ORDINANCE NO.

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2025B (SWIRFT)

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:

"Authorized Denomination" means any integral multiple of $5,000.

"Beneficial Owner" shall have the meaning given in Section 7 of the Fiftieth Supplement.

"Board Resolution" means Resolution No. 25-096 adopted by the TWDB on July 24, 2025, approving the purchase of the Bonds from the City.

"Bonds" means the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2025B (SWIRFT)" authorized for issuance by the Fiftieth 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 1206" means V.T.C.A., Government Code, Chapter 1206.

"Chapter 1208" means V.T.C.A., Government Code, Chapter 1208.

"Chapter 1502" means V.T.C.A., Government Code, Chapter 1502.

"Chapter 2256" means V.T.C.A., Government Code, Chapter 2256.

"Chapter 2257" means V.T.C.A., Government Code, Chapter 2257.

"Code" means the Internal Revenue Code of 1986.

"Concurrent Bonds" means, the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2025A (SWIRFT)" authorized for issuance by the Forty-Ninth Supplement.

"Construction Fund" shall have the meaning given in Section 36 of the Fiftieth Supplement.

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

"Fiftieth Supplement" means this Ordinance No. 20251023-___ authorizing the issuance of the Bonds.

"Forty-Ninth Supplement" means Ordinance No. 20251023-___ authorizing the issuance of the Concurrent Bonds.

"Holders" means the registered owners or holders of the Bonds.

"Initial Bond" shall have the meaning given in Section 9 of the Fiftieth Supplement.

"Master Ordinance" means Ordinance No. 000608-56A passed by council on June 8, 2000.

"Paying Agent/Registrar" means U.S. Bank Trust Company, National Association, Irving, Texas.

"Paying Agent/Registrar Agreement" means the agreement between the City and the Paying Agent/Registrar as described in Section 5 of this Fiftieth Supplement.

"Previously Issued Parity Water/Wastewater Obligations" means the outstanding (1) City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2010", (2) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2010B (Direct Subsidy-Build America Bonds)", (3) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2012", (4) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2013A", (5) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2014", (6) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2015A",

(7) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2016", (8) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2016A", (9) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2017", (10) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2017A", (11) "City of Austin, Texas Water and Wastewater System Revenue Bonds, Series 2018", (12) "City of Austin, Texas Water and Wastewater System Revenue Bonds, Series 2019", (13) "City of Austin, Texas Water and Wastewater System Revenue Bonds, Series 2020A", (14) "City of Austin, Texas Water and Wastewater System Revenue Bonds, Series 2020B", (15) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2020C", (16) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2020D", (17) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2021", (18) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021A", (19) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021B", (20) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021C", (21) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021D (CWSRF)", (22) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2021E (DWSRF)", (23) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2022", (24) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2022A (SWIRFT)" (25) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2022B (DWSRF)", (26) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2022C (CWSRF)", (27) "City of Austin, Texas, Water and Wastewater System Revenue Refunding Bonds, Series 2023 (Forward Delivery)", (28) "City of Austin, Texas Water and Wastewater System Revenue Bonds, Series 2023A (SWIRFT), (29) "City of Austin, Texas, Water and Wastewater System Revenue Refunding and Improvement Bonds, Series 2024" and (30) "City of Austin, Texas, Water and Wastewater System Revenue Bonds, Series 2024A (SWIRFT)".

"Prior Supplements" mean Ordinances Nos. 20091217-004, 20101118-074, 20120628-101, 20130620-074, 20140522-040, 20150604-038, 20160421-011, 20161020-002, 20170622-016, 20171012-002, 20181018-004, 20191003-002, 20200123-106, 20200123-107, 20200927-057, 20201029-041, 20201210-004, 20201210-005, 20211014-004, 20211014-005, 20211014-006, 20211014-009, 20220915-003, 20221013-002, 20221013-003 20221013-004, 20231019-002, 20240502-015 and 20241024-006 authorizing the issuance of the Previously Issued Parity Water/Wastewater Obligations.

"Purchaser" or "TWDB" means the Texas Water Development Board.

"Security Register" shall have the meaning given in Section 5 of the Fiftieth Supplement.

"State" means the State of Texas.

"State Water Plan" means the State's comprehensive water plan prepared, developed, formulated and adopted by the TWDB under authority of Subchapter C of Chapter 16, Texas Water Code.

The terms used in the Fiftieth Supplement and not otherwise defined shall have the meanings given in the Master Ordinance or the Prior Supplements.

