

1 **EXHIBIT A**

2 **PAYING AGENT/REGISTRAR AGREEMENT**

3 THIS AGREEMENT entered into as of December 17, 2009 (this
4 “Agreement”), by and between the City of Austin, Texas (the “Issuer”), and
5 Regions Bank, Houston, Texas, a banking corporation organized and existing
6 under the laws of the State of Alabama and authorized to do business in the State
7 of Texas, or its successors (the “Bank”),

8 **RECITALS**

9 WHEREAS, the Issuer has duly authorized and provided for the execution
10 and delivery of its “City of Austin, Texas, Water and Wastewater System Revenue
11 Bonds, Series 2010” (the “Securities” or “Bonds”), dated January 1, 2010, and
12 such Securities are to be delivered in installments to the Texas Water Development
13 Board when and as funds are advanced to the Issuer pursuant to a Clean Water
14 Loan commitment; and

15 WHEREAS, the Issuer has selected the Bank to serve as paying agent,
16 registrar and transfer agent with respect to such Securities; and

17 WHEREAS, the Bank has agreed to serve in such capacities for and on
18 behalf of the Issuer and is duly qualified and otherwise capable of performing the
19 duties and responsibilities contemplated by this Agreement with respect to the
20 Securities;

21 NOW, THEREFORE, it is mutually agreed as follows:

22 **ARTICLE ONE**
23 **APPOINTMENT OF BANK AS**
24 **PAYING AGENT AND REGISTRAR**

25 Section 1.01 Appointment. The Issuer hereby appoints the Bank to
26 serve as Paying Agent with respect to the Securities, and, as Paying Agent for the
27 Securities, the Bank shall be responsible for paying on behalf of the Issuer the
28 principal, premium (if any), and interest on the Securities as the same become due
29 and payable to the registered owners thereof; all in accordance with this
30 Agreement and the “Authorizing Document” (hereinafter defined). The Issuer
31 hereby appoints the Bank as Registrar with respect to the Securities and, as
32 Registrar for the Securities, the Bank shall keep and maintain for and on behalf of
33 the Issuer books and records as to the ownership of said Securities and with respect

1 to the transfer and exchange thereof as provided herein and in the “Authorizing
2 Document”.

3 The Bank hereby accepts its appointment, and agrees to serve as the Paying
4 Agent and Registrar for the Securities.

5 Section 1.02 Compensation. As compensation for the Bank’s services as
6 Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and
7 amounts set forth in Annex A attached hereto.

8 In addition, the Issuer agrees to reimburse the Bank upon its request for all
9 reasonable expenses, disbursements and advances incurred or made by the Bank in
10 accordance with any of the provisions hereof (including the reasonable
11 compensation and the expenses and disbursements of its agents and counsel).

12 ARTICLE TWO 13 DEFINITIONS

14 Section 2.01 Definitions. For all purposes of this Agreement, except
15 as otherwise expressly provided or unless the context otherwise requires:

16 “Acceleration Date” on any Security means the date on and
17 after which the principal or any or all installments of interest, or both,
18 are due and payable on any Security which has become accelerated
19 pursuant to the terms of the Security.

20 “Authorizing Document” means the resolution, order, or
21 ordinance of the governing body of the Issuer pursuant to which the
22 Securities are issued, certified by the Secretary or any other officer of
23 the Issuer and delivered to the Bank.

24 “Bank Office” means the designated office of the Bank as
25 indicated in Section 3.01 hereof. The Bank will notify the Issuer in
26 writing of any change in location of the Bank Office.

27 “Holder” and “Security Holder” each means the Person in
28 whose name a Security is registered in the Security Register.

29 “Person” means any individual, corporation, partnership, joint
30 venture, association, joint stock company, trust, unincorporated
31 organization or government or any agency or political subdivision of a
32 government.

1 “Predecessor Securities” of any particular Security means every
2 previous Security evidencing all or a portion of the same obligation as
3 that evidenced by such particular Security (and, for the purposes of
4 this definition, any mutilated, lost, destroyed, or stolen Security for
5 which a replacement Security has been registered and delivered in lieu
6 thereof pursuant to Section 4.06 hereof and the Authorizing
7 Document).

8 “Redemption Date” when used with respect to any Security to
9 be redeemed means the date fixed for such redemption pursuant to the
10 terms of the Authorizing Document.

