms used in the Fifty-First Supplement and not otherwise defined shall  
118 have the meanings given in the Master Ordinance or the Prior Supplements.

119 In accordance with the provisions of Chapter 1207, the City is authorized to  
120 issue refunding bonds and deposit the proceeds of sale directly with any place of  
121 payment for the Refunded Obligations, or other authorized depository, and this  
122 deposit, when made in accordance with Chapter 1207, shall constitute the making  
123 of firm banking and financial arrangements for the discharge and final payment of  
124 the Refunded Obligations.

125 In accordance with the provisions of Chapter 1371, the City has authorized  
126 by ordinance and provided for the issuance and sale of the Program Notes; and  
127 council finds that the refunding of the Program Notes for the purposes of  
128 converting the Refunded Notes into long-term fixed rate debt of the City and  
129 restructuring the debt payable from the revenues of the Water/Wastewater System  
130 is in the best interest of the City, and the manner in which the refunding of the  
131 Refunded Notes is being executed does not make it practicable to make the  
132 determinations otherwise required by Section 1207.008(a)(2), Texas Government  
133 Code.

134 In accordance with the provisions of Chapter 1207 and Chapter 1371,  
135 council is delegating to the Pricing Officer (as defined in Section 4 of the Fifty-  
136 First Supplement) the authority to establish the terms and details related to the

137 issuance and sale of the Bonds including: (i) the principal amount of the Refunded  
138 Bonds and the Refunded Notes to be refunded; (ii) the form and designation of the  
139 Bonds; (iii) the issuance of the Bonds in one or more series; (iv) the principal  
140 amount of the Bonds of a series and the amount of the Bonds to mature in each  
141 year; (v) the dates, price, interest rates, interest payment dates, principal payment  
142 dates, and redemption features of the Bonds of a series; and (vi) any other details  
143 relating to the issuance, sale, delivery, and/or exchange of the Bonds, all within  
144 certain specified parameters set forth in the Fifty-First Supplement. In a Bond  
145 Purchase Agreement, the Pricing Officer shall determine, based upon advice  
146 provided by the City's financial advisor, that acceptance of the purchase price for  
147 the Bonds of a series is in the best interests of the City.

148 The Refunded Notes should be refunded and refinanced into long term  
149 obligations at this time to enable the City's Water and Wastewater Department to  
150 continue utilizing its allocated share of Program Notes and it is a public purpose  
151 and in the best interests of the City to refund the Refunded Bonds in order to  
152 achieve a present value debt service savings. The savings resulting from the  
153 refunding of the Refunded Bonds shall be included in a Pricing Certificate, all in  
154 accordance with the provisions of Section 1207.007, Texas Government Code, and  
155 Section 4 of the Fifty-First Supplement.

156 The Bonds shall be secured by a lien on, and pledge of, the Net Revenues on  
157 parity with the outstanding "Parity Water/Wastewater Obligations" issued in  
158 accordance with and under the terms and provisions of the Master Ordinance and  
159 the Prior Supplements. There are no Prior First Lien Obligations or Prior  
160 Subordinate Lien Obligations (as such terms are defined in the Master Ordinance)  
161 currently outstanding.

162 **SECTION 2: AUTHORIZATION – DESIGNATION – PRINCIPAL**  
163 **AMOUNT - PURPOSE.** Revenue bonds of the City shall be and are authorized  
164 to be issued in an amount not to exceed the maximum aggregate principal amount  
165 determined as provided in Section 4 of the Fifty-First Supplement and designated  
166 the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM  
167 REVENUE REFUNDING AND IMPROVEMENT BONDS" (the "Bonds"), for  
168 the purpose of (i) refinancing and refunding the Refunded Obligations identified in  
169 a Bond Purchase Agreement or Pricing Certificate, (ii) financing the costs of  
170 acquisition and construction of improvements, additions and extensions to the  
171 City's Water/Wastewater System, and (iii) paying costs of issuance, in conformity  
172 with the Constitution and laws of the State of Texas, including Chapter 1207,  
173 Chapter 1371 and Chapter 1502. As provided in Section 1 of the Fifty-First  
174 Supplement, the Pricing Officer may determine the series designation of Bonds of  
175 a series sold under authority of the Fifty-First Supplement.

176           **SECTION 3: FULLY REGISTERED OBLIGATIONS—AUTHORIZED**  
177 **DENOMINATIONS – STATED MATURITIES - DATE.** The Bonds of any  
178 series shall be issued as fully registered obligations, without coupons, shall be  
179 dated as stated in the FORM OF BOND set forth in **Exhibit A** to the Fifty-First  
180 Supplement, and shall be in denominations of \$5,000 or any integral multiple  
181 thereof (within a Stated Maturity), shall be numbered consecutively from R-1  
182 upward (except as provided in Section 9 of the Fifty-First Supplement) and shall  
183 become due and payable on May 15 or November 15 in each of the years and in  
184 principal amounts (the “Stated Maturities”) and bear interest at the rate(s) per  
185 annum in accordance with the details of the Bonds of series as set forth in a Bond  
186 Purchase Agreement.

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

193           **SECTION 4: DELEGATION OF AUTHORITY TO PRICING**  
194 **OFFICER.**

195           (a) As authorized by Chapter 1207 and Chapter 1371, the City Manager,  
196 Chief Financial Officer, Director of Financial Services and the City Treasurer of  
197 the City (any one of them, the “Pricing Officer”) is authorized to act on behalf of  
198 the City in selling and delivering the Bonds and carrying out the other procedures  
199 specified in the Fifty-First Supplement, including selling Bonds in one or more  
200 series for the purposes described herein, determining the amount of bonds to be  
201 issued for improvement projects, selection of the Refunded Notes to be refunded,  
202 selection of the specified maturities or series in whole or in part of the Refunded  
203 Bonds to be refunded, determining the aggregate principal amount of the Bonds,  
204 the date of the Bonds, any additional or different designation or title by which the  
205 Bonds of a series shall be known, the price at which the Bonds will be sold, the  
206 years in which the Bonds will mature, the principal amount to mature in each of  
207 such years, the rate of interest to be borne by each such maturity, the first interest  
208 payment date, the price and terms upon and at which the Bonds shall be subject to  
209 redemption prior to maturity at the option of the City, as well as any mandatory  
210 sinking fund redemption provisions, the designation of a paying agent/registrar, if  
211 different from the Paying Agent/Registrar, the designation of an Escrow Agent, if  
212 different from the Escrow Agent, and all other matters relating to the issuance,  
213 sale, and delivery of the Bonds, all of which shall be specified in the Bond

214 Purchase Agreement or a certificate signed by a Pricing Officer (the “Pricing  
215 Certificate”), provided that:

216 (i) the aggregate original principal amount of the Bonds issued for the  
217 purposes described herein shall not exceed \$575,000,000;

218 (ii) the Bonds of a series shall bear interest at a rate not greater than  
219 15.0% per annum and the net effective interest rate (as defined in Chapter 1204)  
220 for the Bonds shall not exceed 15.0%;

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

224 (iv) the maximum maturity for the Bonds of a series shall not extend  
225 beyond November 15, 2056; and

226 (v) the maximum principal amount of Bonds that may be issued for the  
227 purpose set forth in Section 2(ii) of the Fifty-First Supplement shall not exceed  
228 \$50,000,000.

229 The execution of a Bond Purchase Agreement shall evidence the sale date of  
230 the Bonds of a series by the City to the Underwriters.

231 (b) In establishing the aggregate principal amount of the Bonds of all  
232 series of Bonds sold, the Pricing Officer shall establish an amount not exceeding  
233 the amount authorized in Subsection (a)(i) above, which shall be sufficient in  
234 amount to provide for the purposes for which the Bonds are authorized and to pay  
235 costs of issuing the Bonds. This delegation shall expire if not exercised by the  
236 Pricing Officer on or prior to the one year anniversary of the date of adoption of  
237 this Fifty-First Supplement. The Bonds shall be sold by negotiated or competitive  
238 sale to the Underwriters, at the price, and with and subject to the terms, as set forth  
239 in a Bond Purchase Agreement.

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

248 The selection and appointment of the Paying Agent/Registrar for the Bonds  
249 is approved and confirmed. Books and records relating to the registration,  
250 payment, exchange and transfer of the Bonds (the "Security Register") shall at all  
251 times be kept and maintained on behalf of the City by the Paying Agent/Registrar,  
252 all as provided in the Fifty-First Supplement, in accordance with the terms and  
253 provisions of a Paying Agent/Registrar Agreement, substantially in the form of  
254 paying agent agreements previously approved by council in connection with the  
255 issuance of public securities, and such reasonable rules and regulations as the  
256 Paying Agent/Registrar and the City may prescribe. The Pricing Officer is  
257 authorized to execute and deliver the Paying Agent/Registrar Agreement in  
258 connection with the delivery of the Bonds. The City covenants to maintain and  
259 provide a Paying Agent/Registrar at all times until the Bonds are paid and  
260 discharged, and any successor Paying Agent/Registrar shall be a bank, trust  
261 company, financial institution or other entity qualified and authorized to serve in  
262 such capacity and perform the duties and services of Paying Agent/Registrar.  
263 Upon any change in the Paying Agent/Registrar for the Bonds, the City agrees to  
264 promptly cause a written notice of the change to be sent to each Holder by United  
265 States Mail, first class postage prepaid, which notice shall also give the address of  
266 the new Paying Agent/Registrar.

