

PRIVATE PLACEMENT MEMORANDUM DATED DECEMBER 12, 2024

NEW ISSUE - Book-Entry-Only

On the date of initial delivery of the Certificates (defined below), Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in APPENDIX C - FORM OF OPINION OF BOND COUNSEL.

\$12,160,000

CITY OF AUSTIN, TEXAS

COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, TAXABLE SERIES 2025 (CWSRF)

Dated Date: January 22, 2025

Due: September 1

Interest to accrue from Date of Initial Delivery

Interest Date:	Interest on the City of Austin, Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025 (CWSRF) (the “Certificates”) will be payable on March 1, 2025, and on each September 1 and March 1 each year thereafter until maturity or prior redemption (each an “Interest Payment Date”). The Certificates will bear interest at the rates per annum set forth in “APPENDIX A - MATURITY SCHEDULE.”
Record Date:	The close of business on the 15th day of the calendar month immediately preceding the applicable Interest Payment Date.
Date Interest Accrues:	Each Bond shall bear interest from the Date of Initial Delivery (defined below) or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth for such maturity.
Redemption:	The Certificates are subject to redemption prior to maturity as provided in this document. See “THE CERTIFICATES - Redemption Provisions” in this document.
Authorized Denominations:	The Certificates are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof.
Paying Agent/Registrar:	The paying agent (“Paying Agent/Registrar”) for the Certificates is UMB Bank, N.A., Austin, Texas.
Book-Entry-Only System	Upon initial issuance, the ownership of the Certificates will be registered in the registration books of the Issuer (defined below) kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”) to which principal, redemption premium, if any, and interest payments on the Certificates will be made. The purchasers of the Certificates will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Certificates will be payable at the designated office of the Paying Agent/Registrar in UMB Bank, N.A., Texas as the same become due and payable.
Issuer:	City of Austin, Texas (the “Issuer”).
Official Action:	The Certificates are issued pursuant to the general laws of the State, particularly subchapter C, Chapter 271, as amended, Texas Local Government Code (the “Certificate of Obligation Act”), Chapter 1371, and an ordinance adopted by the City Council of the City of Austin, Texas (the “City”) on December 12, 2024.
Purpose:	See “APPENDIX B - OFFICIAL ACTION.”
Security for the Certificates:	See “APPENDIX B - OFFICIAL ACTION.”
Ratings:	See “OTHER INFORMATION – Ratings.”
Delivery Date:	January 22, 2025 (the “Date of Initial Delivery”).

See “APPENDIX A - MATURITY SCHEDULE” for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

CITY OF AUSTIN

Elected Officials

	<u>Term Expires Jan. 6</u>
Kirk Watson Mayor	2025*
Natasha Harper-Madison Council Member District 1	2027
Vanessa Fuentes Council Member District 2	2025*
José Velásquez Council Member District 3	2027
José “Chito” Vela Council Member District 4	2025*
Ryan Alter Council Member District 5	2027
Mackenzie Kelly Council Member District 6	2025*
Leslie Pool Council Member District 7	2025*
Paige Ellis Council Member District 8	2027
Zohaib Qadri..... Council Member District 9	2027
Alison Alter Council Member District 10	2025*

*Mayor Watson, Councilmember Fuentes and Councilmember Vela, were each re-elected on November 5, 2024 to four-year terms. Councilmember Kelly was defeated by Krista Laine at the November 5, 2024 election. Councilmember Pool did not run for re-election and Mike Siegel and Gary Bledsoe will have a run-off election for the Councilmember District 7 seat on December 14, 2024. Councilmember Alter did not run for re-election and will be replaced by Marc Duchon, who prevailed at the November 5, 2024 election. The City Council canvassed the election results on November 19, 2024. It is anticipated that all new elected officials will be inaugurated on January 6, 2025.

Appointed Officials

T.C. Broadnax	City Manager
Jon Fortune.....	Deputy City Manager
Veronica Briseño.....	Assistant City Manager
Susana Carbajal.....	Assistant City Manager
Edgardo (Eddie) Garcia ⁽¹⁾	Assistant City Manager
Robert Goode	Assistant City Manager
Stephanie Hayden-Howard	Assistant City Manager
Ed Van Eenoo	Chief Financial Officer
Diana Thomas	Deputy Chief Financial Officer
Kimberly Olivares.....	Deputy Chief Financial Officer
Deborah Thomas.....	Acting City Attorney
Myrna Rios.....	City Clerk

⁽¹⁾ On September 19, 2024, City Manager Broadnax announced the appointment of Eddie Garcia as an Assistant City Manager effective November 4, 2024. Mr. Garcia is the former police chief for the City of Dallas and will oversee the Austin Fire, Austin Police, Austin/Travis County Emergency Medical Services, Downtown Austin Community Court, Forensic Science, and Homeland Security and Emergency Management.