11 “Responsible Officer” when used with respect to the Bank
12 means the Chairman or Vice-Chairman of the Board of Directors, the
13 Chairman or Vice-Chairman of the Executive Committee of the Board
14 of Directors, the President, any Vice President, the Secretary, any
15 Assistant Secretary, the Treasurer, any Assistant Treasurer, the
16 Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust
17 Officer, or any other officer of the Bank customarily performing
18 functions similar to those performed by any of the above designated
19 officers and also means, with respect to a particular corporate trust
20 matter, any other officer to whom such matter is referred because of
21 his knowledge of and familiarity with the particular subject.

22 “Security Register” means a register maintained by the Bank on
23 behalf of the Issuer providing for the registration and transfers of
24 Securities.

25 “Stated Maturity” means the date specified in the Authorizing
26 Document the principal of a Security is scheduled to be due and
27 payable.

28 Section 2.02 Other Definitions. The terms “Bank,” “Issuer,” and
29 “Securities (Security)” have the meanings assigned to them in the recital
30 paragraphs of this Agreement.

31 The term “Paying Agent/Registrar” refers to the Bank in the performance of
32 the duties and functions of this Agreement.

33 ARTICLE THREE
34 PAYING AGENT

1 Section 3.01 Duties of Paying Agent. As Paying Agent, the Bank shall,
2 provided adequate collected funds have been provided to it for such purpose by or
3 on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at
4 its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon
5 surrender of the Security to the Bank at the following address:

Regions Bank
298 West Valley Avenue, 2nd Floor
Homewood, Alabama 35209
Attention: Operations

6 As Paying Agent, the Bank shall, provided adequate collected funds have
7 been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of
8 the Issuer the interest on each Security when due, by computing the amount of
9 interest to be paid each Holder and making payment thereof to the Holders of the
10 Securities (or their Predecessor Securities) on the Record Date (as defined in the
11 Authorizing Document). All payments of principal and/or interest on the
12 Securities to the registered owners shall be accomplished (1) by the issuance of
13 checks, payable to the registered owners, drawn on the fiduciary account provided
14 in Section 5.05 hereof, sent by United States mail, first class, postage prepaid, to
15 the address appearing on the Security Register or (2) by such other method,
16 acceptable to the Bank, requested in writing by the Holder at the Holder's risk and
17 expense.

18 Section 3.02 Payment Dates. The Issuer hereby instructs the Bank to pay
19 the principal of and interest on the Securities at the dates specified in the
20 Authorizing Document.

21 ARTICLE FOUR 22 REGISTRAR

23 Section 4.01 Security Register - Transfers and Exchanges. The Bank
24 agrees to keep and maintain for and on behalf of the Issuer at the Bank Office
25 books and records (herein sometimes referred to as the "Security Register") for
26 recording the names and addresses of the Holders of the Securities, the transfer,
27 exchange and replacement of the Securities and the payment of the principal of and
28 interest on the Securities to the Holders and containing such other information as
29 may be reasonably required by the Issuer and subject to such reasonable
30 regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and
31 replacement of Securities shall be noted in the Security Register.

1 Every Security surrendered for transfer or exchange shall be duly endorsed
2 or be accompanied by a written instrument of transfer, the signature on which has
3 been guaranteed by an officer of a federal or state bank or a member of the
4 National Association of Securities Dealers, in form satisfactory to the Bank, and
5 duly executed by the Holder thereof or his agent duly authorized in writing.

6 The Bank may request any supporting documentation it feels necessary to
7 effect a re-registration, transfer or exchange of the Securities.

8 To the extent possible and under reasonable circumstances, the Bank agrees
9 that, in relation to an exchange or transfer of Securities, the exchange or transfer by
10 the Holders thereof will be completed and new Securities delivered to the Holder
11 or the assignee of the Holder in not more than three (3) business days after the
12 receipt of the Securities to be cancelled in an exchange or transfer and the written
13 instrument of transfer or request for exchange duly executed by the Holder, or his
14 duly authorized agent, in form and manner satisfactory to the Paying
15 Agent/Registrar.

16 Section 4.02 Certificates. The Issuer shall provide additional Securities
17 when needed to facilitate transfers or exchanges thereof. The Bank covenants that
18 such additional Securities, if and when provided, will be kept in safekeeping
19 pending their use and reasonable care will be exercised by the Bank in maintaining
20 such Securities in safekeeping, which shall be not less than the care maintained by
21 the Bank for debt securities of other governments or corporations for which it
22 serves as registrar, or that is maintained for its own securities.