267 Principal of and premium, if any, on the Bonds shall be payable at the Stated  
268 Maturities or redemption of the Bonds, only upon presentation and surrender of the  
269 Bonds to the Paying Agent/Registrar at its designated office as set forth in the  
270 Paying Agent/Registrar Agreement (the "Designated Payment/Transfer Office").  
271 Interest on the Bonds shall be paid to the Holders whose names appear in the  
272 Security Register at the close of business on the Record Date (the last Business  
273 Day of the month next preceding each interest payment date), and interest shall be  
274 paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class  
275 postage prepaid, to the address of the Holder recorded in the Security Register or  
276 (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by,  
277 and at the risk and expense of, the Holder. If the date for the payment of the  
278 principal of or interest on the Bonds is a day other than a Business Day, then the  
279 date for payment shall be the next succeeding Business Day; and payment on that  
280 date shall have the same force and effect as if made on the original date payment  
281 was due.

282 In the event of a non-payment of interest on one or more maturities on a  
283 scheduled payment date, and for 30 days thereafter, a new record date for the  
284 interest payment for the maturity or maturities (a "Special Record Date") will be  
285 established by the Paying Agent/Registrar, if and when funds for the payment of  
286 interest have been received from the City. Notice of the Special Record Date and  
287 of the scheduled payment date of the past due interest (which shall be 15 days after

288 the Special Record Date) shall be sent at least five Business Days prior to the  
289 Special Record Date by United States Mail, first class postage prepaid, to the  
290 address of each Holder of such maturity or maturities appearing on the Security  
291 Register at the close of business on the last Business Day next preceding the date  
292 of mailing of the notice.

293         **SECTION 6: REGISTRATION-TRANSFER-EXCHANGE OF BONDS**  
294 **- PREDECESSOR BONDS.** The Paying Agent/Registrar shall obtain, record,  
295 and maintain in the Security Register the name and address of each registered  
296 owner of the Bonds issued under the provisions of the Fifty-First Supplement.  
297 Any Bond may, in accordance with its terms and the terms of the Fifty-First  
298 Supplement, be transferred or exchanged for Bonds of other authorized  
299 denominations upon the Security Register by the Holder, in person or the Holder's  
300 authorized agent, upon surrender of the Bond to the Paying Agent/Registrar for  
301 cancellation, accompanied by a written instrument of transfer or request for  
302 exchange executed by the Holder or the Holder's authorized agent, in form  
303 satisfactory to the Paying Agent/ Registrar.

304         Upon surrender for transfer of any Bond (other than the Initial Bond(s)  
305 authorized in Section 9 of the Fifty-First Supplement) at the Designated  
306 Payment/Transfer Office of the Paying Agent/Registrar, the Paying  
307 Agent/Registrar shall register and deliver, in the name of the designated  
308 transferee(s), one or more new Bonds executed on behalf of, and furnished by, the  
309 City of authorized denominations and having the same Stated Maturity and of a  
310 like aggregate principal amount as the Bond or Bonds surrendered for transfer.

311         At the option of the Holder, Bonds (other than the Initial Bond(s) authorized  
312 in Section 9 of the Fifty-First Supplement) may be exchanged for other Bonds of  
313 authorized denominations and having the same Stated Maturity, bearing the same  
314 rate of interest and of like aggregate principal amount as the Bonds surrendered for  
315 exchange, upon surrender of the Bonds to be exchanged at the Designated  
316 Payment/Transfer Office of the Paying Agent/Registrar. Whenever any Bonds are  
317 surrendered for exchange, the Paying Agent/Registrar shall register and deliver  
318 new Bonds, executed on behalf of, and furnished by, the City, to the Holder  
319 requesting the exchange.

320         All Bonds issued upon any transfer or exchange of Bonds shall be delivered  
321 at the Designated Payment/Transfer Office of the Paying Agent/Registrar, or sent  
322 by United States Mail, first class postage prepaid, to the Holder and, upon the  
323 delivery, the same shall be valid obligations of the City, evidencing the same  
324 obligation to pay, and entitled to the same benefits under the Fifty-First  
325 Supplement, as the Bonds surrendered for transfer or exchange.

326 All transfers or exchanges of Bonds under this Section shall be made  
327 without expense or service charge to the Holder, except as otherwise provided in  
328 the Fifty-First Supplement, and except that the Paying Agent/Registrar shall  
329 require payment by the Holder requesting the transfer or exchange of any tax or  
330 other governmental charges required to be paid with respect to such transfer or  
331 exchange.

332 Bonds canceled by reason of an exchange or transfer under the provisions of  
333 the Fifty-First Supplement are defined to be “Predecessor Bonds,” evidencing all  
334 or a portion, as the case may be, of the same obligation to pay evidenced by the  
335 Bond or Bonds registered and delivered in the exchange or transfer. Additionally,  
336 the term “Predecessor Bonds” shall include any mutilated, lost, destroyed, or stolen  
337 Bond for which a replacement Bond has been issued, registered and delivered  
338 under **Section 20** of the Fifty-First Supplement and the new replacement Bond  
339 shall be deemed to evidence the same obligation as the mutilated, lost, destroyed,  
340 or stolen Bond.

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

346 The City agrees to deliver to the Paying Agent/Registrar one initial Bond,  
347 numbered T-1, as provided in Section 9 of the Fifty-First Supplement, and  
348 registered to the representative of the Underwriters named in the Bond Purchase  
349 Agreement following the approval by the Attorney General of the State and the  
350 registration by the Comptroller of Public Accounts.

351 **SECTION 7: BOOK-ENTRY-ONLY TRANSFERS AND**  
352 **TRANSACTIONS.** Notwithstanding the provisions contained in Sections 4, 5  
353 and 6 of the Fifty-First Supplement relating to the payment, and transfer/exchange  
354 of the Bonds, the City approves and authorizes the use of the “Book-Entry-Only”  
355 securities clearance, settlement and transfer system provided by The Depository  
356 Trust Company, New York, New York (“DTC”), a limited purpose trust company  
357 organized under the laws of the State of New York, in accordance with the  
358 operational arrangements referenced in the Blanket Issuer Letter of Representation,  
359 by and between the City and DTC (the “Depository Agreement”).

360 Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall  
361 be deposited with DTC, who shall hold the Bonds for its participants (the “DTC  
362 Participants”). While the Bonds are held by DTC under the Depository

363 Agreement, the Holder of the Bonds on the Security Register for all purposes,  
364 including payment and notices, shall be Cede & Co., as nominee of DTC,  
365 notwithstanding the ownership of each actual purchaser or owner of each Bond  
366 (the "Beneficial Owners") being recorded in the records of DTC and DTC  
367 Participants.

368 In the event DTC determines to discontinue serving as securities depository  
369 for the Bonds or otherwise ceases to provide book-entry clearance and settlement  
370 of securities transactions in general or the City determines that DTC is incapable of  
371 properly discharging its duties as securities depository for the Bonds, the City  
372 covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in  
373 definitive form and provide for the Bond certificates to be issued and delivered to  
374 DTC Participants and Beneficial Owners, as the case may be. The Bonds in  
375 definitive form shall be assigned, transferred and exchanged on the Security  
376 Register maintained by the Paying Agent/Registrar and payment of the Bonds not  
377 held by DTC under the Depository Agreement shall be made in accordance with  
378 the provisions of Sections 4, 5 and 6 of the Fifty-First Supplement.

379 **SECTION 8: EXECUTION - REGISTRATION.** The Bonds shall be  
380 executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal  
381 reproduced or impressed on the Bonds and countersigned by the City Clerk. The  
382 signature of the officers on the Bonds may be manual or facsimile. Bonds bearing  
383 the manual or facsimile signatures of individuals who are or were the proper  
384 officers of the City shall be deemed to be executed on behalf of the City,  
385 notwithstanding that those individuals or either of them shall cease to hold the  
386 offices at the time of delivery of the Bonds to the Underwriters and with respect to  
387 Bonds delivered in subsequent exchanges and transfers, all as authorized and  
388 provided in Chapter 1201.

389 No Bond shall be entitled to any right or benefit under the Fifty-First  
390 Supplement, or be valid or obligatory for any purpose, unless there appears on the  
391 Bond either a certificate of registration substantially in the form provided in the  
392 FORM OF BOND, manually executed by the Comptroller of Public Accounts of  
393 the State of Texas or his or her authorized agent, or a certificate of registration  
394 substantially in the form provided in the FORM OF BOND, manually executed by  
395 an authorized officer, employee or representative of the Paying Agent/Registrar,  
396 and either certificate upon any Bond signed shall be conclusive evidence, and the  
397 only evidence, that the Bond has been certified, registered and delivered.