The Bonds shall be secured by a lien on, and pledge of, the Net Revenues on parity with the outstanding "Parity Water/Wastewater Obligations" issued in accordance with and under the terms and provisions of the Master Ordinance and the Prior Supplements.

SECTION 2: **AUTHORIZATION – DESIGNATION – PRINCIPAL AMOUNT - PURPOSE**. Revenue bonds of the City shall be and are authorized to be issued in the aggregate principal amount of $3,000,000 and designated the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2025B (SWIRFT)" (the "Bonds"), for the purpose of improving and extending the Water/Wastewater System by financing projects that are part of the State Water Plan, and paying costs of issuance, in conformity with the Constitution and laws of the State, including Chapter 1502.

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

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

(a) The Bonds shall be dated September 25, 2025 (the "Dated Date"), shall be in any Authorized Denomination, shall bear interest from their Delivery Date in the manner described in the FORM OF BOND at the rates per annum, and the principal on the Bonds shall mature on November 15 in each of the years and in the amounts, respectively, set forth in Schedule I attached to this Fiftieth Supplement.

(b) The City may redeem Bonds prior to their scheduled maturity on the dates and in the manner set forth in the FORM OF BOND. If less than all of the maturities of the Bonds are redeemed by the City, the City shall determine the maturities and amounts to be redeemed and shall direct the Paying Agent/Registrar to call Bonds by lot within a maturity and in a principal amount for redemption. Notice of any redemption shall be given in the manner set forth in the FORM OF BOND. Notice of any redemption also shall be given by United States mail, first class postage prepaid, (i) at least 30 days prior to the scheduled redemption date to the MSRB and to any national information service that disseminates redemption notices, and (ii) at least 90 days prior to the scheduled redemption date to the TWDB. Any notice sent to the MSRB and to any national information service that disseminates redemption notices must be sent so that the notice is received at least two days prior to the general mailing of notice as set forth in the FORM OF BOND.

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

SECTION 5: **TERMS OF PAYMENT - PAYING AGENT /REGISTRAR**. The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity, redemption or otherwise, shall be payable only to the Holders appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment shall be 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, and shall be without exchange or collection charges to the Holders.

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

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

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

In the event of a non-payment of interest on one or more maturities on a scheduled payment date, and for 30 days thereafter, a new record date for the interest payment for the maturity or maturities (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of 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 15 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 of such maturity or maturities appearing on the Security Register at the close of business on the last Business Day next preceding the date of mailing of the notice.

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 8: **EXECUTION - REGISTRATION**. The Bonds shall be executed on behalf of the City by the Mayor or Mayor Pro Tem under its seal reproduced or impressed on the Bonds and countersigned by the City Clerk. The signature of the officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the City on the Dated Date shall be deemed to be executed on behalf of the City, notwithstanding that those individuals or either of them shall cease to hold the offices at the time of delivery of the Bonds to the Purchaser and with respect to

Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201.

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

SECTION 9: **INITIAL BOND**. The Bonds shall be initially issued as a single fully registered bond, payable in the aggregate principal amount of the Bonds, and numbered T-1 (the "Initial Bond"). The Initial Bond shall be registered in the name of the Purchaser or its designee. The Initial Bond shall be submitted to the Office of the Attorney General of the State for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State and delivered to the Purchaser. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchaser, or its designee, shall cancel the Initial Bond delivered and exchange for the Initial Bond definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified for the Holders; all pursuant to and in accordance with such written instructions from the Purchaser, or its designee, and any other information and documentation as the Paying Agent/Registrar may reasonably require.

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

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

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

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

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

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

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

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

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

The Reserve Fund shall be funded with proceeds of the Bonds, in the amount described in the letter of instructions executed in accordance with Section 26 of the Fiftieth Supplement, and in accordance with the Board Resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) to ensure that the proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through closing and final disbursement;

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

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

(j) to pay to the United States of America at least once during each five-year period (beginning on the Delivery Date of the Bonds) an amount that is at least equal to 90 percent of the "excess earnings", within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code and to use reasonable diligence to ensure that no errors are made in the calculation of the amount due to the United States of America, and if an error is made, to discover and promptly correct such error within a reasonable amount of time; and

(k) neither the City nor any related party to the City will purchase as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of a refunding bond, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of the issuance of the Bonds. It is the understanding of the City that these covenants are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant to the Code. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the City will not be required to comply with any covenant contained in this Section to the extent that the failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of the foregoing, the Mayor, the City Manager, any Assistant City Manager, the Chief Financial Officer of the City, the Director of Financial Services, any Deputy

Financial Officer of the City and the City Treasurer may execute any certificates or other reports required by the Code and make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds. In order to facilitate compliance with the above clause (i), a "Rebate Fund" is established by the City for the sole benefit of the United States of America, and the Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

SECTION 16A: **ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE BOND-FINANCED PROPERTY; DISPOSITION OF BOND-FINANCED PROPERTY**.