BOND COUNSEL
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Austin and Dallas, Texas

FINANCIAL ADVISOR
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PRIVATE PLACEMENT MEMORANDUM

Relating to

\$12,160,000

CITY OF AUSTIN, TEXAS

**COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION,
TAXABLE SERIES 2025 (CWSRF)**

INTRODUCTION

This Private Placement Memorandum, which includes the cover page and the appendices, is being furnished in connection with the proposed issuance by the City of Austin, Texas (the “City” or the “Issuer”) of its \$12,160,000 City of Austin, Texas Combination Tax and Surplus Revenue Certificates of Obligation, Taxable Series 2025 (CWSRF) (the “Certificates”). This Private Placement Memorandum contains brief descriptions of the Issuer, provides certain information with respect to the issuance of the Certificates by the Issuer, and summaries of certain provisions of the Certificates pursuant to the Official Action. Except as otherwise set forth in this document, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. The Certificates are to be issued as pursuant to an ordinance adopted by the City Council of the City (See “APPENDIX B – “FORM OF OFFICIAL ACTION” attached hereto).

APPENDIX A contains the maturity schedule for the Certificates. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Certificates. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Certificates. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE CERTIFICATES

General Description

The Certificates are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described in APPENDIX A. The Certificates are being issued as fully registered bonds in denominations of \$5,000, or any integral multiple thereof. The Certificates will be dated as of the Dated Date, will mature on the dates, and will bear interest at the rates per annum set forth in “APPENDIX A - MATURITY SCHEDULE.”

Interest on the Certificates is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Certificates will be payable to the Owners upon presentation and surrender at the principal office of the Paying Agent/Registrar.

Purpose

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

Authority for Issuance

The Certificates are issued pursuant to the general laws of the State, particularly subchapter C, Chapter 271, as amended, Texas Local Government Code (the “Certificate of Obligation Act”), Chapter 1371, and an ordinance adopted by the City Council of the City (the “Ordinance”).

Security for the Certificates

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

Redemption Provisions

On September 1, 2035, or on any date thereafter, the Certificates maturing on and after September 1, 2036 may be redeemed prior to their scheduled maturities, upon the written direction of the City, with funds provided by the City, at par plus accrued interest to the date fixed for redemption as a whole, or in part, and if less than all of the Certificates of a stated maturity are to be redeemed the Paying Agent/Registrar will determine by lot the Certificates, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Notice of Redemption; Selection of Obligations to Be Redeemed

See “APPENDIX B - FORM OF OFFICIAL ACTION.”

In the Ordinance, the City agrees to provide written notice to the Texas Water Development Board (“TWDB”) of its exercising its right to redeem the Certificates prior to their scheduled maturities at least 90 days prior to the stated redemption date. The Paying Agent/Registrar, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption of the Certificates, notice of any proposed amendment to the Official Action or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the beneficial owner, shall not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the Issuer will reduce the outstanding principal amount of such Bonds held by DTC.

Book-Entry-Only System

DTC will act as securities depository for the Certificates (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). Direct Participants and Indirect Participants are referred to collectively as “Participants”. DTC has a Standard & Poor’s rating of “AA+.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial

Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent/Registrar, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. Subject to DTC's policies and guidelines, the City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the City and PFM Financial Advisors LLC each believes to be reliable, but neither the City nor PFM Financial Advisors LLC takes any responsibility for the accuracy thereof.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Certificates substantially in the form as attached in “APPENDIX C - FORM OF OPINION OF BOND COUNSEL.”

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer’s expectations, hopes, intentions, or strategies regarding the future. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer’s actual results could differ materially from those in such forward-looking statements.

Ratings

The Certificates will not be rated. No application has been made to any ratings agency or municipal bond insurance company for qualification of the Certificates for ratings or municipal bond insurance, respectively.

Certain of the City’s outstanding general obligation bonds are rated “Aa1” (stable outlook) by Moody’s Investors Service, “AAA” (stable outlook) by S&P Global Ratings and “AA+” (stable outlook) by Fitch Ratings. An explanation of the significance of such ratings may be obtained from the organization furnishing the rating. The ratings reflect only the respective views of such organizations and the City makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating companies, if in the judgment of one or more companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price or marketability of the Certificates.