398 **SECTION 9: INITIAL BOND.** The Bonds of a series shall be initially  
399 issued as a single fully registered bond in the total principal amount specified in  
400 the Bond Purchase Agreement with principal installments to become due and

401 payable as provided in a Bond Purchase Agreement and numbered T-1 (the “Initial  
402 Bond”). The Initial Bond of a series shall be registered in the name of the  
403 representative of the Underwriters named in the Bond Purchase Agreement or its  
404 designee. The Initial Bond shall be submitted to the Office of the Attorney  
405 General of the State of Texas for approval, certified and registered by the Office of  
406 the Comptroller of Public Accounts of the State of Texas and delivered to the  
407 Underwriters. Any time after the delivery of the Initial Bond, the Paying  
408 Agent/Registrar, pursuant to written instructions from the Underwriters, or their  
409 designee, shall cancel the Initial Bond and deliver and exchange for the Initial  
410 Bond definitive Bonds of authorized denominations, Stated Maturities, principal  
411 amounts and bearing applicable interest rates, and numbered consecutively from R-  
412 1 upward, for transfer and delivery to the Holders named at the addresses identified  
413 for the Holders; all pursuant to and in accordance with such written instructions  
414 from the Underwriters, or their designee, and any other information and  
415 documentation as the Paying Agent/Registrar may reasonably require.

416       **SECTION 10: FORMS.** The Bonds, the Registration Certificate of the  
417 Comptroller of Public Accounts of the State of Texas, the Certificate of  
418 Registration, and the form of Assignment to be printed on each of the Bonds, shall  
419 be substantially in the forms set forth in the FORM OF BOND set forth in **Exhibit**  
420 **A** to the Fifty-First Supplement, with appropriate insertions, omissions,  
421 substitutions, and other variations as are permitted or required by the Fifty-First  
422 Supplement, and may have such letters, numbers, or other marks of identification  
423 (including identifying numbers and letters of the Committee on Uniform Securities  
424 Identification Procedures of the American Bankers Association) and any other  
425 legends and endorsements (including insurance legends in the event the Bonds, or  
426 any maturities of the Bonds, are purchased with insurance and any reproduction of  
427 an opinion of counsel) as may be established by the City or determined by the  
428 officers executing the Bonds as evidenced by their execution of the Bonds. Any  
429 portion of the text of any Bond may be set forth on the reverse of the Bond, with an  
430 appropriate reference on the face of the Bond. The FORM OF BOND set forth in  
431 **Exhibit A** to the Fifty-First Supplement will be revised to reflect the terms of a  
432 Bond Purchase Agreement and the sale of the Bonds to the Underwriters.

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

437       **SECTION 11: CRITERIA FOR ISSUANCE OF PARITY WATER/  
438 WASTEWATER OBLIGATIONS.** The City has provided certain criteria and  
439 established certain covenants and agreements in relation to the issuance of Parity

440 Water/Wastewater Obligations of the Water/Wastewater System pursuant to the  
441 Master Ordinance and Prior Supplements. The Fifty-First Supplement provides for  
442 the authorization, issuance, sale, delivery, form, characteristics, provisions of  
443 payment, and security of the Bonds which are Parity Water/Wastewater  
444 Obligations. The Master Ordinance is incorporated by reference and made a part  
445 of the Fifty-First Supplement for all purposes, except to the extent modified and  
446 supplemented by the Prior Supplements and the Fifty-First Supplement, and the  
447 Bonds are declared to be Parity Water/Wastewater Obligations under the Master  
448 Ordinance and Prior Supplements. The City determines that it will have sufficient  
449 funds to meet the financial obligations of the Water/Wastewater System, including  
450 sufficient Net Revenues to pay the Annual Debt Service Requirements of the  
451 Bonds and the Previously Issued Parity Water/Wastewater Obligations and to meet  
452 all financial obligations of the City relating to the Water/Wastewater System.

453         **SECTION 12: PLEDGE.** The Net Revenues of the Water/Wastewater  
454 System are pledged to the payment of the Bonds, and the Bonds, together with the  
455 Previously Issued Parity Water/Wastewater Obligations currently Outstanding,  
456 shall be equally and ratably secured by a parity lien on and pledge of the Net  
457 Revenues of the Water/Wastewater System in accordance with the terms of the  
458 Master Ordinance and the Fifty-First Supplement. Additionally, the Bonds and the  
459 Previously Issued Parity Water/Wastewater Obligations shall be equally and  
460 ratably secured by a lien on the funds, if any, deposited to the credit of the Debt  
461 Service Fund in accordance with the terms of the Master Ordinance, the Prior  
462 Supplements and the Fifty-First Supplement. The Parity Water/Wastewater  
463 Obligations, and the interest on the Parity Water/Wastewater Obligations, shall  
464 constitute a lien on the Net Revenues of the Water/Wastewater System and be  
465 valid and binding and fully perfected from and after the date of adoption of the  
466 Fifty-First Supplement without physical delivery or transfer of control of the Net  
467 Revenues, the filing of the Fifty-First Supplement or any other act, all as provided  
468 in Chapter 1208. The owners of the Parity Water/Wastewater Obligations shall  
469 never have the right to demand payment out of funds raised or to be raised by  
470 taxation, or from any source other than specified in the Master Ordinance, the Prior  
471 Supplements and the Fifty-First Supplement.

472         Chapter 1208 applies to the issuance of the Bonds and the pledge of the Net  
473 Revenues of the Water/Wastewater System granted by the City under this Section  
474 12, and the pledge is valid, effective and perfected. If Texas law is amended at any  
475 time while the Bonds are Outstanding such that the pledge of the Net Revenues of  
476 the Water/Wastewater System granted by the City under this Section 12 is to be  
477 subject to the filing requirements of Chapter 9, then to preserve to the registered  
478 owners of the Bonds the perfection of the security interest in the pledge, the City  
479 agrees to take measures as it determines are reasonable and necessary under Texas

480 law to comply with the applicable provisions of Chapter 9, and enable a filing to  
481 perfect the security interest in the pledge to occur.

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

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

500         Any accrued interest received from the Underwriters shall be deposited in  
501 the Debt Service Fund, and shall be taken into consideration and reduce the  
502 amount of the monthly deposits that would otherwise be required to be deposited to  
503 the credit of the Debt Service Fund from the Net Revenues of the  
504 Water/Wastewater System.

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

510         Acting in accordance with the provisions of the Master Ordinance,  
511 specifically Section 8 of the Master Ordinance, the City is exercising the authority  
512 to determine in a Supplement that it is not necessary for the Bonds to be secured by  
513 the Reserve Fund established for the benefit of the owners of certain series of the  
514 Previously Issued Parity Water/Wastewater Obligations. The City shall not make  
515 deposits of any Reserve Fund Obligations to the credit of the Reserve Fund for the  
516 benefit of the Bonds, and the City shall not be required, but reserves the right in the

517 future, to make deposits of Reserve Fund Obligations to the credit of the Reserve  
518 Fund with respect to the Bonds.

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

525 **SECTION 15: PAYMENT OF BONDS.** On or before the first scheduled  
526 interest payment date, and on or before each subsequent interest payment date and  
527 principal payment date while any Bond is Outstanding, the City shall cause an  
528 amount to be transferred to the Paying Agent/Registrar in immediately available  
529 funds from the Debt Service Fund sufficient to pay the interest on and the principal  
530 amount of the Bonds, as shall become due on each payment date, respectively, at  
531 maturity or by redemption prior to maturity. The Paying Agent/Registrar shall  
532 destroy all paid Bonds and furnish the City with an appropriate certificate of  
533 cancellation or destruction.

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

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

544 The City covenants to refrain from any action which would adversely  
545 affect, or to take any action to assure, the treatment of a series of the Bonds as  
546 obligations described in section 103 of the Code, the interest on which is not  
547 includable in the "gross income" of the holder for purposes of federal income taxa-  
548 tion. In furtherance thereof, the City covenants as follows:

549 (a) to take any action to assure that no more than 10 percent of the  
550 proceeds of the Bonds or the projects financed therewith (less amounts deposited  
551 to a reserve fund, if any) are used for any "private business use", as defined in  
552 section 141(b)(6) of the Code or, if more than 10 percent of the proceeds are so  
553 used, that amounts, whether or not received by the City, with respect to such

554 private business use, do not, under the terms of the Fifty-First Supplement or any  
555 underlying arrangement, directly or indirectly, secure or provide for the payment of  
556 more than 10 percent of the debt service on the Bonds, in contravention of section  
557 141(b)(2) of the Code;

558 (b) to take any action to assure that in the event that the "private business  
559 use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the  
560 Bonds or the projects financed therewith (less amounts deposited into a reserve  
561 fund, if any) then the amount in excess of 5 percent is used for a "private business  
562 use" which is "related" and not "disproportionate", within the meaning of section  
563 141(b)(3) of the Code, to the governmental use;

564 (c) to take any action to assure that no amount which is greater than the  
565 lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts  
566 deposited into a reserve fund, if any), is directly or indirectly used to finance loans  
567 to persons, other than state or local governmental units, in contravention of section  
568 141(c) of the Code;

569 (d) to refrain from taking any action which would otherwise result in the  
570 Bonds being treated as "private activity bonds" within the meaning of section  
571 141(a) of the Code;

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

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

579 (1) proceeds of the Bonds invested for a reasonable temporary  
580 period, until such proceeds are needed for the purpose for which the Bonds  
581 are issued,

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

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

587 (g) to otherwise restrict the use of the proceeds of the Bonds or amounts  
588 treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not  
589 otherwise contravene the requirements of section 148 of the Code (relating to  
590 arbitrage);

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

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

602 (j) to account for the expenditure of sale proceeds and investment  
603 earnings to be used for the construction and acquisition of the new money projects  
604 on its books and records by allocating proceeds to expenditures within eighteen  
605 (18) months of the later of the date that (1) the expenditure is made, or (2) the new  
606 money projects are completed. The foregoing notwithstanding, the City shall not  
607 expend proceeds of the sale of the Bonds or investment earnings thereon more than  
608 sixty (60) days after the earlier of (1) the fifth anniversary of the delivery of the  
609 Bonds, or (2) the date the Bonds are retired, unless the City obtains an opinion of  
610 nationally-recognized bond counsel that such expenditure will not adversely affect  
611 the status, for federal income tax purposes, of the Bonds or the interest thereon.  
612 For purposes hereof, the City shall not be obligated to comply with this covenant if  
613 it obtains an opinion that such failure to comply will not adversely affect the  
614 excludability for federal income tax purposes from gross income of the interest.  
615 This Fifty-First Supplement is intended to satisfy the official intent requirements  
616 set forth in section 1.150-2 of the Treasury Regulations.