23 Section 4.03 Form of Security Register. The Bank, as Registrar, will
24 maintain the Security Register relating to the registration, payment, transfer and
25 exchange of the Securities in accordance with the Bank's general practices and
26 procedures in effect from time to time. The Bank shall not be obligated to
27 maintain such Security Register in any form other than those which the Bank has
28 currently available and currently utilizes at the time.

29 The Security Register may be maintained in written form or in any other
30 form capable of being converted into written form within a reasonable time.

31 Section 4.04 List of Security Holders. The Bank will provide the Issuer at
32 any time requested by the Issuer, upon payment of the required fee, a copy of the
33 information contained in the Security Register. The Issuer may also inspect the
34 information contained in the Security Register at any time the Bank is customarily

1 open for business, provided that reasonable time is allowed the Bank to provide an
2 up-to-date listing or to convert the information into written form.

3 The Bank will not release or disclose the contents of the Security Register to
4 any person other than to, or at the written request of, an authorized officer or
5 employee of the Issuer, except upon receipt of a court order or as otherwise
6 required by law. Upon receipt of a court order and prior to the release or
7 disclosure of the contents of the Security Register, the Bank will notify the Issuer
8 so that the Issuer may contest the court order or such release or disclosure of the
9 contents of the Security Register.

10 Section 4.05 Return of Cancelled Securities. The Bank will, at such
11 reasonable intervals as it determines, surrender to the Issuer, all Securities in lieu
12 of which or in exchange for which other Securities have been issued, or which
13 have been paid.

14 Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities. The Issuer
15 hereby instructs the Bank, subject to the provisions of the Authorizing Document,
16 to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed,
17 lost, or stolen Securities as long as the same does not result in an overissuance.

18 In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank
19 may execute and deliver a replacement Security of like form and tenor, and in the
20 same denomination and bearing a number not contemporaneously outstanding, in
21 exchange and substitution for such mutilated Security, or in lieu of and in
22 substitution for such destroyed lost or stolen Security, only upon the approval of
23 the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence
24 satisfactory to the Bank of the destruction, loss or theft of such Security, and of the
25 authenticity of the ownership thereof and (ii) the furnishing to the Bank of
26 indemnification in an amount satisfactory to hold the Issuer and the Bank harmless.
27 All expenses and charges associated with such indemnity and with the preparation,
28 execution and delivery of a replacement Security shall be borne by the Holder of
29 the Security mutilated, or destroyed, lost or stolen.

30 Section 4.07 Transaction Information to Issuer. The Bank will, within a
31 reasonable time after receipt of written request from the Issuer, furnish the Issuer
32 information as to the Securities it has paid pursuant to Section 3.01, Securities it
33 has delivered upon the transfer or exchange of any Securities pursuant to
34 Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated,
35 destroyed, lost, or stolen Securities pursuant to Section 4.06.

1 ARTICLE FIVE
2 THE BANK

3 Section 5.01 Duties of Bank. The Bank undertakes to perform the duties
4 set forth herein and agrees to use reasonable care in the performance thereof.

5 Section 5.02 Reliance on Documents, Etc.

6 (a) The Bank may conclusively rely, as to the truth of the statements and
7 correctness of the opinions expressed therein, on certificates or opinions furnished
8 to the Bank.

9 (b) The Bank shall not be liable for any error of judgment made in good
10 faith by a Responsible Officer, unless it shall be proved that the Bank was
11 negligent in ascertaining the pertinent facts.

12 (c) No provisions of this Agreement shall require the Bank to expend or
13 risk its own funds or otherwise incur any financial liability for performance of any
14 of its duties hereunder, or in the exercise of any of its rights or powers, if it shall
15 have reasonable grounds for believing that repayment of such funds or adequate
16 indemnity satisfactory to it against such risks or liability is not assured to it.