LITIGATION

A number of claims against the City, as well as certain other matters of litigation, are pending with respect to various matters arising in the normal course of the City’s operations. The City Attorney and City management are of the opinion that resolution of the claims pending (including the matters described below) will not have a material effect on the City’s financial condition. See also “TAX INFORMATION - Project Connect” in this document.

The Electric Utility System has been served in numerous property damage lawsuits, including class action lawsuits, and one wrongful death lawsuit, relating to outages caused by a severe winter storm in February 2021 that affected the ERCOT system. A number of these lawsuits were filed in early 2023, prior to the expiration of the statute of limitations for such claims (two years after the weather event). These cases are pending in the multi-district litigation proceeding in Cause No. 2021-18513 in the 215th District Court of Harris County, Texas.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made a continuing disclosure undertaking agreement for the benefit of the holders and beneficial owners of the Certificates. The Issuer is required to observe this agreement for so long as it remains obligated to advance funds to pay the Certificates. Under this agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. SEE APPENDIX B - “FORM OF OFFICIAL ACTION – Part 14: Compliance With Rule 15c2-12.”

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Certificates.

The information contained above is neither guaranteed as to accuracy or completeness nor shall be construed as a representation by the Issuer. The information and expressions of opinion in this document are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder shall create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to in this document to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, in whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained in this document is subject to change. Descriptions of the Certificates and the Official Action and any other agreements and documents contained in this document constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

\$12,160,000

CITY OF AUSTIN, TEXAS

COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION,

TAXABLE SERIES 2025 (CWSRF)

Base CUSIP No. 052397 (1)

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Suffix (1)</u>
9/1/2025	\$290,000	2.710%	2G0
9/1/2026	485,000	2.600%	2H8
9/1/2027	500,000	2.600%	2J4
9/1/2028	510,000	2.600%	2K1
9/1/2029	525,000	2.590%	2L9
9/1/2030	540,000	2.610%	2M7
9/1/2031	550,000	2.680%	2N5
9/1/2032	570,000	2.700%	2P0
9/1/2033	580,000	2.750%	2Q8
9/1/2034	600,000	2.780%	2R6
9/1/2035	615,000	2.800%	2S4
9/1/2036	635,000	2.850%	2T2
9/1/2037	650,000	2.870%	2U9
9/1/2038	665,000	2.900%	2V7
9/1/2039	685,000	2.920%	2W5
9/1/2040	705,000	3.040%	2X3
9/1/2041	730,000	3.050%	2Y1
9/1/2042	750,000	3.070%	2Z8
9/1/2043	775,000	3.070%	3A2
9/1/2044	800,000	3.080%	3B0

(Interest to accrue from the Date of Initial Delivery)

Redemption of the Certificates

The Certificates will be subject to optional redemption as described in “THE CERTIFICATES - Redemption Provisions” in this document.

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APPENDIX B
FORM OF OFFICIAL ACTION

CERTIFICATE FOR ORDINANCE

THE STATE OF TEXAS :
COUNTIES OF TRAVIS, WILLIAMSON AND HAYS :
CITY OF AUSTIN :

I, the undersigned, City Clerk of the City of Austin, Texas, DO HEREBY CERTIFY as follows:

1. The City Council of the City convened in **REGULAR MEETING ON THE 12th DAY OF DECEMBER 2024**, at the designated meeting place, and the roll was called of the duly constituted officers and members of Council, to-wit:

KIRK WATSON	:	MAYOR
LESLIE POOL	:	MAYOR PRO-TEM
NATASHA HARPER-MADISON	:	
VANESSA FUENTES	:	
JOSÉ VELÁSQUEZ	:	
JOSÉ “CHITO” VELA	:	
RYAN ALTER	:	COUNCILMEMBERS
MACKENZIE KELLY	:	
PAIGE ELLIS	:	
ZOHAIB “ZO” QADRI	:	
ALISON ALTER	:	

and all of the persons were present thus constituting a quorum. Whereupon, among other business, the following was transacted at this meeting: a written

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2025 (CWSRF), FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SUCH CERTIFICATES; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

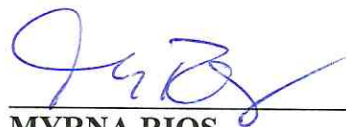
was duly introduced and submitted to Council for passage and adoption. After presentation and due consideration of the Ordinance, and upon a motion being made by Councilmember Alison Alter and seconded by Councilmember Zohaib “Zo” Qadri, the Ordinance was finally passed and adopted by the City Council to be effective immediately by the following vote:

11 voted "For" 0 voted "Against" 0 absent when voting

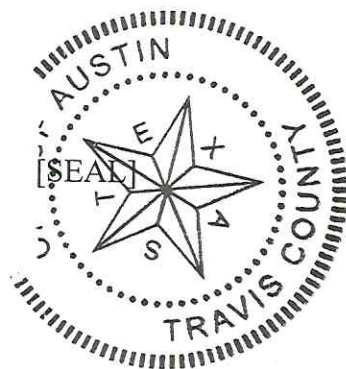
as shown in the official minutes of Council for this Meeting.