The City covenants to account for on its books and records the expenditure of proceeds from the sale of the Bonds and any investment earnings thereon to be used for the improvement and extension of the Water/Wastewater System (referred to in this Section as a "Project") by allocating proceeds to expenditures within 18 months of the later of the date that (a) the expenditure on a Project is made or (b) each such Project is completed. The foregoing notwithstanding, the City shall not expend such proceeds or investment earnings more than 60 days after the later of (a) the fifth anniversary of the Delivery Date of the Bonds or (b) the date the Bonds are retired, unless the City obtains an opinion of nationally-recognized bond counsel substantially to the effect that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes of this Section, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

SECTION 17: **AMENDMENT OF FIFTIETH SUPPLEMENT**.

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

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

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

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

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

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

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

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

(1) To add to the covenants and agreements of the City contained in the Fiftieth Supplement, other covenants and agreements thereafter to be observed, grant additional rights or remedies to the owners of the Bonds or to surrender, restrict or limit any right or power reserved in the Fiftieth Supplement to or conferred upon the City;

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

(3) To modify any of the provisions of the Fiftieth Supplement in any other respect whatever, provided that any modification shall be, and be expressed to be, effective only after all the Bonds outstanding at the date of the adoption of the modification shall cease to be outstanding;

(4) To make amendments to the Fiftieth Supplement as may be required, in the opinion of Bond Counsel, to ensure compliance with sections 103 and 141 through 150 of the Code and the regulations promulgated under and applicable to those sections and regulations;

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

(6) To make amendments to the Fiftieth Supplement as permitted by Section 21(e) of the Fiftieth Supplement;

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

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

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

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

SECTION 18: **FINAL DEPOSITS; GOVERNMENT OBLIGATIONS**. All or any of the Bonds shall be deemed to be paid, retired and no longer outstanding within the meaning of the Fiftieth Supplement when payment of the principal of, and redemption premium, if any, on the Bonds, plus interest on the Bonds to the due date (whether the due date is by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms of the Bonds, or (ii) shall have been provided by irrevocably depositing with, or making available to, the Paying Agent/Registrar, in trust and irrevocably set aside exclusively for this payment, (1) money sufficient to make the payment or (2) Government Obligations, certified by an independent public accounting firm of national reputation, to mature as to principal and interest in amounts and at the times as will insure the availability, without reinvestment, of sufficient money to make this payment, and all necessary and proper fees, compensation and expenses of the Paying Agent/Registrar with respect to which the deposit is made shall have been paid or the payment provided for the satisfaction of the Paying Agent/Registrar. Once a Bond shall be deemed to be paid under the Fiftieth Supplement, it shall no longer be secured by or entitled to the benefit of the Fiftieth Supplement, the Master Ordinance or a lien on and pledge of the Net Revenues of the Water/Wastewater System, and shall be entitled to payment solely from the money or Government Obligations.

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

Notwithstanding any other provisions of the Fiftieth Supplement, all money or Government Obligations set aside and held in trust pursuant to the provisions of this Section for the payment of the Bonds, the redemption premium, if any, and interest on the Bonds, shall be applied to and used for the payment of the Bonds, the redemption premium, if any, and interest on the Bonds and the income on the money or Government Obligations shall not be considered to be "Gross Revenues" under the Fiftieth Supplement.

SECTION 19: **DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS**. In the event any Outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for the Bond in the manner provided in this Section. An application for the replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement bond shall furnish to the City and to the Paying Agent/Registrar security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the applicant shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of the Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the owner of the Bond with all legal, printing, and other expenses in connection with this issuance. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the City whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of the Fiftieth Supplement equally and proportionately with any and all other Bonds issued under the Fiftieth Supplement.

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

SECTION 20: **EQUAL SECURITY**. The pledge made in the Fiftieth Supplement by the City and the covenants and agreements set forth in the Fiftieth Supplement to be performed by the City shall be for the equal and proportionate benefit, security, and protection of all Holders, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized under the Fiftieth Supplement over any of the others by reason of time of issuance, sale, or maturity or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Fiftieth Supplement.