17 (d) The Bank may rely and shall be protected in acting or refraining from
18 acting upon any resolution, certificate, statement, instrument, opinion, report,
19 notice, request, direction, consent, order, bond, note, security, or other paper or
20 document believed by it to be genuine and to have been signed or presented by the
21 proper party or parties. Without limiting the generality of the foregoing statement,
22 the Bank need not examine the ownership of any Securities, but is protected in
23 acting upon receipt of Securities containing an endorsement or instruction of
24 transfer or power of transfer which appears on its face to be signed by the Holder
25 or an agent of the Holder. The Bank shall not be bound to make any investigation
26 into the facts or matters stated in a resolution, certificate, statement, instrument,
27 opinion, report, notice, request, direction, consent, order, bond, note, security, or
28 other paper or document supplied by the Issuer.

29 (e) The Bank may consult with counsel, and the written advice of such
30 counsel or any opinion of counsel shall be full and complete authorization and
31 protection with respect to any action taken, suffered, or omitted by it hereunder in
32 good faith and in reliance thereon.

33 (f) The Bank may exercise any of the powers hereunder and perform any
34 duties hereunder either directly or by or through agents or attorneys of the Bank.

1 (g) The Bank is also authorized to transfer funds relating to the closing
2 and initial delivery of the Securities in the manner disclosed in the closing
3 memorandum or letter as prepared by the Issuer, Issuer's financial advisor or other
4 agent. The Bank may act on a facsimile or e-mail transmission of the closing
5 memorandum or letter acknowledged by the Issuer, the Issuer's financial advisor
6 or other agent as the final closing memorandum or letter. The Bank shall not be
7 liable for any losses, costs or expenses arising directly or indirectly from the
8 Bank's reliance upon and compliance with such instructions.

9 Section 5.03 Recitals of Issuer. The recitals contained herein with respect
10 to the Issuer and in the Securities shall be taken as the statements of the Issuer, and
11 the Bank assumes no responsibility for their correctness.

12 The Bank shall in no event be liable to the Issuer, any Holder or Holders of
13 any Security, or any other Person for any amount due on any Security from its own
14 funds.

15 Section 5.04 May Hold Securities. The Bank, in its individual or any
16 other capacity, may become the owner or pledgee of Securities and may otherwise
17 deal with the Issuer with the same rights it would have if it were not the Paying
18 Agent/Registrar, or any other agent.

19 Section 5.05 Moneys Held by Bank - Paying Agent Account. A paying
20 agent account shall at all times be kept and maintained by the Bank for the receipt,
21 safekeeping, and disbursement of moneys received from the Issuer under this
22 Agreement for the payment of the Securities, and money deposited to the credit of
23 such account until paid to the Holders of the Securities shall be continuously
24 collateralized by securities or obligations which qualify and are eligible under
25 both the laws of the State of Texas and the laws of the United States of America to
26 secure and be pledged as collateral for paying agent accounts to the extent such
27 money is not insured by the Federal Deposit Insurance Corporation. Payments
28 made from such paying agent account shall be made by check drawn on such
29 account unless the owner of the Securities shall, at its own expense and risk,
30 request an alternative method of payment.

31 Subject to the applicable unclaimed property laws of the State of Texas, any
32 money deposited with the Bank for the payment of the principal of, premium (if
33 any), or interest on any Security and remaining unclaimed for three years after
34 final maturity of the Security has become due and payable will be held by the Bank
35 and disposed of only in accordance with Title 6 of the Texas Property Code, as

1 amended. The Bank shall have no liability by virtue of actions taken in
2 compliance with this provision.

3 The Bank is not obligated to pay interest on any money received by it under
4 this Agreement.

5 This Agreement relates solely to money deposited for the purposes described
6 herein, and the parties agree that the Bank may serve as depository for other funds
7 of the Issuer, act as trustee under indentures authorizing other bond transactions of
8 the Issuer, or act in any other capacity not in conflict with its duties hereunder.

9 Section 5.06 Indemnification. To the extent permitted by law, the Issuer
10 agrees to indemnify the Bank for, and hold it harmless against, any loss, liability,
11 or expense incurred without negligence or bad faith on its part, arising out of or in
12 connection with its acceptance or administration of its duties hereunder, including
13 the cost and expense against any claim or liability in connection with the exercise
14 or performance of any of its powers or duties under this Agreement.

15 Section 5.07 Interpleader. The Issuer and the Bank agree that the Bank
16 may seek adjudication of any adverse claim, demand, or controversy over its
17 person as well as funds on deposit, in either a Federal or State District Court
18 located in the State and County where the administrative offices of the Issuer are
19 located, and agree that service of process by certified or registered mail, return
20 receipt requested, to the address referred to in Section 6.03 of this Agreement shall
21 constitute adequate service. The Issuer and the Bank further agree that the Bank
22 has the right to file a Bill of Interpleader in any court of competent jurisdiction in
23 the State of Texas to determine the rights of any Person claiming any interest
24 herein.