2. That a true, full and correct copy of the Ordinance passed at the Meeting described in the above paragraph is attached to and follows this Certificate; that the Ordinance has been duly recorded in Council's minutes of the Meeting; that the above paragraph is a true, full and correct excerpt from Council's minutes of the Meeting pertaining to the passage of the Ordinance; that the persons named in the above paragraph are the duly chosen, qualified and acting officers and members of Council; that each of the officers and members of Council was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting, and that the Ordinance would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose, and that the Meeting was open to the public and public notice of the time, place and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED THE 12th DAY OF December, 2024.



MYRNA RIOS
City Clerk, City of Austin, Texas



ORDINANCE NO. 20241212-013

ORDINANCE AUTHORIZING THE ISSUANCE AND SALE OF CITY OF AUSTIN, TEXAS COMBINATION TAX AND SURPLUS REVENUE CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2025 (CWSRF), FOR WATER AND WASTEWATER SYSTEM IMPROVEMENTS; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SUCH CERTIFICATES; PROVIDING AN EFFECTIVE DATE; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

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

PART 1. FINDINGS.

The City Council of the City of Austin, Texas (the “City”), deems it advisable to issue Certificates of Obligation in the amount and for the purposes hereinafter set forth (the “Certificates”);

The Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code and Subchapter B, Chapter 1502, Texas Government Code;

On October 24, 2024, the City Council of the City authorized and directed that a notice of its intention to issue the Certificates be published in a newspaper and posted on the City’s internet website as required by Section 271.049 of the Texas Local Government Code; and

The notice was published in *The Austin American-Statesman*, as required by Section 271.049 of the Texas Local Government Code, on October 25, 2024 and November 2, 2024;

The notice was posted on the City’s internet website, as required by Section 271.049 of the Texas Local Government Code, on October 25, 2024;

The City received no petition from the qualified electors of the City protesting the issuance of such Certificates;

No bond proposition to authorize the issuance of bonds for the same purpose as any of the projects being financed with the proceeds of the Certificates was submitted to the voters of the City during the preceding three years and failed to be approved;

It is considered to be to the best interest of the City that said interest-bearing Certificates be issued as hereinafter set forth; and

It is officially found, determined, and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Ordinance, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, therefore

PART 2. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES.

The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this PART. The Certificates are hereby authorized to be issued and delivered in the aggregate principal amount of \$12,160,000, for paying all or a portion of the City’s contractual obligations incurred for use in connection with (i) constructing, installing, acquiring and equipping additions, improvements and extensions to the City’s water and wastewater system, including the Buttermilk Creek Water Quality Improvement Project, and (ii) paying legal, fiscal, engineering and architectural fees in connection with such projects (collectively, the “Project”).

PART 3. DESIGNATION, DATE, DENOMINATIONS, NUMBERS, AND MATURITIES AND INTEREST RATES OF CERTIFICATES.

Each certificate issued pursuant to this Ordinance shall be designated: "CITY OF AUSTIN, TEXAS, COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION, TAXABLE SERIES 2025 (CWSRF)," and initially there shall be issued, sold, and delivered hereunder one fully registered certificate, without interest coupons, dated January 22, 2025, in the principal amount stated above and in the denominations hereinafter stated, numbered T-1, with certificates issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial certificate being made payable to the initial purchaser as described in PART 11 hereof), or to the registered assignee or assignees of said certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said certificates shall mature and be payable on September 1 in each of the years and in the principal amounts, respectively, and shall bear interest from the dates set forth in the FORM OF CERTIFICATE attached hereto as Exhibit A to this Ordinance to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

Years(9/1)	Principal Amount(\$)	Interest Rates(%)
2025	290,000	2.710
2026	485,000	2.600
2027	500,000	2.600
2028	510,000	2.600
2029	525,000	2.590
2030	540,000	2.610
2031	550,000	2.680
2032	570,000	2.700
2033	580,000	2.750
2034	600,000	2.780
2035	615,000	2.800
2036	635,000	2.850
2037	650,000	2.870
2038	665,000	2.900
2039	685,000	2.920
2040	705,000	3.040
2041	730,000	3.050
2042	750,000	3.070
2043	775,000	3.070
2044	800,000	3.080

The term "Certificates" as used in this Ordinance shall mean and include collectively the certificates initially issued and delivered pursuant to this Ordinance and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

PART 4. CHARACTERISTICS OF THE CERTIFICATES.