SECTION 21: **CONTINUING DISCLOSURE UNDERTAKING**.

(a) <u>Definitions</u>. As used in this Section, the following terms have the meanings ascribed below:

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time.

"*SEC*" means the United States Securities and Exchange Commission.

(b) <u>Annual Reports</u>. The City shall provide annually to the MSRB (1) within six months after the end of each fiscal year ending in or after 2025, financial information and operating data with respect to the City of the general type included in the final Official Statement and which is described in **Exhibit B** to the Fiftieth Supplement, and (2) if not provided as part of the financial information and operating data, audited financial statements of the City, when and if available. Any financial statements provided shall be prepared in accordance with the accounting principles described in **Exhibit B** to the Fiftieth Supplement, or other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and audited, if the City commissions an audit of the statements and the audit is completed within twelve months after the end of each fiscal year ending in or after 2025. If audited financial statements of the City are not available by the end of the 12 month period, the City will provide notice that the audited financial statements are not available, and will provide unaudited financial statements by the end of the 12 month period and audited financial statements for the applicable fiscal year when and if the audited financial statements become available.

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

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

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

(1) Principal and interest payment delinquencies;
(2) Non-payment related defaults, if material;
(3) Unscheduled draws on debt service reserves reflecting financial difficulties;
(4) Unscheduled draws on credit enhancements reflecting financial difficulties;
(5) Substitution of credit or liquidity providers, or their failure to perform;
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) Modifications to rights of holders of the Bonds, if material;
(8) Bond calls, if material, and tender offers;
(9) Defeasances;
(10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) Rating changes;
(12) Bankruptcy, insolvency, receivership, or similar event of the City, which shall occur as described below;
(13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of

a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Obligated Person, any of which affect security holders, if material; and

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

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

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

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

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

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

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

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

No default by the City in observing or performing its obligations under this Section shall constitute a breach of or default under the Fiftieth Supplement for purposes of any other provision of the Fiftieth Supplement.

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

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

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

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

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

SECTION 23: **SALE OF BONDS**. The Bonds are to be sold by the City to the Purchaser for the price of par. The Bonds have been purchased by the Purchaser pursuant to the Board Resolution. The Initial Bond shall be registered in the name of the TWDB. The Private Placement Memorandum prepared in connection with the sale of the Bonds to the Purchaser, in substantially the form attached to the Fiftieth Supplement, is approved. The City has determined, based upon the advice provided by its financial advisor, that acceptance of the purchase price for the Bonds is on terms advantageous to, and in the best interests of, the City.

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

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

By agreeing to the purchase the Bonds, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the City and U.S. Bank Trust Company, National Association, Irving, Texas, and that the procedures set forth in Section 5 of the Fiftieth Supplement satisfy the Board Resolution.

SECTION 24: **ADDITIONAL COVENANTS**. In connection with the sale of the Bonds to the TWDB, the City covenants as follows:

(a) Compliance with TWDB Rules and Regulations. The City will comply with all applicable laws of the State of Texas and Rules of the TWDB relating to the loan of funds evidenced by the Bonds and the Project for which the Bonds are issued, sold and delivered. In addition to the foregoing, the City hereby agrees to comply with all conditions set forth in TWDB Resolution No. 25-095, which conditions are incorporated herein.

(b) Paying Agent. By virtue of entering the Paying Agent/Registrar Agreement with the Paying Agent, the City will use a paying agent/registrar in accordance with 31 TAC Sec. 363.42(c)(2), and will require the paying agent/registrar to provide a copy, to the TWDB and to the TWDB's designated Trustee, of all receipts documenting debt service payments.

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

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

(e) Environmental Determinations. The City will comply with conditions specified in any final environmental finding of the Executive Administrator in accordance with Title 31, Texas Administrative Code, Chapter 375, Subchapter E, as amended, including standard emergency discovery conditions for threatened and endangered species and cultural resources.

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

(g) Rule 15c2-12 Compliance. The City will comply with the provisions of Rule 15c2-12 as set forth in Section 21 hereof.

(h) Water/Wastewater System Rates. The City hereby agrees that, for so long as the Bonds are outstanding, to maintain and collect sufficient rates and charges to produce Water/Wastewater System revenues in an amount necessary to meet the debt service requirements of all outstanding obligations of the Water/Wastewater System and to maintain the funds established and required by the Bonds.

(i) Final Accounting and Surplus Proceeds. The City shall render a final accounting of the cost of the Project to the TWDB within 60 days of the completion of the Project. If the total cost of the Project, as finally completed, is less than originally estimated, so that the proper share of the participation by the TWDB in the Project is reduced, such surplus proceeds shall be used in accordance with Section 36 hereof.