617 The City understands that the term "proceeds" includes "disposition  
618 proceeds" as defined in the Treasury Regulations and, in the case of a refunding  
619 bond, transferred proceeds (if any) and proceeds of the Refunded Bonds expended  
620 prior to the date of the issuance of the Bonds. It is the understanding of the City  
621 that these covenants are intended to assure compliance with the Code and any  
622 regulations or rulings promulgated by the U.S. Department of the Treasury  
623 pursuant to the Code. In the event that regulations or rulings are hereafter  
624 promulgated which modify or expand provisions of the Code, as applicable to the

625 Bonds, the City will not be required to comply with any covenant contained in this  
626 Section to the extent that the failure to comply, in the opinion of nationally-rec-  
627 ognized bond counsel, will not adversely affect the exemption from federal income  
628 taxation of interest on the Bonds under section 103 of the Code. In the event that  
629 regulations or rulings are hereafter promulgated which impose additional  
630 requirements which are applicable to the Bonds, the City agrees to comply with the  
631 additional requirements to the extent necessary, in the opinion of nationally-recog-  
632 nized bond counsel, to preserve the exemption from federal income taxation of  
633 interest on the Bonds under section 103 of the Code. In furtherance of the  
634 foregoing, the Mayor, the City Manager, any Deputy or Assistant City Manager,  
635 the Chief Financial Officer, Director of Financial Services or any Deputy Financial  
636 Officer of the City and the City Treasurer may execute any certificates or other  
637 reports required by the Code and make such elections, on behalf of the City, which  
638 may be permitted by the Code as are consistent with the purpose for the issuance of  
639 the Bonds. In order to facilitate compliance with the above clause (i), a "Rebate  
640 Fund" is established by the City for the sole benefit of the United States of  
641 America, and the Rebate Fund shall not be subject to the claim of any other person,  
642 including without limitation the registered owners of the Bonds. The Rebate Fund  
643 is established for the additional purpose of compliance with section 148 of the  
644 Code.

645 **SECTION 17A: DISPOSITION OF BOND-FINANCED PROPERTY.**

646 The City covenants that the property constituting an improvement to the City  
647 financed with the Bonds or originally financed with the proceeds of the Refunded  
648 Obligations will not be sold or otherwise disposed in a transaction resulting in the  
649 receipt by the City of cash or other compensation, unless the City obtains an  
650 opinion of nationally-recognized bond counsel substantially to the effect that the  
651 sale or other disposition will not adversely affect the tax-exempt status of the  
652 Bonds or the Refunded Obligations. The portion of the property comprising  
653 personal property and disposed of in the ordinary course of business shall not be  
654 treated as a transaction resulting in the receipt of cash or other compensation. The  
655 City shall not be obligated to comply with this covenant if it obtains an opinion of  
656 nationally-recognized bond counsel to the effect that the failure to comply will not  
657 adversely affect the excludability for federal income tax purposes from gross  
658 income of the interest on the Bonds.

659 **SECTION 18: AMENDMENT OF FIFTY-FIRST SUPPLEMENT.**

660 (a) Required Owner Consent for Amendments. The owners of a majority  
661 in Outstanding Principal Amount of the Bonds shall have the right from time to  
662 time to approve any amendment to the Fifty-First Supplement which may be

663 deemed necessary or desirable by the City; provided, however, nothing contained  
664 in the Fifty-First Supplement shall permit or be construed to permit the amendment  
665 of the terms and conditions in the Fifty-First Supplement so as to:

- 666 (1) Make any change in the maturity of any of the Outstanding Bonds;
- 667 (2) Reduce the rate of interest borne by any of the Outstanding Bonds;
- 668 (3) Reduce the amount of the principal payable on the Bonds;
- 669 (4) Modify the terms of payment of principal of, premium, if any, or  
670 interest on the Outstanding Bonds or impose any conditions with  
671 respect to such payment;
- 672 (5) Affect the rights of the owners of less than all of the Bonds then  
673 Outstanding;
- 674 (6) Amend this subsection (a) of this Section; or
- 675 (7) Change the minimum percentage of the principal amount of Bonds  
676 necessary for consent to any amendment;
- 677

678 unless such amendment or amendments be approved by the owners of all of the  
679 Bonds affected by the change or amendment then Outstanding.

680 (b) Notice of Amendment Requiring Consent. If at any time the City  
681 shall desire to amend the Fifty-First Supplement under this Section, the City shall  
682 cause notice of the proposed amendment to be published in a financial newspaper  
683 or journal published in The City of New York, New York, and a newspaper of  
684 general circulation in the City, once during each calendar week for at least two  
685 successive calendar weeks. The notice shall briefly set forth the nature of the  
686 proposed amendment and shall state that a copy of the notice is on file with the  
687 Paying Agent/Registrar for the Bonds. Publication is not required, however, if  
688 notice in writing is given by United States Mail, first class postage prepaid, to each  
689 owner of the Bonds.

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

699 (d) Revocation of Consent. Any consent given by the owner of a Bond  
700 pursuant to the provisions of this Section shall be irrevocable for a period of six

701 months from the date for measuring the one year period to obtain consents noted in  
702 paragraph (c) above, and shall be conclusive and binding upon all future owners of  
703 the same Bonds during such period. At any time after six months from the date for  
704 measuring the one year period to obtain consents noted in paragraph (c) above,  
705 consent may be revoked by the owner who gave the consent, or by a successor in  
706 title, by filing written notice with the Paying Agent/Registrar for the Bonds and the  
707 City, but revocation shall not be effective if the owners of at least a majority in  
708 Outstanding Principal Amount of the then Outstanding Bonds as determined in  
709 accordance with this Section have, prior to the attempted revocation, consented to  
710 and approved the amendment.

711 (e) Implementation of Amendment. Upon the passage of any amendatory  
712 ordinance pursuant to the provisions of this Section, the Fifty-First Supplement  
713 shall be deemed to be amended, and the respective rights, duties and obligations of  
714 the City under the Fifty-First Supplement and all the owners of then Outstanding  
715 Bonds shall be determined, exercised and enforced in all respects in accordance  
716 with the amendment.

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

720 (1) To add to the covenants and agreements of the City  
721 contained in the Fifty-First Supplement, other covenants and  
722 agreements thereafter to be observed, grant additional rights or  
723 remedies to the owners of the Bonds or to surrender, restrict or limit  
724 any right or power reserved in the Fifty-First Supplement to or  
725 conferred upon the City;

726 (2) To make provision for the purpose of curing any ambiguity,  
727 or curing, correcting or supplementing any defective provision  
728 contained in the Fifty-First Supplement, or in regard to clarifying  
729 matters or questions arising under the Fifty-First Supplement, as are  
730 necessary or desirable and not contrary to or inconsistent with the  
731 Fifty-First Supplement and which shall not adversely affect the  
732 interests of the owners of the Bonds then Outstanding;

733 (3) To modify any of the provisions of the Fifty-First  
734 Supplement in any other respect whatever, provided that any  
735 modification shall be, and be expressed to be, effective only after all  
736 the Bonds outstanding at the date of the adoption of the modification  
737 shall cease to be outstanding;

738 (4) To make amendments to the Fifty-First Supplement as may  
739 be required, in the opinion of Bond Counsel, to ensure compliance  
740 with sections 103 and 141 through 150 of the Code and the  
741 regulations promulgated under and applicable to those sections and  
742 regulations;

743 (5) To make changes, modifications or amendments as may be  
744 necessary or desirable to allow the owners of the Bonds to avail  
745 themselves of a book-entry system for payments, transfers and other  
746 matters relating to the Bonds, which changes, modifications or  
747 amendments are not contrary to or inconsistent with other provisions  
748 of the Fifty-First Supplement and which shall not adversely affect the  
749 interests of the owners of the Bonds;

750 (6) To make amendments to the Fifty-First Supplement as  
751 permitted by Section 22(e) of the Fifty-First Supplement;

752 (7) To make changes, modifications or amendments as may be  
753 necessary or desirable to obtain the approval of the Bonds from the  
754 Attorney General of Texas, to obtain or maintain the granting of a  
755 rating on the Bonds by a Rating Agency or to obtain or maintain a  
756 Credit Agreement or a Credit Facility; and

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

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

768 (g) Ownership. For the purpose of this Section, the ownership and other  
769 matters relating to all Bonds shall be established by the Security Register  
770 maintained by the Paying Agent/Registrar. Furthermore, the owner of any Bonds  
771 insured as to the payment of principal of and interest shall be deemed to be the  
772 insurance company providing the insurance coverage on the Bonds; provided, the  
773 amendment to the Fifty-First Supplement is an amendment that can be made with  
774 the consent of a majority in Outstanding Principal Amount of the Bonds and the

775 insurance company is not in default with respect to its obligations under its  
776 insurance policy, if any.