(a) Appointment of Paying Agent/Registrar. The City hereby appoints UMB Bank, N.A., Austin, Texas, to serve as paying agent and registrar for the Certificates (the "Paying Agent/Registrar"). The Mayor, City Manager or the Chief Financial Officer is authorized and directed to execute and deliver in the name and

on behalf of the City a Paying Agent/Registrar Agreement with the Paying Agent/Registrar in substantially the form presented at this meeting.

(b) Registration, Transfer, Conversion and Exchange. The City shall keep or cause to be kept at the corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the City hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the City and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The City shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The City shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the FORM OF CERTIFICATE set forth in this Ordinance. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

(c) Authentication. Except as otherwise provided in this PART, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the City or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(d) Payment of Principal and Interest. The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Ordinance. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Ordinance. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(e) Payment to Registered Owner. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal and interest with respect to such Certificate, for the purpose of registering

transfers with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a certificate evidencing the obligation of the City to make payments of principal and interest pursuant to this Ordinance.

(f) Paying Agent/Registrar. The City covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the City will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Ordinance, and that the Paying Agent/Registrar will be one entity. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Ordinance, and a certified copy of this Ordinance shall be delivered to each Paying Agent/Registrar.

(g) Substitute Paying Agent/Registrar. The City reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than sixty (60) days written notice to the Paying Agent/Registrar, to be effective not later than sixty (45) days prior to the next principal or interest payment date after such notice.

In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the City covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Ordinance. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the City. Upon any change in the Paying Agent/Registrar, the City promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar.

(h) Book-Entry Only System. The Certificates issued in exchange for the Certificates initially issued to the purchaser or purchasers specified herein shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof and the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company New York, New York ("DTC"), and except as otherwise provided in this PART, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(i) Blanket Letter of Representations. The previous execution and delivery of the Blanket Letter of Representations with respect to obligations of the City is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates. Notwithstanding anything to the contrary contained herein, while the Certificates are subject to DTC's Book-Entry Only System and to the extent permitted by law, the Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other provisions of this Ordinance in the event of conflict.

(j) Certificates Registered in the Name of Cede & Co. With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other

person, other than a Registered Owner of Certificates, as shown on the Registration Books, of any notice with respect to the Certificates, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Certificates, as shown in the Registration Books of any amount with respect to principal of or interest on the Certificates. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(k) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the City determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the City to DTC or that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

(l) Payments to Cede & Co. Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the representation letter of the City to DTC.

(m) General Characteristics of the Certificates. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may and shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Certificates shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the City shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF CERTIFICATE set forth in this Ordinance. The Certificates initially issued and delivered pursuant to this Ordinance is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Ordinance the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the FORM OF CERTIFICATE set forth in this Ordinance.

(n) Cancellation of Initial Certificate. On the closing date, one initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the order of the initial purchaser of the Certificates or its designee, executed by manual or facsimile signature of the Mayor and City Clerk of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Certificate, the Paying Agent/Registrar shall insert the Delivery Date on Certificate No. T-1, cancel the initial Certificate and deliver to DTC on behalf of such purchaser one registered definitive Certificate for each year of maturity of the Certificates, in the aggregate principal amount of all of the Certificates for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

(o) Conditional Notice of Redemption. With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

PART 5. FORM OF CERTIFICATES.

The Certificates shall be signed with the manual or facsimile signatures of the Mayor and the City Clerk, and the seal of the City shall be affixed or impressed on the Certificates. The form of all Certificates, including the form of the Comptroller's Registration Certificate to accompany the Initial Certificate, the form of the Authentication Certificate, and the Form of Assignment to be printed on each Certificate, shall be, respectively, substantially in the form set forth in Exhibit A, with such appropriate variations, omissions, or insertions as are permitted or required by this Ordinance and necessary to effect the transaction with the TWDB.

PART 6. INTEREST AND SINKING FUND; SURPLUS REVENUES.