(j) Remedies. To the extent permitted by applicable law, the TWDB may exercise all remedies available to it in law or equity, and any provision of the Bonds or Section 22 of this Fiftieth Supplement.

(k) Public Funds. The City acknowledges and agrees that proceeds from the sale of the Bonds constitute public funds and thus, shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256 and Chapter 2257.

(l) Environmental Indemnity. Proceeds from the Bonds shall not be used by the City when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the City agrees to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the City, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

(m) Compliance with State Contracting Law. The City acknowledges that it has a legal obligation to comply with any applicable requirements of State law relating to contracting with historically underutilized businesses, and will report to TWDB the amount of project funds, if any, used to compensate historically underutilized businesses, in accordance with 31 TAC Sec. 363.1312.

(n) Book Entry-Only. The Bonds will be purchased by the TWDB and shall be registered in the name of Cede & Co. and closed in book-entry-only form in accordance with 31 TAC Sec. 363.42(c)(1) and Section 7 hereof, as applicable.

(o) American Iron and Steel Requirements. The City will abide by all applicable construction contract requirements related to the use of iron and steel products in the United States, as required by Texas Government Code, Chapter 2252, Subchapter G and the Texas Water Code Section 17.183.

(p) Lawsuits. The City will immediately notify TWDB in writing of any suit against it by the Attorney General of Texas under Texas Government Code Section 2.103 and Texas Penal Code Section 1.10(f) relating to federal always regulating firearms, firearm accessories, and firearm ammunition.

(q) Annual Audit Reporting. The City shall provide the TWDB with an annual audit prepared by a certified public accountant in accordance with generally accepted auditing standards.

(r) Tax Exempt Status. The City agrees that it shall maintain the Bonds tax exempt status in accordance with Section 16 hereof.

(s) Parity Debt. The City's pledge of security for the Bonds shall be on parity with any lien or liens outstanding in accordance with Sections 12 and 20 hereof.

(t) Reserve Fund. The City shall maintain a reserve fund in accordance with Section 14 hereof.

(u) Form 8038-G. The City will cause to be filed a Form 8038-G, consistent with the requirements of section 149(e) of the Code.

(v) Contracts. The City will submit executed contracts for engineering, financial advisor and bond counsel contracts, for the project that are satisfactory to the Executive Administrator.

(w) Escrow/Trust Agreement. If any money is to be held in escrow or trust, the City will execute an escrow or trust agreement in a form acceptable the Executive Administrator and submit such agreement to the TWDB.

SECTION 25: **CONTROL AND CUSTODY OF BONDS; FURTHER PROCEDURES; RATIFICATION OF PRIOR ACTION**. The City Manager of the City shall be and is authorized to take and have charge of all necessary orders and records pending the sale of the Bonds, and shall take and have charge and control of the Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

The Mayor, Mayor Pro Tem, City Manager, any Assistant City Manager, Chief Financial Officer, the Director of Financial Services, any Deputy Financial Officer, City Clerk, Deputy City Clerk, City Treasurer, and City Attorney, or any one or more of these officials, are authorized and directed to furnish and execute any documents relating to the City and its financial affairs as may be necessary for the sale of the Bonds, the approval of the Attorney General and registration by the Comptroller of Public Accounts and, together with the City's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for their delivery to the Purchaser following the sale. Such officers shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of the City such documents, certificates and other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Fiftieth

Supplement and the sale, issuance and delivery of the Bonds. In case any officer whose signature shall appear on any Certificate shall cease to be such officer before the delivery of such Certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Furthermore, the City Council ratifies, authorizes and approves, in connection with all prior action of the City and its authorized officers relating to the application for financing with the TWDB including the execution and delivery of agreements, certifications and other requisite documentation, including the application and financing agreement between the City and the TWDB.

SECTION 26: **PROCEEDS OF SALE**. The proceeds from the sale of the Bonds shall be used in the manner described in the letter of instructions executed by the City.

SECTION 27: **LEGAL OPINION**. The obligation of the Purchaser to accept delivery of the Bonds is subject to being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., approving the Bonds as to their validity, the opinion to be dated and delivered as of the Delivery Date and payment for the Bonds. A true and correct reproduction of the opinion is authorized to be printed on the definitive Bonds or an executed counterpart of the opinion shall accompany the global Bonds deposited with DTC.