777           **SECTION 19: FINAL DEPOSITS; GOVERNMENT OBLIGATIONS.**

778 All or any of the Bonds shall be deemed to be paid, retired and no longer  
779 outstanding within the meaning of the Fifty-First Supplement when payment of the  
780 principal of, and redemption premium, if any, on the Bonds, plus interest on the  
781 Bonds to the due date (whether the due date is by reason of maturity or otherwise)  
782 either (i) shall have been made or caused to be made in accordance with the terms  
783 of the Bonds, or (ii) shall have been provided by irrevocably depositing with, or  
784 making available to, the Paying Agent/Registrar, in trust and irrevocably set aside  
785 exclusively for this payment, (1) money sufficient to make the payment or  
786 (2) Government Obligations, certified by an independent public accounting firm of  
787 national reputation, to mature as to principal and interest in amounts and at the  
788 times as will insure the availability, without reinvestment, of sufficient money to  
789 make this payment, and all necessary and proper fees, compensation and expenses  
790 of the Paying Agent/Registrar with respect to which the deposit is made shall have  
791 been paid or the payment provided for the satisfaction of the Paying  
792 Agent/Registrar. Once a Bond shall be deemed to be paid under the Fifty-First  
793 Supplement, it shall no longer be secured by or entitled to the benefit of the Fifty-  
794 First Supplement, the Master Ordinance or a lien on and pledge of the Net  
795 Revenues of the Water/Wastewater System, and shall be entitled to payment solely  
796 from the money or Government Obligations.

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

807           Notwithstanding any other provisions of the Fifty-First Supplement, all  
808 money or Government Obligations set aside and held in trust pursuant to the  
809 provisions of this Section for the payment of the Bonds, the redemption premium,  
810 if any, and interest on the Bonds, shall be applied to and used for the payment of  
811 the Bonds, the redemption premium, if any, and interest on the Bonds and the  
812 income on the money or Government Obligations shall not be considered to be  
813 “Gross Revenues” under the Fifty-First Supplement.

814           **SECTION 20: DAMAGED, MUTILATED, LOST, STOLEN, OR**  
815 **DESTROYED BONDS.** In the event any Outstanding Bond is damaged,  
816 mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be  
817 printed, executed, and delivered, a new bond of the same principal amount,  
818 maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed  
819 Bond, in replacement for the Bond in the manner provided in this Section. An  
820 application for the replacement of damaged, mutilated, lost, stolen, or destroyed  
821 Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or  
822 destruction of a Bond, the applicant for a replacement bond shall furnish to the  
823 City and to the Paying Agent/Registrar security or indemnity as may be required  
824 by them to save each of them harmless from any loss or damage with respect  
825 thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant  
826 shall furnish to the City and to the Paying Agent/Registrar evidence to their  
827 satisfaction of the loss, theft, or destruction of the Bond, as the case may be. In  
828 every case of damage or mutilation of a Bond, the applicant shall surrender to the  
829 Paying Agent/Registrar for cancellation the Bond so damaged or mutilated. Prior  
830 to the issuance of any replacement bond, the Paying Agent/Registrar shall charge  
831 the owner of the Bond with all legal, printing, and other expenses in connection  
832 with this issuance. Every replacement bond issued pursuant to the provisions of  
833 this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall  
834 constitute a contractual obligation of the City whether the lost, stolen, or destroyed  
835 Bond shall be found at any time, or be enforceable by anyone, and shall be entitled  
836 to all the benefits of the Fifty-First Supplement equally and proportionately with  
837 any and all other Bonds issued under the Fifty-First Supplement.

838           Notwithstanding the preceding provisions of this Section, in the event any  
839 Bond shall have matured, and no default has occurred which is then continuing in  
840 the payment of the principal of, redemption premium, if any, or interest on the  
841 Bond, the City may authorize the payment of the same (without surrender of the  
842 Bond except in the case of a damaged or mutilated Bond) instead of issuing a  
843 replacement Bond, provided security or indemnity is furnished as above provided  
844 in this Section. Furthermore, in accordance with Chapter 1206 (specifically  
845 Section 1206.022), this Section shall constitute authority for the issuance of any  
846 replacement bond without necessity of further action by the governing body of the  
847 City or any other body or person, and the duty of the replacement of Bonds is  
848 authorized and imposed upon the Paying Agent/Registrar, and the Paying  
849 Agent/Registrar shall authenticate and deliver replacement bonds in the form and  
850 manner and with the effect, as provided in Section 6 of the Fifty-First Supplement  
851 for Bonds issued in exchange for other Bonds.

852           **SECTION 21: EQUAL SECURITY.** The pledge made in the Fifty-First  
853 Supplement by the City and the covenants and agreements set forth in the Fifty-

854 First Supplement to be performed by the City shall be for the equal and  
855 proportionate benefit, security, and protection of all Holders, without preference,  
856 priority, or distinction as to security or otherwise of any of the Bonds authorized  
857 under the Fifty-First Supplement over any of the others by reason of time of  
858 issuance, sale, or maturity or otherwise for any cause whatsoever, except as  
859 expressly provided in or permitted by the Fifty-First Supplement.

860 SECTION 22: CONTINUING DISCLOSURE UNDERTAKING.

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

863 “MSRB” means the Municipal Securities Rulemaking Board.

864 “Rule” means SEC Rule 15c2-12, as amended from time to  
865 time.

866 “SEC” means the United States Securities and Exchange  
867 Commission.

868 (b) Annual Reports. The City shall provide annually to the MSRB (1)  
869 within six months after the end of each fiscal year ending in or after 2026, financial  
870 information and operating data with respect to the City of the general type included  
871 in the final Official Statement and which is described in **Exhibit B** to the Fifty-  
872 First Supplement, and (2) if not provided as part of the financial information and  
873 operating data, audited financial statements of the City, when and if available.  
874 Any financial statements provided shall be prepared in accordance with the  
875 accounting principles described in **Exhibit B** to the Fifty-First Supplement, or  
876 other accounting principles as the City may be required to employ from time to  
877 time pursuant to state law or regulation, and audited, if the City commissions an  
878 audit of the statements and the audit is completed within twelve months after the  
879 end of each fiscal year ending in or after 2026. If audited financial statements of  
880 the City are not available by the end of the 12 month period, the City will provide  
881 notice that the audited financial statements are not available, and will provide  
882 unaudited financial statements by the end of the 12 month period and audited  
883 financial statements for the applicable fiscal year when and if the audited financial  
884 statements become available.

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

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

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

- 896 (1) Principal and interest payment delinquencies;
- 897 (2) Non-payment related defaults, if material;
- 898 (3) Unscheduled draws on debt service reserves reflecting financial  
899 difficulties;
- 900 (4) Unscheduled draws on credit enhancements reflecting financial  
901 difficulties;
- 902 (5) Substitution of credit or liquidity providers, or their failure to perform;
- 903 (6) Adverse tax opinions, the issuance by the Internal Revenue Service of  
904 proposed or final determinations of taxability, Notices of Proposed  
905 Issue (IRS Form 5701-TEB), or other material notices or  
906 determinations with respect to the tax status of the Bonds, or other  
907 material events affecting the tax status of the Bonds;
- 908 (7) Modifications to rights of holders of the Bonds, if material;
- 909 (8) Bond calls, if material, and tender offers;
- 910 (9) Defeasances;
- 911 (10) Release, substitution, or sale of property securing repayment of the  
912 Bonds, if material;
- 913 (11) Rating changes;
- 914 (12) Bankruptcy, insolvency, receivership, or similar event of the City,  
915 which shall occur as described below;
- 916 (13) The consummation of a merger, consolidation, or acquisition  
917 involving the City or the sale of all or substantially all of its assets,  
918 other than in the ordinary course of business, the entry into a  
919 definitive agreement to undertake such an action or the termination of  
920 a definitive agreement relating to any such actions, other than  
921 pursuant to its terms, if material;
- 922 (14) Appointment of a successor or additional trustee or the change of  
923 name of a trustee, if material;
- 924 (15) Incurrence of a Financial Obligation of the Obligated Person, if  
925 material, or agreement to covenants, events of default, remedies,  
926 priority rights, or other similar terms of a Financial Obligation of the  
927 Obligated Person, any of which affect security holders, if material;  
928 and

929 (16) Default, event of acceleration, termination event, modification of  
930 terms, or other similar event under the terms of a Financial Obligation  
931 of the Obligated Person, and which reflect financial difficulties.  
932