(a) A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the City as a separate fund or account and the funds therein shall be deposited into and held in an account at an official depository bank of the City. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the City, and shall be used only for paying the interest on and principal of the Certificates. All amounts received from the sale of the Certificates as accrued interest, shall be deposited upon receipt to the Interest and Sinking Fund, and all ad valorem taxes levied and collected for and on account of the Certificates shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Certificates are outstanding and unpaid, the governing body of the City shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on the Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Certificates as such principal matures (but never less than 2% of the original amount of the Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the City, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the City, for each year while any of the Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

(b) The Certificates are additionally secured by surplus revenues of the City's water and wastewater system (the "System") that remain after the payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue obligations (now or hereafter outstanding) that are secured by a lien on all or any part of the net revenues of the System, such revenues constituting "Surplus Revenues." The City shall deposit such Surplus Revenues to the credit of the Interest and Sinking Fund created pursuant to subsection (a) of this PART, to the extent necessary to pay the principal of and interest on the Certificates. Notwithstanding the requirements of subsection (a) of this PART, if Surplus Revenues or other lawfully available moneys of the City are actually on deposit, or budgeted for deposit as hereinafter provided, in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes that otherwise would have

been required to be levied pursuant to PART 6(a) may be reduced to the extent and by the amount of the revenues then on deposit, or budgeted for deposit as hereinafter provided, in the Sinking Fund. However, if the Surplus Revenues are budgeted for deposit into the Interest and Sinking Fund, the City:

(i) shall transfer and deposit in the Interest and Sinking Fund each month an amount of not less than 1/12th of the annual debt service on the Certificates until the amount on deposit in the Interest and Sinking Fund equals the amount required for annual debt service on the Certificates; further, that the City shall not transfer any Surplus Revenues to any fund other than the Interest and Sinking Fund until such time as an amount equal to the annual debt service on the Certificates for the then current fiscal year has been deposited in the Interest and Sinking Fund; and, provided further that transfers may be made from the Water and Wastewater System Fund to an interest and sinking fund, debt service reserve fund, contingency fund or other fund or account established for the benefit of any revenue obligations of the City that are secured by a pledge of the net revenues (which transfers shall be made in accordance with the provisions of the Ordinance pursuant to which such obligations were issued or incurred) and to any other interest and sinking fund established for the benefit of any revenue obligations of the City that are secured by a pledge of the Surplus Revenues (and any such transfers shall be made on a pro rata basis as the transfers made for the benefit of the Certificates);

(ii) shall establish, adopt and maintain an annual budget that provides for either the monthly deposit of sufficient Surplus Revenues and/or tax revenues, the monthly deposit of any other legally available funds on hand at the time of the adoption of the annual budget, or a combination thereof, into the Interest and Sinking Fund for the repayment of the Certificates; and

(iii) shall at all times maintain and collect sufficient System rates and charges in conjunction with any other legally available funds that, after payment of the costs of operating and maintaining the System, produce revenues in an amount not less than 1.10 times debt service requirements of all outstanding System revenue bonds of the City and other obligations of the City which are secured in whole or in part by a pledge of revenues of the System, for which the City is budgeting the repayment of such obligations from the revenues of the System, or the City shall provide documentation which evidences the levy of an ad valorem tax rate dedicated to the Interest and Sinking Fund, in conjunction with any other legally available funds, sufficient for the repayment of System debt service requirements.

(c) Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the taxes and Surplus Revenues granted by the City under this PART, and is therefore valid, effective, and perfected. Should Texas law be amended at any time while the Certificates are outstanding and unpaid, the result of such amendment being that the pledge of the taxes and Surplus Revenues granted by the City under this PART, is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Certificates a security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

PART 7. DEFEASANCE OF CERTIFICATES.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsection (d) of this PART, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without

reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the City with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable. At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged or the pledge of Surplus Revenues as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the City will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such Defeased Certificates, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Ordinance to the contrary, it is hereby provided that any determination not to redeem Defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (a)(i) or (ii) of this PART shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the City expressly reserves the right to call the Defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Certificates immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the City be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Certificates and interest thereon, with respect to which such money has been so deposited, shall be turned over to the City, or deposited as directed in writing by the City. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Certificates may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this PART. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Certificates, with respect to which such money has been so deposited, shall be remitted to the City or deposited as directed in writing by the City.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates.

(d) Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(e) In the event that the City elects to defease less than all of the principal amount of Certificates of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Certificates by such random method as it deems fair and appropriate.

(f) So long as the Texas Water Development Board (the "TWDB") is the Registered Owner of any of the Certificates, the City shall provide written notice to the TWDB of a defeasance of the Certificates pursuant to subsection (a)(ii) of this PART.

PART 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED CERTIFICATES.

(a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement certificate shall furnish to the City and to the Paying Agent/Registrar such 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 Certificate, the Registered Owner shall furnish to the City and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this PART, in the event any such Certificate shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the City may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this PART.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing, and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this PART by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the City whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Ordinance equally and proportionately with any and all other Certificates duly issued under this Ordinance.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 1206.022, Texas Government Code, this PART 8 of this Ordinance shall constitute authority for the issuance of any such replacement certificate 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 such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in PART 4(a) of this Ordinance for Certificates issued in conversion and exchange for other Certificates.