SECTION 28: **CUSIP NUMBERS**. CUSIP numbers may be printed or typed on the definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Bonds shall be of no significance or effect as regards the legality thereof and neither the City nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Bonds.

SECTION 29: **PAYMENT AND PERFORMANCE ON BUSINESS DAYS**. Whenever under the terms of the Fiftieth Supplement or the Bonds, the performance date of any provision of the Fiftieth Supplement or the Bonds, including the payment of principal of or interest on the Bonds, shall occur on a day other than a Business Day, then performance, including the payment of principal of and interest on the Bonds, need not be made on that day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 30: **LIMITATION OF BENEFITS WITH RESPECT TO THE FIFTIETH SUPPLEMENT**. With the exception of the rights or benefits expressly conferred in the Fiftieth Supplement, nothing expressed or contained in the Fiftieth

Supplement or implied from the provisions of the Fiftieth Supplement or the Bonds is intended or should be construed to confer upon or give to any person other than the City, the Holders, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to the Fiftieth Supplement or any covenant, condition, stipulation, promise, agreement, or provision contained in the Fiftieth Supplement. The Fiftieth Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions of the Fiftieth Supplement are intended to be and shall be for and inure to the sole and exclusive benefit of the City, the Holders, and the Paying Agent/Registrar as provided in the Fiftieth Supplement and in the Bonds.

SECTION 31: **NOTICES TO HOLDERS - WAIVER**. Wherever the Fiftieth Supplement provides for notice to Holders of any event, the notice shall be sufficiently given (unless otherwise expressly provided in the Fiftieth Supplement) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the Business Day next preceding the mailing of the notice.

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

SECTION 32: **GOVERNING LAW**. The Fiftieth Supplement shall be construed and enforced in accordance with the laws of the State and the United States of America.

SECTION 33: **EFFECT OF HEADINGS**. The Section headings in the Fiftieth Supplement are for convenience of reference only and shall not affect the construction of the Fiftieth Supplement.

SECTION 34: **CONSTRUCTION OF TERMS**. If appropriate in the context of the Fiftieth Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders. References to any named person shall mean that person and his or her successors and assigns. References to any office shall include the person holding the office in an interim, acting or permanent capacity. References to any constitutional, statutory or regulatory provision means the provision as it exists on the date the Fiftieth Supplement is adopted by council. Any reference to the payment of principal in the Fiftieth Supplement shall include the payment of any mandatory sinking fund redemption payments as described in the Fiftieth Supplement. Any reference to "FORM OF BOND" refers to the form of the Bonds in **Exhibit A** to the Fiftieth Supplement.

SECTION 35: **SEVERABILITY**. If any provision of the Fiftieth Supplement or its application to any circumstance shall be held to be invalid, the remainder of the Fiftieth Supplement and its application to other circumstances shall nevertheless be valid, and council declares that the Fiftieth Supplement would have been enacted without such invalid provision.

SECTION 36: **CONSTRUCTION FUND**. A fund entitled the “City of Austin, Texas Water and Wastewater System Series 2025B (SWIRFT) Revenue Bonds Construction Fund (the “Construction Fund”) is created. Money in the Construction Fund shall be maintained at an official depository bank of the City.

The proceeds of the Bonds shall be deposited into the Construction Fund and used by the City for payment of the costs of funding projects that are part of the State Water Plan to extend and improve the Water/Wastewater System, including any costs for engineering, financing, financial consultation, administrative, auditing and legal expenses. Amounts in the Construction Fund shall be used to pay costs timely, in compliance with applicable federal and State law.

Any surplus proceeds, including the investment earnings derived from the investment of monies on deposit in the Construction Fund, from the Bonds remaining on deposit in the Construction Fund after completing the improvements and extensions to the Water/Wastewater System and upon the completion of the final accounting as described in Section 24 of the Fiftieth Supplement, shall be transferred to the Debt Service Fund to redeem, in inverse order of maturity, the Bonds owned by TWDB, unless the Executive Administrator of TWDB approves the use of the surplus proceeds to pay eligible costs of improving or extending the Water/Wastewater System by funding projects that are a part of the State Water Plan.

SECTION 37: **COMPLIANCE WITH CITY HUB REQUIREMENTS**. The City acknowledges and confirms that it is in compliance with any and all requirements of its ordinances for the use of historically underutilized businesses.

SECTION 38: **PUBLIC MEETING**. It is officially found that the meeting at which the Fiftieth Supplement is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including the Fiftieth Supplement, was given; all as required by Chapter 551.