933 The City shall notify the MSRB, in a timely manner, of any failure by the City to  
934 provide financial information or operating data in accordance with this Section by  
935 the time required by this Section.  
936

937 For these purposes, any event described in the immediately preceding  
938 paragraph 12 is considered to occur when any of the following occur: the  
939 appointment of a receiver, fiscal agent, or similar officer for the City in a  
940 proceeding under the United States Bankruptcy Code or in any other proceeding  
941 under state or federal law in which a court or governmental authority has assumed  
942 jurisdiction over substantially all of the assets or business of the City, or if  
943 jurisdiction has been assumed by leaving the existing governing body and officials  
944 or officers in possession but subject to the supervision and orders of a court or  
945 governmental authority, or the entry of an order confirming a plan of  
946 reorganization, arrangement, or liquidation by a court or governmental authority  
947 having supervision or jurisdiction over substantially all of the assets or business of  
948 the City.  
949

950 As used in paragraphs 15 and 16 above, the term "Financial Obligation"  
951 means: (i) a debt obligation; (ii) a derivative instrument entered into in connection  
952 with, or pledged as security or a source of payment for, an existing or planned debt  
953 obligation; or (iii) a guarantee of (i) or (ii), however, the term Financial Obligation  
954 shall not include Municipal Securities as to which a final official statement has  
955 been provided to the MSRB consistent with the Rule; the term "Municipal  
956 Securities" means securities which are direct obligations of, or obligations  
957 guaranteed as to principal or interest by, a state or any political subdivision thereof,  
958 or any agency or instrumentality of a state or any political subdivision thereof, or  
959 any municipal corporate instrumentality of one or more states and any other  
960 Municipal Securities described by Section 3(a)(29) of the Securities Exchange Act  
961 of 1934, as the same may be amended from time to time; and the term "Obligated  
962 Person" means the City.  
963

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

967 (d) Filings with the MSRB. All financial information, operating data,  
968 financial statements, notices, and other documents provided to the MSRB in  
969 accordance with this Section shall be provided in an electronic format prescribed

970 by the MSRB and shall be accompanied by identifying information as prescribed  
971 by the MSRB.

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

979 The provisions of this Section are for the sole benefit of the Holders and  
980 beneficial owners of the Bonds, and nothing in this Section, express or implied,  
981 shall give any benefit or any legal or equitable right, remedy, or claim to any other  
982 person. The City undertakes to provide only the financial information, operating  
983 data, financial statements, and notices which it has expressly agreed to provide  
984 pursuant to this Section and does not undertake to provide any other information  
985 that may be relevant or material to a complete presentation of the financial results,  
986 condition, or prospects of the City or the State of Texas or undertake to update any  
987 information provided in accordance with this Section or otherwise, except as  
988 expressly provided in this Section. The City does not make any representation or  
989 warranty concerning the information or its usefulness to a decision to invest in or  
990 sell Bonds at any future date.

991 UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO  
992 THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER  
993 PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN  
994 WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER  
995 NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT  
996 SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY  
997 PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY  
998 BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR  
999 SPECIFIC PERFORMANCE.

1000 No default by the City in observing or performing its obligations under this  
1001 Section shall constitute a breach of or default under the Fifty-First Supplement for  
1002 purposes of any other provision of the Fifty-First Supplement.

1003 Nothing in this Section is intended or shall act to disclaim, waive, or  
1004 otherwise limit the duties of the City under federal and state securities laws.

1005           Should the Rule be amended to obligate the City to make filings with or  
1006 provide notices to entities other than the MSRB, the City agrees to undertake the  
1007 obligation in accordance with the Rule as amended.

1008           Notwithstanding any provisions in the Fifty-First Supplement to the  
1009 contrary, the provisions of this Section may be amended by the City from time to  
1010 time to adapt to changed circumstances resulting from a change in legal  
1011 requirements, a change in law, or a change in the identity, nature, status, or type of  
1012 operations of the City, but only if (1) the provisions of this Section, as so amended,  
1013 would have permitted an underwriter to purchase or sell Bonds in the primary  
1014 offering of the Bonds in compliance with the Rule, taking into account any  
1015 amendments or interpretations of the Rule to the date of the amendment, as well as  
1016 the changed circumstances, and (2) either (a) the Holders of a majority in  
1017 aggregate principal amount (or any greater amount required by any other provision  
1018 of the Fifty-First Supplement that authorizes the amendment) of the Outstanding  
1019 Bonds consent to the amendment or (b) a Person that is unaffiliated with the City  
1020 and the State of Texas (such as nationally recognized bond counsel) determines  
1021 that the amendment will not materially impair the interests of the Holders and  
1022 beneficial owners of the Bonds. The provisions of this Section may also be  
1023 amended from time to time or repealed by the City if the SEC amends or repeals  
1024 the applicable provisions of the Rule or a court of final jurisdiction determines that  
1025 the provisions are invalid, but only if and to the extent that reservation of the City's  
1026 right to do so would not prevent underwriters of the initial public offering of the  
1027 Bonds from lawfully purchasing or selling Bonds in the offering. If the City so  
1028 amends the provisions of this Section, it shall include with any amended financial  
1029 information or operating data next provided in accordance with subsection (b) an  
1030 explanation, in narrative form, of the reasons for the amendment and of the impact  
1031 of any change in the type of financial information or operating data so provided.

1032           **SECTION 23: REMEDY IN EVENT OF DEFAULT.** In addition to all  
1033 rights and remedies provided by the laws of the State of Texas, the City covenants  
1034 and agrees particularly that in the event the City (a) defaults in payments to be  
1035 made to the Debt Service Fund as required by the Fifty-First Supplement or the  
1036 Master Ordinance, (b) defaults in the observance or performance of any other of  
1037 the covenants, conditions or obligations set forth in the Fifty-First Supplement or  
1038 the Master Ordinance or (c) the City declares bankruptcy, the Holders of any of the  
1039 Bonds shall be entitled to a writ of mandamus issued by a court of proper  
1040 jurisdiction, compelling and requiring the City and its officers to observe and  
1041 perform any covenant, condition or obligation prescribed in the Fifty-First  
1042 Supplement or the Master Ordinance. No delay or omission to exercise any right  
1043 or power accruing upon any default shall impair any such right or power, or shall  
1044 be construed to be a waiver of any such default or acquiescence in such default,

1045 and every such right and power may be exercised from time to time and as often as  
1046 may be deemed expedient.

1047 The specific remedy provided in this Section shall be cumulative of all other  
1048 existing remedies and the specification of such remedy shall not be deemed to be  
1049 exclusive.

1050 **SECTION 24: SALE OF BONDS; OFFICIAL STATEMENT**  
1051 **APPROVAL.** The Bonds of a series are to be sold by the City to the Underwriters  
1052 in accordance with the terms of a Bond Purchase Agreement. The terms and  
1053 provisions of a Bond Purchase Agreement are to be determined by the Pricing  
1054 Officer, in accordance with Sections 3 and 4 of the Fifty-First Supplement. With  
1055 regard to the terms and provisions of a Bond Purchase Agreement, the Pricing  
1056 Officer may come to an agreement with the Underwriters on the following, among  
1057 other matters:

- 1058 (1) The details of the purchase and sale of the Bonds;
- 1059 (2) The details of the public offering of the Bonds by the Underwriters;
- 1060 (3) The details of an Official Statement (and, if appropriate, any  
1061 Preliminary Official Statement) relating to the Bonds of a series and  
1062 the City's compliance with the Rule;
- 1063 (4) A security deposit for the Bonds;
- 1064 (5) The representations and warranties of the City to the Underwriters;
- 1065 (6) The details of the delivery of, and payment for, the Bonds;
- 1066 (7) The Underwriters' obligations under a Bond Purchase Agreement;
- 1067 (8) The certain conditions to the obligations of the City under a Bond  
1068 Purchase Agreement;
- 1069 (9) Termination of a Bond Purchase Agreement;
- 1070 (10) Particular covenants of the City;
- 1071 (11) The survival of representations made in a Bond Purchase Agreement;
- 1072 (12) The payment of any expenses relating to a Bond Purchase Agreement;
- 1073 (13) Notices; and
- 1074 (14) Any and all such other details that are found by the Pricing Officer to  
1075 be necessary and advisable for the purchase and sale of the Bonds of a  
1076 series.

1077 The Pricing Officer may execute a Bond Purchase Agreement for and on  
1078 behalf of the City and as the act and deed of council.

1079 The Mayor and City Clerk of the City may manually or electronically  
1080 execute and deliver for and on behalf of the City copies of a Preliminary Official  
1081 Statement and Official Statement, prepared in connection with the offering of the

1082 Bonds of a series by the Underwriters, in final form as may be required by the  
1083 Underwriters, and the final Official Statement in the form and content as approved  
1084 by the Pricing Officer or as manually or electronically executed by the City  
1085 officials shall be deemed to be approved by council and constitute the Official  
1086 Statement authorized for distribution and use by the Underwriters.