25 Section 5.08 DT Services. It is hereby represented and warranted that, in
26 the event the Securities are otherwise qualified and accepted for “Depository Trust
27 Company” services or equivalent depository trust services by other organizations,
28 the Bank has the capability and, to the extent within its control, will comply with
29 the “Operational Arrangements”, which establishes requirements for securities to
30 be eligible for such type depository trust services, including, but not limited to,
31 requirements for the timeliness of payments and funds availability, transfer
32 turnaround time, and notification of redemptions and calls.

33 ARTICLE SIX
34 CLOSING AGENT

1 Section 6.01 Closing Agent. As the Paying Agent/Registrar for the
2 Securities, the Bank also agrees to serve as the Closing Agent for the delivery of
3 the Securities to the initial purchaser, i.e., the Texas Water Development Board
4 (“TWDB”), and in connection therewith, the Bank understands the Securities are to
5 be delivered in installments to the initial purchaser using the book-entry-only
6 system provided by the Depository Trust Company (“DTC”).

7 Section 6.02 Installment Deliveries.

8 (a) The Issuer agrees to cause to be delivered to the Bank thirty (30)
9 Initial Bonds (one Initial Bond for each year of maturity in the applicable principal
10 amount and denomination and to be numbered consecutively from T-1 and upward
11 and registered to the TWDB) following their approval by the Attorney General of
12 the State of Texas and their registration by the Comptroller of Public Accounts.
13 Additionally, the Issuer shall cause to be deposited with the Bank a sufficient
14 inventory of definitive Bonds to be completed and delivered by the Bank to DTC
15 in exchange for the Initial Bonds when and as payment for the Bonds occurs by the
16 initial purchaser.

17 (b) The Bonds shall be delivered, in whole or in part, in numerical order,
18 beginning with Bond No. R-1, upon payment by the TWDB of the principal
19 amount of the Bonds to be delivered (less any administrative fee of the TWDB), as
20 specified by the TWDB. Such initial installment delivery of the Bonds shall be
21 accomplished by the delivery to DTC, for the account of the TWDB, of a definitive
22 Bond or Bonds in the appropriate principal amount or amounts, registered in the
23 name of Cede & Co., as nominee of DTC. With each installment delivery, the
24 Bank shall complete the “Registration Certificate of the Paying Agent/Registrar”
25 on each definitive Bond delivered to DTC by noting thereon the date of its
26 registration and delivery and having an authorized officer execute such Bond on
27 behalf of the Bank. Simultaneously with the issuance of definitive Bonds to the
28 DTC, the Bank shall cancel Initial Bonds of like maturities and principal amounts.

29 (c) To the extent there is an installment delivery of Bonds representing a
30 partial amount of the principal amount due and payable on the Bonds in a year, the
31 Bank shall cause a definitive Bond to be issued and delivered to DTC in the
32 amount advanced and shall indicate on the Principal Advancement Ledger on the
33 Initial Bond the partial amount advance for such maturity, the date of advancement
34 and the principal amount remaining to be advanced. The date of advance shall be
35 indicated on the definitive Bond as its Registration Date. The Initial Bond, to be
36 held in escrow by the Paying Agent, shall represent the portion of the undelivered
37 principal amount yet to be advanced. Upon each additional advancement of funds,

1 the Paying Agent shall note on the Principal Advancement Ledger of the Initial
2 Bond the additional amount advanced, the date of the additional advancement, and
3 the remaining undelivered principal amount. Simultaneously, the Paying Agent
4 shall issue and deliver to DTC a definitive Bond for the additional amount
5 advanced. Once the entire principal amount for a particular maturity has been
6 advanced through the issuance of multiple definitive Bonds, the Paying Agent shall
7 cancel the Initial Bond for such maturity.