SECTION 39: **EFFECTIVE DATE**. This Fiftieth Supplement is passed on one reading as authorized by Chapter 1201 (specifically Section 1201.028) and shall be effective immediately upon its passage and adoption.

SECTION 40: **CONCURRENT BONDS**. Concurrently with the adoption of this Fiftieth Supplement, Council adopted the Forty-Ninth Supplement authorizing the sale of the Concurrent Bonds to TWDB. Should the Concurrent Bonds not be purchased by TWDB, any reference to Concurrent Bonds in this Fiftieth Supplement shall be of no effect.

[Execution page follows]

PASSED AND APPROVED
October 23, 2025

CITY OF AUSTIN, TEXAS

____
Mayor

APPROVED:

____
City Attorney

ATTEST:

____
City Clerk

(City Seal)

SCHEDULE I

Year (11/15)	Principal Amount ($)	Interest Rate (%)
2026	120,000	1.790
2027	120,000	1.800
2028	125,000	1.820
2029	125,000	1.860
2030	125,000	1.970
2031	130,000	2.110
2032	135,000	2.250
2033	135,000	2.380
2034	140,000	2.520
2035	145,000	2.670
2036	145,000	2.890
2037	150,000	3.040
2038	155,000	3.130
2039	160,000	3.220
2040	165,000	3.310
2041	170,000	3.410
2042	180,000	3.500
2043	185,000	3.600
2044	190,000	3.690
2045	200,000	3.790

EXHIBIT A

FORM OF BOND

REGISTERED REGISTERED
NO. __________ $_____________

UNITED STATES OF AMERICA
STATE OF TEXAS
CITY OF AUSTIN, TEXAS,
WATER AND WASTEWATER SYSTEM
REVENUE BOND, SERIES 2025B (SWIRFT)

Delivery Date:	Interest Rate:	Stated Maturity:	Cusip No:
November 19, 2025	____________	______________	_____________

Registered Owner:

Principal Amount:

The City of Austin (the "City"), a body corporate and municipal corporation in the Counties of Travis, Williamson and Hays, State of Texas, for value received promises to pay to the registered owner named above, or their registered assigns (the "Registered Owner"), solely from the revenues identified in this Bond, on the Stated Maturity date specified above the Principal Amount stated above (or so much of the Principal Amount as shall not have been paid upon prior redemption), and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on the unpaid Principal Amount of this Bond from the interest payment date next preceding the "Registration Date" of this Bond appearing below (unless this Bond bears a "Registration Date" as of an interest payment date, in which case it shall bear interest from such date, or unless the "Registration Date" of this Bond is prior to the initial interest payment date in which case it shall bear interest from the Delivery Date of this Bond specified above at the per annum rate of interest specified above; such interest being payable on May 15, 2026, and on each succeeding November 15 and May 15 until maturity or prior redemption.

Principal of this Bond is payable at its Stated Maturity or redemption to the Registered Owner, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing on this Bond, or its successor; provided, however, while this Bond is registered to Cede & Co., the payment of principal upon a partial redemption of the principal amount of this Bond may be accomplished without presentation and surrender of this Bond. Interest is payable to the Registered Owner of this Bond (or one or more Predecessor Bonds, as defined in the Fiftieth Supplemental Ordinance to the Master Ordinance (the "Fiftieth Supplement")) whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date", which is the last business day of the month next preceding each interest payment date and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. The foregoing notwithstanding, so long as the Texas Water Development Board ("TWDB") is the beneficial owner of 100% in aggregate principal amount of the Bonds then outstanding, payment of principal of the Bonds shall be made thereto by wire transfer, at no expense to the TWDB. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent/ Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner of this Bond and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title dated September 25, 2025, issued in the aggregate principal amount of $3,000,000 (the "Bonds") for the purpose of (i) extending and improving the City's combined water and wastewater system through the financing of projects that are part of the State of Texas' comprehensive water plan approved pursuant to Subchapter C of Chapter 16, Texas Water Code, (ii) funding a reserve fund for the Bonds, and (iii) paying the costs of issuance associated with the Bonds. The Bonds shall be issued in any denomination or denominations in any integral multiple of $5,000 within a maturity (an "Authorized Denomination"). All capitalized terms not defined herein shall have the same meaning as given said terms in the Master Ordinance or the Fiftieth Supplement.

The Bonds maturing on and after November 15, 2036, may be redeemed prior to their Stated Maturities, at the option of the City, in whole or in part, in principal amounts of $5,000 or any integral multiple thereof (and if within a Stated

Maturity by lot by the Paying Agent/Registrar), on May 15, 2036, or on any date thereafter at the redemption price of par plus accrued interest thereon to the redemption date.