PART 9. CUSTODY, APPROVAL, AND REGISTRATION OF CERTIFICATES; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED; ENGAGEMENT OF BOND COUNSEL.

(a) The Mayor, City Manager or Chief Financial Officer of the City are hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the City's Bond Counsel and the assigned CUSIP numbers may, at the option of the City, be printed on the Certificates issued and delivered under this Ordinance, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer. City Council authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Certificates, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

(b) The obligation of the initial purchaser to accept delivery of the Certificates is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond

counsel to the City, which opinion shall be dated as of and delivered on the date of initial delivery of the Certificates to the initial purchaser. The engagement of such firm as bond counsel to the City in connection with issuance, sale and delivery of the Certificates is hereby ratified, approved and confirmed.

PART 10. CERTIFICATES NOT ISSUED AS TAX-EXEMPT OBLIGATIONS. The City does not intend to issue the Certificates in a manner such that the Certificates would constitute obligations described in section 103(a) of the Internal Revenue Code and all applicable temporary, proposed and final regulations and procedures promulgated thereunder or promulgated under the Internal Revenue Code, to the extent applicable to the Internal Revenue Code.

PART 11. SALE OF CERTIFICATES; FURTHER PROCEDURES.

(a) The Certificates are hereby officially sold and awarded to the initial purchaser, the TWDB, at a price equal to the par amount thereof, less an origination fee of \$209,140. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable. The Certificates shall initially be registered in the name of the TWDB or its designee.

(b) The Mayor, Mayor Pro-Tem, City Manager, Chief Financial Officer, City Treasurer and City Clerk of the City, and all other officials, agents and representatives of the City, 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 all 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 Ordinance, the Certificates and the sale of the Certificates. 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. References to any office, position or title shall include the person holding the office in an interim, assistant, acting or permanent capacity. References to any named person shall mean that party and his or her successors and assigns.

PART 12. INTEREST EARNINGS ON CERTIFICATE PROCEEDS.

Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be used as described in PART 17(d). It is provided, however, that any interest earnings on Certificate proceeds that are required to be rebated to the United States of America pursuant to PART 10 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this PART.

PART 13. CONSTRUCTION FUND; SECURITY FOR DEPOSITS.

(a) The City hereby creates and establishes and shall maintain on the books of the City a separate fund to be entitled the "Taxable Series 2025 (CWSRF) Combination Tax and Surplus Revenue Certificate of Obligation Construction Fund" for use by the City for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided, and to pay the costs of issuance of the Certificates. Upon payment of all such costs, any moneys remaining on deposit in said Fund shall be used in the manner described in PART 17 of this Ordinance.

(b) The City may place proceeds of the Certificates (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the City hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued.

(c) All deposits authorized or required by this Ordinance shall be held at a designated state depository institution or other properly chartered and authorized institution and shall be secured to the fullest

extent required by law for the security of public funds as provided in Chapters 2256 and 2257, Texas Government Code, as amended.

PART 14. COMPLIANCE WITH RULE 15c2-12.

(a) Definitions. As used in this PART, the following terms have the meanings ascribed to such terms below:

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

“MSRB” means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

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

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

(b) Annual Reports.

(i) The City shall provide annually to the MSRB, within twelve months after the end of each fiscal year ending in or after 2024, financial information and operating data with respect to the City to the extent that such information is customarily prepared by the City and is publicly available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements filed with the Texas Water Development Board as part of the City’s application to the TWDB, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial information that is available to the City by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

(ii) 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 PART. The financial information and operating data to be provided pursuant to this PART may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(c) Event Notices.

(i) The City shall file notice of any of the following events with respect to the Certificates with 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 Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into of 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 City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(ii) 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 such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the City 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.

(iii) The City shall file notice with the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (b) of this PART by the time required by such subsection.

(d) Limitations, Disclaimers, and Amendments.

(i) The City shall be obligated to observe and perform the covenants specified in this PART for so long as, but only for so long as, the City remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the City in any event will give the notice required by subsection (a) hereof of any Certificate calls and defeasance that cause the City to no longer be such an “obligated person”.

(ii) The provisions of this PART are for the sole benefit of the registered owners and beneficial owners of the Certificates, and nothing in this PART, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder 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 PART and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this PART or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 PART, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

(iv) No default by the City in observing or performing its obligations under this PART shall comprise a breach of or default under the Ordinance for purposes of any other provision of this Ordinance. Nothing in this PART is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

(v) The provisions of this PART may be amended by the City from time to time to adapt to changed circumstances that arise 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 PART, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Certificates. If the City so amends the provisions of this PART, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this PART an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

PART 15. METHOD OF AMENDMENT.