8 (d) With each installment delivery of Bonds to the DTC for the account of
9 the TWDB, the Bank as Closing Agent shall complete (i) a Receipt for such
10 delivery, duly executed and dated, identifying the amount paid and the principal
11 amount of definitive Bonds delivered to DTC, and (ii) a No Litigation Certificate,
12 in substantially the forms attached hereto as Exhibits A and B, and forward one
13 copy of such Receipt and one copy of such No Litigation Certificate to the TWDB,
14 and, if applicable, to the insurance company providing insurance on the Bonds and
15 three copies of each document to Fulbright & Jaworski L.L.P., Attorneys at Law,
16 2200 Ross Avenue, Suite 2800, Dallas, Texas 75201, Attention: Diane Callahan.

17 (e) The Issuer agrees to notify the Bank and the TWDB of any litigation
18 pending or threatened restraining or enjoining the issuance and delivery of the
19 Bonds or in any manner questioning the proceedings or authority for the issuance
20 of the Bonds. Upon such notice, the Bank will cease to deliver any Bonds unless
21 advised by both the Issuer and the TWDB that deliveries of the Bonds may be
22 reinstated.

23 (f) The Bank shall cause the proceeds of sale received from each
24 installment delivery of the Bonds to be immediately transmitted to the Issuer for
25 deposit to the credit of the Issuer's Construction Fund, established in the
26 Authorizing Document authorizing the issuance of the Bonds in accordance with
27 instructions received by the Issuer.

28 (g) The Bank shall not be liable for any act done or step taken or omitted
29 by it or any mistake of fact or law, except for its negligence or default or failure in
30 the performance of any obligation imposed upon it hereunder as Closing Agent.
31 The Bank shall not be responsible in any manner for any proceedings in connection
32 with the Bonds or recitals contained therein.

33
34 ARTICLE SEVEN
35 MISCELLANEOUS PROVISIONS

1 Section 7.01 Amendment. This Agreement may be amended only by an
2 agreement in writing signed by both of the parties hereto.

3 Section 7.02 Assignment. This Agreement may not be assigned by either
4 party without the prior written consent of the other.

5 Section 7.03 Notices. Any request, demand, authorization, direction,
6 notice, consent, waiver, or other document provided or permitted hereby to be
7 given or furnished to the Issuer or the Bank shall be mailed or delivered to the
8 Issuer or the Bank, respectively, at the addresses shown on the signature page
9 hereof.

10 Section 7.04 Effect of Headings. The Article and Section headings herein
11 are for convenience of reference only and shall not affect the construction hereof.

12 Section 7.05 Successors and Assigns. All covenants and agreements
13 herein by the Issuer shall bind its successors and assigns, whether so expressed or
14 not.

15 Section 7.06 Severability. In case any provision herein shall be invalid,
16 illegal, or unenforceable, the validity, legality, and enforceability of the remaining
17 provisions shall not in any way be affected or impaired thereby.

18 Section 7.07 Merger, Conversion, Consolidation or Succession. Any
19 corporation or association into which the Bank may be merged or converted or
20 with which it may be consolidated, or any corporation or association resulting from
21 any merger, conversion, or consolidation to which the Bank shall be a party, or any
22 corporation or association succeeding to all or substantially all of the corporate
23 trust business of the Bank shall be the successor of the Bank as Paying Agent
24 under this Agreement without the execution or filing of any paper or any further
25 act on the part of either parties hereto.

26 Section 7.08 Benefits of Agreement. Nothing herein, express or implied,
27 shall give to any Person, other than the parties hereto and their successors
28 hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

29 Section 7.09 Entire Agreement. This Agreement and the Authorizing
30 Document constitute the entire agreement between the parties hereto relative to the
31 Bank acting as Paying Agent/Registrar and if any conflict exists between this
32 Agreement and the Authorizing Document, the Authorizing Document shall
33 govern.

1 Section 7.10 Counterparts. This Agreement may be executed in any
2 number of counterparts, each of which shall be deemed an original and all of which
3 shall constitute one and the same Agreement.

4 Section 7.11 Termination. This Agreement will terminate (i) on the
5 date of final payment of the principal of and interest on the Securities to the
6 Holders thereof or (ii) may be earlier terminated by either party upon sixty (60)
7 days written notice; provided, however, an early termination of this Agreement by
8 either party shall not be effective until (a) a successor Paying Agent/Registrar has
9 been appointed by the Issuer and such appointment accepted and (b) notice has
10 been given to the Holders of the Securities of the appointment of a successor
11 Paying Agent/Registrar. However, if the Issuer fails to appoint a successor Paying
12 Agent/Registrar within a reasonable time, the Bank may petition a court of
13 competent jurisdiction within the State of Texas to appoint a successor.
14 Furthermore, the Bank and Issuer mutually agree that the effective date of an early
15 termination of this Agreement shall not occur at any time which would disrupt,
16 delay or otherwise adversely affect the payment of the Securities.