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

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

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

Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Bonds have not been redeemed.

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

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

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

Fiftieth Supplement. Capitalized terms used in this Bond have the same meanings assigned in the Master Ordinance and the Fiftieth Supplement.

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

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

It is certified, recited, represented and covenanted that the City is a duly organized and legally existing municipal corporation under and by virtue of the Constitution and laws of the State of Texas; that the issuance of the Bonds is authorized by law; that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the City have been properly done, have happened and have been performed in regular and due time, form and manner as required by the Constitution and laws of the State of Texas, the Master Ordinance and the Fiftieth Supplement; that the Bonds do not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of and interest on the Bonds by a pledge of the Net Revenues of the Water/Wastewater System. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired. The terms and provisions of this Bond, the Master Ordinance and the Fiftieth Supplement 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

____
Mayor, City of Austin, Texas

COUNTERSIGNED:

____
City Clerk, City of Austin, Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this ________________________.

____
Comptroller of Public Accounts
of the State of Texas

(SEAL)

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

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

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
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.

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

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

(ii) Paragraph one shall read as follows:

Registered Owner: Texas Water Development Board
Principal Amount: Three Million Dollars
Delivery Date: November 19, 2025

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:

Year (11/15)	Principal Amount ($)	Interest Rate (%)
2026	120,000	1.790
2027	120,000	1.800
2028	125,000	1.820
2029	125,000	1.860
2030	125,000	1.970
2031	130,000	2.110
2032	135,000	2.250
2033	135,000	2.380
2034	140,000	2.520
2035	145,000	2.670
2036	145,000	2.890
2037	150,000	3.040
2038	155,000	3.130
2039	160,000	3.220
2040	165,000	3.310
2041	170,000	3.410
2042	180,000	3.500
2043	185,000	3.600
2044	190,000	3.690
2045	200,000	3.790

and to pay interest thereon from the delivery date specified above, on May 15, 2026, and semiannually on each November 15 and May 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 21 of the Fiftieth 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 21 are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

The quantitative financial information and operating data with respect to the City within the following tables in the main text of the Official Statement relating to the sale of the City of Austin, Texas Water and Wastewater System Revenue Refunding and Improvement Bonds, Series 2024 (the "Official Statement"): (1) "WATER SYSTEM – Historical Water Pumpage," (2) "WATER SYSTEM – Projected Water Pumpage," (3) "WATER SYSTEM – Information Concerning Water Sales," (4) "WATER SYSTEM – Large Water Customers," (5) "WASTEWATER SYSTEM – Historical Wastewater Flows," (6) "WASTEWATER SYSTEM – Projected Wastewater Flows," (7) "COMBINED WATER AND WASTEWATER SYSTEM INFORMATION– Water Service Rates," (8) "COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Wastewater Service Rates," (9) "COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Analysis of Water Bills," (10) "COMBINED WATER AND WASTEWATER SYSTEM INFORMATION – Analysis of Wastewater Bills," (11) "ELECTRIC UTILITY SYSTEM – Generation Facilities," (12) "AUSTIN ENERGY'S CUSTOMER STATISTICS – Five Year Electric Customer Statistics," (13) "AUSTIN ENERGY'S CUSTOMER STATISTICS – Generation and Use Data," (14) "DISCUSSION OF OPERATING STATEMENT – The Electric Utility System and Water and Wastewater System," (15) "ELECTRIC UTILITY SYSTEM – Customer Base–Average Monthly Number of Customers," (16) "ELECTRIC UTILITY SYSTEM – Fuel Supply," (17) "AUSTIN ENERGY'S CUSTOMER RATES – Typical Monthly Residential Electric Bills of Large Texas Cities," (18) Austin Energy's approved rate schedules incorporated into the Official Statement by reference and "AUSTIN ENERGY'S CUSTOMER STATISTICS – Electric Rates," (19) "AUSTIN ENERGY'S CUSTOMER STATISTICS – GreenChoice® Energy Rider," (20) "COMPARATIVE ANALYSIS OF ELECTRIC UTILITY SYSTEM AND WATER AND WASTEWATER SYSTEM OPERATIONS," (21) "OPERATING STATEMENT ELECTRIC UTILITY SYSTEM AND WATER AND WASTEWATER SYSTEM," (22) The table of annual results of the City's annexations in “THE CITY – Annexations,” and (23) “INVESTMENTS – Current Investments.”

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 21 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.