1087         **SECTION 25: ESCROW AGREEMENT.** An Escrow Agreement by and  
1088 between the City and the Escrow Agent, if an agreement is required in connection  
1089 with the issuance of Bonds to refund the Refunded Bonds, substantially in the form  
1090 of escrow agreements previously approved by council in connection with the  
1091 refunding of outstanding obligations, is approved. The Escrow Agent is not a  
1092 depository bank of the City and is named as Escrow Agent in furtherance of the  
1093 provisions of Section 1207.061(a)(3), Texas Government Code. The Escrow  
1094 Agreement is authorized to be finalized and executed by the Pricing Officer for and  
1095 on behalf of the City and as the act and deed of council; and the Escrow  
1096 Agreement as executed by the Pricing Officer shall be deemed approved by the  
1097 council and constitute the Escrow Agreement approved by the Fifty-First  
1098 Supplement. With regard to the finalization of certain terms and provisions of the  
1099 Escrow Agreement, a Pricing Officer is authorized to come to an agreement with  
1100 the Escrow Agent on the following details, among other matters:

- 1101           (a) The identification of the Refunded Bonds;
- 1102           (b) The creation and funding of the Escrow Fund or Funds; and
- 1103           (c) The Escrow Agent's compensation, administration of the Escrow  
1104 Fund or Funds, and the settlement of any paying agents' charges relating to the  
1105 Refunded Bonds.

1106         Furthermore, appropriate officials of the City in cooperation with the Escrow  
1107 Agent are authorized and directed to make the necessary arrangements for the  
1108 purchase of the escrowed securities referenced in the Escrow Agreement and the  
1109 delivery thereof to the Escrow Agent on the day of delivery of the Bonds of a  
1110 series to the Underwriters for deposit to the credit of the "CITY OF AUSTIN,  
1111 TEXAS, WATER AND WASTEWATER SYSTEM REVENUE REFUNDING  
1112 AND IMPROVEMENT BONDS, SERIES 2026 ESCROW FUND" (referred to as  
1113 the "Escrow Fund"), all as contemplated and provided in Chapter 1207, the Fifty-  
1114 First Supplement, a Bond Purchase Agreement governing the sale of a series of  
1115 Bonds, and the Escrow Agreement. The blank in the name of the Escrow Fund  
1116 will be completed to correspond to the series designation of Bonds sold for the  
1117 purpose of refunding Refunded Bonds.

1118 On or immediately prior to the date of the delivery of the Bonds to the  
1119 Underwriters, the Pricing Officer shall also cause to be deposited (and is  
1120 authorized to cause to be deposited) with the Escrow Agent from moneys on  
1121 deposit in the debt service fund(s) maintained for the payment of the Refunded  
1122 Bonds an amount which, together with the proceeds of sale, and the investment  
1123 earnings thereon, will be sufficient to pay in full the Refunded Bonds (or the  
1124 amount of accrued interest due thereon) scheduled to mature and authorized to be  
1125 redeemed on the earliest date established in the Bond Purchase Agreement for the  
1126 redemption of any of the Refunded Bonds (or the earliest date of payment, to be  
1127 made from moneys in the Escrow Fund(s), as established in the Bond Purchase  
1128 Agreement, of the amount of accrued interest due thereon).

1129 **SECTION 26: REFUNDED BONDS.** (a) In order to provide for the  
1130 refunding, discharge, and retirement of the Refunded Bonds, the Refunded Bonds,  
1131 identified, described, and in the amounts set forth in the Bond Purchase Agreement  
1132 or Pricing Certificate, are called for redemption on the first date(s) the Refunded  
1133 Bonds are subject to redemption or such other date specified by the Pricing Officer  
1134 in the Bond Purchase Agreement or Pricing Certificate at the price of par plus  
1135 accrued interest to the redemption dates, and notice of any redemption shall be  
1136 given in accordance with the applicable provisions of the ordinance(s) adopted by  
1137 council, which authorized the issuance of the Refunded Bonds. The Pricing  
1138 Officer is authorized and directed to issue or cause to be issued a Notice of  
1139 Redemption for each series of the Refunded Bonds in substantially the form(s)  
1140 required by the ordinance(s) which authorized the issuance of the Refunded Bonds,  
1141 to each and every paying agent/registrar for Refunded Bonds, in accordance with  
1142 the redemption provisions applicable to each series of the Refunded Bonds.

1143 (b) Each paying agent/registrar for Refunded Bonds is directed to provide  
1144 the appropriate notice(s) of redemption as required by the respective ordinances  
1145 authorizing the Refunded Bonds and is directed to make appropriate arrangements  
1146 so that the Refunded Bonds may be redeemed on their applicable redemption date.

1147 (c) The source of funds for payment of the principal of and interest on the  
1148 Refunded Bonds on their respective maturity or redemption dates shall be from the  
1149 funds deposited with the Escrow Agent or the paying agent/registrar for the  
1150 Refunded Bonds pursuant to the provisions of Chapter 1207 and Chapter 1371, as  
1151 applicable, the Fifty-First Supplement and the Bond Purchase Agreement.

1152 **SECTION 27: CONTROL AND CUSTODY OF BONDS.** The Pricing  
1153 Officer shall be and is authorized to take and have charge of all necessary orders  
1154 and records pending the sale of the Bonds, and shall take and have charge and  
1155 control of the Initial Bond(s) pending the approval thereof by the Attorney

1156 General, the registration thereof by the Comptroller of Public Accounts and the  
1157 delivery thereof to the Underwriters.

1158 Furthermore, the Mayor, Mayor Pro Tem, City Manager, any Deputy or  
1159 Assistant City Manager, Chief Financial Officer, Director of Financial Services or  
1160 any Deputy Financial Officer of the City, City Clerk, City Treasurer and City  
1161 Attorney, any one or more of these officials, are authorized and directed to furnish  
1162 and execute any documents relating to the City and its financial affairs as may be  
1163 necessary for the sale of the Bonds, the approval of the Attorney General and  
1164 registration by the Comptroller of Public Accounts and, together with the City's  
1165 financial advisor, bond counsel and the Paying Agent/Registrar, make the  
1166 necessary arrangements for their delivery to the Underwriters following the sale.

1167 **SECTION 28: PROCEEDS OF SALE.** Immediately following the  
1168 delivery of the Bonds of a series, the proceeds of sale (less those proceeds of sale  
1169 designated to pay costs of issuance and any accrued interest received from the  
1170 Underwriters) shall be deposited, together with other available funds of the City,  
1171 with (i) U.S. Bank Trust Company, National Association (the "Deposit Agent") for  
1172 the payment and discharge of the Refunded Notes, (ii) the Escrow Agent for the  
1173 payment and redemption of Refunded Bonds or (iii) deposited into the appropriate  
1174 construction fund or account established by the City to pay for the improvement  
1175 projects. The proceeds of sale of the Bonds of a series not so deposited with the  
1176 Escrow Agent for the refunding of the Refunded Bonds, with the Deposit Agent  
1177 for the refunding of the Refunded Notes or with the appropriate construction fund  
1178 or account established by the City to pay for the improvement projects shall be  
1179 disbursed for payment of costs of issuance or deposited in the Debt Service Fund  
1180 for the Bonds, all in accordance with written instructions from the City or its  
1181 financial advisor. Accrued interest, if any, received from the Underwriters shall be  
1182 deposited to the credit of the Debt Service Fund, and premium, if any, received  
1183 from the Underwriters as part of the purchase price of the Bonds shall be used in a  
1184 manner consistent with Chapter 1201 (specifically Section 1201.041(d)).

1185 Furthermore, appropriate officials of the City in cooperation with the  
1186 Deposit Agent and the Escrow Agent, as applicable, are authorized and directed to  
1187 make the necessary arrangements for the deposit of funds for the payment of the  
1188 Refunded Obligations, all as contemplated and provided in Chapter 1207 and the  
1189 Fifty-First Supplement.

1190 Additionally, the Pricing Officer shall determine the amount of any City  
1191 contribution to the refunding from moneys on deposit in the interest and sinking  
1192 fund(s) or reserve fund(s) maintained for the payment of the applicable Refunded  
1193 Obligations.

1194           **SECTION 29: LEGAL OPINION.** The obligation of the Underwriters to  
1195 accept delivery of the Bonds of a series is subject to being furnished a final opinion  
1196 of McCall, Parkhurst & Horton L.L.P., approving the Bonds as to their validity, the  
1197 opinion to be dated and delivered as of the date of initial delivery and payment for  
1198 the Bonds. A true and correct reproduction of the opinion is authorized to be  
1199 printed on the definitive Bonds or an executed counterpart of the opinion shall  
1200 accompany the global Bonds deposited with DTC.

1201           **SECTION 30: CUSIP NUMBERS.** CUSIP numbers may be printed or  
1202 typed on the definitive Bonds. It is expressly provided, however, that the presence  
1203 or absence of CUSIP numbers on the definitive Bonds shall be of no significance  
1204 or effect as regards the legality thereof and neither the City nor attorneys approving  
1205 the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly  
1206 printed or typed on the definitive Bonds.