17 Upon an early termination of this Agreement, the Bank agrees to promptly
18 transfer and deliver the Security Register (or a copy thereof), together with other
19 pertinent books and records relating to the Securities, to the successor Paying
20 Agent/Registrar designated and appointed by the Issuer.

21 The provisions of Section 1.02 and of Article Five shall survive and remain
22 in full force and effect following the termination of this Agreement.

23 Section 7.12 Governing Law. This Agreement shall be construed in
24 accordance with and governed by the laws of the State of Texas.

25
26 *[remainder of page left blank intentionally]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

REGIONS BANK, Houston, Texas

BY _____
Title:

Attest:

Address: 1717 St. James Place
Suite 500
Houston, Texas 77056

Title:

CITY OF AUSTIN, TEXAS

Attest:

BY _____
Lee Leffingwell, Mayor

Address: P. O. Box 1088
Austin, Texas 78767

Shirley A. Gentry, City Clerk

ANNEX A

EXHIBIT A
FORM OF RECEIPT FOR INSTALLMENT DELIVERIES

RECEIPT FOR PAYMENT

On the date hereof the following described Bonds: "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER SYSTEM REVENUE BONDS, SERIES 2010", dated January 1, 2010, in the aggregate principal amount of \$_____, being bonds numbered _____ through _____, scheduled to mature on November 15 in the year(s) _____ (the "Bonds") were delivered to the purchaser(s) thereof, namely:

TEXAS WATER DEVELOPMENT BOARD

following the receipt of immediately available funds from the purchaser(s) in settlement of the agreed purchase price for the Bonds as follows:

PRINCIPAL AMOUNT	\$
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TOTAL AMOUNT RECEIVED ON DELIVERY OF THE BONDS	\$
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Furthermore, the undersigned has on the date of this receipt transmitted the above amount of funds to the _____ (the depository bank of the issuer) for deposit to the credit of the issuer's account in accordance with the instructions received.

DELIVERED, this _____.

REGIONS BANK, Houston, Texas

By: _____

Title: _____

1 EXHIBIT B
2 FORM OF NO-LITIGATION CERTIFICATE

3 NO-LITIGATION CERTIFICATE

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

4 WE, the undersigned, officials of the City of Austin, Texas (the "Issuer"), do hereby
5 certify with respect to the "CITY OF AUSTIN, TEXAS, WATER AND WASTEWATER
6 SYSTEM REVENUE BONDS, SERIES 2010", dated January 1, 2010, in the aggregate principal
7 amount of \$_____ and being bonds numbered _____ through _____
8 maturing November 15 in the year(s) _____ (the "Bonds") that:

9 1. No litigation of any nature is now pending before any federal or state court, or
10 administrative body, or to our knowledge threatened, seeking to restrain or enjoin the issuance,
11 sale or delivery of the Bonds or the authority or actions of the governing body of the Issuer
12 authorizing the issuance or sale of the Bonds, or relating to the sale of the Bonds, questioning or
13 affecting the operations of the Issuer's Water/Wastewater System (the "System"), the revenues
14 derived from the operations and ownership of the System or the rates and charges for products
15 and services provided thereby, or that would otherwise adversely affect in a material manner the
16 financial condition of the Issuer, or the System, to pay the principal of and interest on the Bonds;
17 and that neither the corporate existence or boundaries of the Issuer nor the right to hold office of
18 any member of the governing body of the Issuer or any other elected or appointed official of the
19 Issuer is being contested or otherwise questioned.

20 2. No authority or proceeding for the issuance, sale or delivery of the Bonds, passed
21 and adopted by the governing body of the Issuer, has been amended, repealed, revoked,
22 rescinded or otherwise modified since the date of passage thereof, and all such proceedings and
23 authority relating to the issuance and sale of the Bonds remain in full force and effect as of the
24 date of this certificate.

25 DELIVERED, this _____.

26 CITY OF AUSTIN
27
28

29 _____
30 LEE LEFFINGWELL, Mayor
31

32 _____
33 SHIRLEY A. GENTRY, City Clerk
34
35