1207           **SECTION 31: PAYMENT AND PERFORMANCE ON BUSINESS**  
1208 **DAYS.** Whenever under the terms of the Fifty-First Supplement or the Bonds, the  
1209 performance date of any provision of the Fifty-First Supplement or the Bonds,  
1210 including the payment of principal of or interest on the Bonds, shall occur on a day  
1211 other than a Business Day, then performance, including the payment of principal of  
1212 and interest on the Bonds, need not be made on that day but may be performed or  
1213 paid, as the case may be, on the next succeeding Business Day with the same force  
1214 and effect as if made on the date of performance or payment.

1215           **SECTION 32: LIMITATION OF BENEFITS WITH RESPECT TO**  
1216 **THE FIFTY-FIRST SUPPLEMENT.** With the exception of the rights or  
1217 benefits expressly conferred in the Fifty-First Supplement, nothing expressed or  
1218 contained in the Fifty-First Supplement or implied from the provisions of the Fifty-  
1219 First Supplement or the Bonds is intended or should be construed to confer upon or  
1220 give to any person other than the City, the Holders, and the Paying  
1221 Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason  
1222 of or in respect to the Fifty-First Supplement or any covenant, condition,  
1223 stipulation, promise, agreement, or provision contained in the Fifty-First  
1224 Supplement. The Fifty-First Supplement and all of the covenants, conditions,  
1225 stipulations, promises, agreements, and provisions of the Fifty-First Supplement  
1226 are intended to be and shall be for and inure to the sole and exclusive benefit of the  
1227 City, the Holders, and the Paying Agent/Registrar as provided in the Fifty-First  
1228 Supplement and in the Bonds.

1229           **SECTION 33: NOTICES TO HOLDERS - WAIVER.** Wherever the  
1230 Fifty-First Supplement provides for notice to Holders of any event, the notice shall  
1231 be sufficiently given (unless otherwise expressly provided in the Fifty-First

1232 Supplement) if in writing and sent by United States Mail, first class postage  
1233 prepaid, to the address of each Holder appearing in the Security Register at the  
1234 close of business on the Business Day next preceding the mailing of the notice.

1235 In any case where notice to Holders is given by mail, neither the failure to  
1236 mail the notice to any particular Holders nor any defect in any notice so mailed  
1237 shall affect the sufficiency of the notice with respect to all other Bonds. Where the  
1238 Fifty-First Supplement provides for notice in any manner, the notice may be  
1239 waived in writing by the Holder entitled to receive the notice, either before or after  
1240 the event with respect to which notice is given, and the waiver shall be the  
1241 equivalent of the notice. Waivers of notice by Holders shall be filed with the  
1242 Paying Agent/Registrar, but a filing shall not be a condition precedent to the  
1243 validity of any action taken in reliance upon the waiver.

1244 SECTION 34: **GOVERNING LAW.** The Fifty-First Supplement shall be  
1245 construed and enforced in accordance with the laws of the State of Texas and the  
1246 United States of America.

1247 SECTION 35: **EFFECT OF HEADINGS.** The Section headings in the  
1248 Fifty-First Supplement are for convenience of reference only and shall not affect  
1249 the construction of the Fifty-First Supplement.

1250 SECTION 36: **CONSTRUCTION OF TERMS.** If appropriate in the  
1251 context of the Fifty-First Supplement, words of the singular number shall be  
1252 considered to include the plural, words of the plural number shall be considered to  
1253 include the singular, and words of the masculine, feminine or neuter gender shall  
1254 be considered to include the other genders. References to any named person shall  
1255 mean that person and his or her successors and assigns. References to any office  
1256 shall include the person holding the office in an interim, acting or permanent  
1257 capacity. References to any constitutional, statutory or regulatory provision means  
1258 the provision as it exists on the date the Fifty-First Supplement is adopted by  
1259 council. Any reference to the payment of principal in the Fifty-First Supplement  
1260 shall include the payment of any mandatory sinking fund redemption payments as  
1261 described in the Fifty-First Supplement. Any reference to "FORM OF BOND"  
1262 refers to the form of the Bonds in **Exhibit A** to the Fifty-First Supplement. Any  
1263 reference to Bonds of a series will mean the series designation of Bonds set forth in  
1264 a Bond Purchase Agreement.

1265 SECTION 37: **SEVERABILITY.** If any provision of the Fifty-First  
1266 Supplement or its application to any circumstance shall be held to be invalid, the  
1267 remainder of the Fifty-First Supplement and its application to other circumstances



**PASSED AND APPROVED  
MARCH 12, 2026**

CITY OF AUSTIN, TEXAS

\_\_\_\_\_  
KIRK WATSON  
Mayor

**ATTEST:**

**APPROVED:**

\_\_\_\_\_  
ERIKA BRADY  
City Clerk

\_\_\_\_\_  
DEBORAH THOMAS  
City Attorney

(City Seal)

# SCHEDULE I

## SCHEDULE OF REFUNDED BONDS

City of Austin, Texas Water and Wastewater System Revenue Refunding Bonds, Series 2015A

EXHIBIT A

This FORM OF BOND may be revised as provided in the Fifty-First Supplement to conform to the purpose and terms of the sale of the Bonds.

FORM OF BOND

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

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

UNITED STATES OF AMERICA  
STATE OF TEXAS  
CITY OF AUSTIN, TEXAS,  
WATER AND WASTEWATER SYSTEM  
REVENUE REFUNDING AND IMPROVEMENT BOND, SERIES 202\_

Date of Initial Delivery    Interest Rate    Stated Maturity    CUSIP No.  
\_\_\_\_\_, 202\_    \_\_\_\_\_    \_\_\_\_\_    \_\_\_\_\_

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 Date of Initial Delivery at the per annum rate of interest specified above); such interest being payable on \_\_\_\_\_ 15, 2026, and on each succeeding \_\_\_\_\_ 15 and \_\_\_\_\_ 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-First Supplemental Ordinance to the Master Ordinance (the "Fifty-First 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. 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, dated as of \_\_\_\_\_, is one of the series specified in its title, issued in the aggregate principal amount of \$\_\_\_\_\_ (the "Bonds") for the purpose of financing the costs of acquisition and construction of improvements, additions and extensions to the City's Water/Wastewater System, refinancing and refunding the Refunded Obligations (identified and defined in the Fifty-First Supplement), and paying costs of issuance, in conformity with the Constitution and laws of the State of Texas, including V.T.C.A., Government Code, Chapter 1502 Chapter 1207, Chapter 1371 and pursuant to a Master Ordinance and the Fifty-First Supplement adopted by the City Council of the City (collectively referred to as the "Ordinances").

The Bonds maturing on and after \_\_\_\_\_ 15, 203\_, 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 \_\_\_\_\_ 15, 203\_, or on any date thereafter at the redemption price of par plus accrued interest thereon to the redemption date.

The Bonds maturing on \_\_\_\_\_ 15 in the years 20\_\_ and 20\_\_ (the "Term Bonds") are subject to mandatory redemption prior to maturity with funds on deposit in the Debt Service Fund established and maintained for the payment of the

Bonds in the Master Ordinance, and shall be redeemed in part prior to maturity at the price of par and accrued interest thereon to the date of redemption, and without premium, on the dates and in the principal amounts as follows:

<u>Term Bonds Maturing</u>	<u>15, 20</u>	<u>Term Bonds Maturing</u>	<u>15, 20</u>
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
*		*	

\*Stated maturity

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

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 Ordinances. If a Bond (or any portion of its principal sum) shall have been called for redemption and notice of such redemption given, then upon 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 denominations provided by the Ordinances 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 notice of conditional 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 conditional 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 Ordinances. 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 Ordinances. THE BONDS ARE NOT SECURED BY A LIEN ON THE RESERVE FUND ESTABLISHED FOR THE BENEFIT OF CERTAIN OF THE PREVIOUSLY ISSUED PARITY WATER/WASTEWATER OBLIGATIONS, AND THE FIFTY-FIRST SUPPLEMENT DOES NOT REQUIRE THE CITY TO FUND THE RESERVE FUND FOR THE BENEFIT OF THE HOLDERS OF THE BONDS. 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 Ordinances, 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 the Ordinances 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 Ordinances may be discharged at or prior to the maturity of this Bond, and this Bond deemed to be no longer Outstanding under the Ordinances; and for the other terms and provisions contained in the Ordinances. Capitalized terms used in this Bond have the same meanings assigned in the Ordinances.

This Bond, subject to certain limitations contained in the Ordinances, 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, and the Ordinances; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the 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 and the Ordinances shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

CITY OF AUSTIN, TEXAS

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Kirk Watson  
Mayor, City of Austin, Texas

COUNTERSIGNED:

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Erika Brady  
City Clerk, City of Austin, Texas

(SEAL)



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 Ordinances; 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 \_\_\_\_\_, Texas is the Designated Payment/Transfer Office for this Bond.

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

Registration date:

\_\_\_\_\_

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 of a series 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 "Date of Initial Delivery", "Interest Rate", "Stated Maturity" and "CUSIP No." shall be omitted; and
- (ii) Paragraph one shall read as follows:

Registered Owner:

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

Date of Initial Delivery: \_\_\_\_\_, 202\_

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:

Maturity Date    Principal Amount (\$)    Interest Rate (%)

and to pay interest thereon from the date of initial delivery specified above, on \_\_\_\_\_ 15, 2026, and semiannually on each \_\_\_\_\_ 15 and \_\_\_\_\_ 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-First 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:

- 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.