The City hereby reserves the right to amend this Ordinance subject to the following terms and conditions, to wit:

(a) The City may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Ordinance in order to (i) cure any ambiguity, defect or omission in this Ordinance that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Ordinance and that shall not materially adversely affect the interests of the holders, (iv) qualify this Ordinance under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Ordinance as shall not be inconsistent with the provisions of this Ordinance and that shall not in the opinion of the City's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Certificates aggregating in principal amount 51% of the aggregate principal amount of then outstanding Certificates that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the City; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Certificates, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Ordinance or in any of the Certificates so as to:

- (1) Make any change in the maturity of any of the outstanding Certificates;
- (2) Reduce the rate of interest borne by any of the outstanding Certificates;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Certificates;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Certificates necessary for consent to such amendment.

(c) If at any time the City shall desire to amend this Ordinance under this PART, the City shall send by U.S. mail to each Registered Owner of the affected Certificates a copy of the proposed amendment. Such notice shall briefly set forth the nature of the proposed amendment.

(d) Whenever at any time within one year from the date of the mailing of such notice the City shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Certificates then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the City may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Ordinance pursuant to the provisions of this PART, this Ordinance shall be deemed to be modified and amended in accordance with such amendatory Ordinance, and the respective rights, duties, and obligations of the City and all holders of such affected Certificates shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Certificate pursuant to the provisions of this PART shall be irrevocable for a period of six months from the date of the mailing of notice as provided for in this PART, and shall be conclusive and binding upon all future holders of the same Certificate during such period. Such consent may be revoked at any time after six months from the date of mailing of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the City, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Certificates then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Certificates, the City shall rely solely upon the registration of the ownership of such Certificates on the registration books kept by the Paying Agent/Registrar.

(g) Notwithstanding any provision of this PART 15, there shall be no modification of this Ordinance without the written consent of the TWDB (while it is a Registered Owner of the Certificates).

PART 16. DEFAULT AND REMEDIES.

(a) Events of Default. Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Certificates, including, but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the City.

(b) Remedies for Default.

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Ordinance, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Certificates then outstanding.

(c) Remedies Not Exclusive.

(i) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(ii) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(iii) By accepting the delivery of a Certificate authorized under this Ordinance, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

(iv) None of the members of the City Council, nor any other official or officer, agent, or employee of the City, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Ordinance, or because of any Event of Default or alleged Event of Default under this Ordinance.

PART 17. TEXAS WATER DEVELOPMENT BOARD.

The provisions of this PART shall apply so long as the Certificates, or any of them, are owned by the TWDB. The City hereby agrees to comply with all conditions set forth in TWDB Resolution approving TWDB's funding of the Certificates (the "TWDB Resolution"), which conditions are incorporated herein.

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

(b) Compliance with TWDB Resolution. The City agrees to comply with all the conditions set forth in the TWDB Resolution.

(c) Redemption. The City shall provide that the Certificates may be called for early as set forth in the Form of Certificate attached hereto as Exhibit A.

(d) Rule 15c2-12 Compliance. The City agrees that it will comply with the provisions of Rule 15c2-12 in accordance with PART 14 above.

(e) Covenant Regarding Taxes and System Rates. The City hereby agrees that, for so long as the Certificates are outstanding, to levy a tax and/or maintain and collect sufficient rates and charges to produce revenues in an amount necessary to meet the debt service requirements of all outstanding obligations, to maintain the funds established and required by the Certificates and to levy an interest and sinking fund tax rate in accordance with Part 6 above.

(f) Final Accounting and Unused or Surplus Funds. 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. The City shall use all proceeds from the Certificates that are determined to be remaining unused funds for enhancement to the Project that explicitly approved by executive administrator, or, if no enhancements are authorized by the executive administrator, the City shall submit the final accounting and disposition of any unused funds. "Unused funds" means those funds that remain unspent after the original approved project is completed. Any proceeds of the Certificates that are determined to be surplus funds may be used in a manner approved by the executive administrator of the TWDB. "Surplus funds" means those funds remaining after completion of the Project and completion of a final accounting.

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

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

(i) Indemnification. The City further agrees, to the extent permitted by law, to indemnify, hold harmless and protect the TWDB from any and all claims or causes of action or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, removal and off site 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.

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

(k) Covenant to Comply with Applicable Law and TWDB Rules. The City will abide with all applicable federal laws, the laws of the State of Texas and Rules of the TWDB relating to the use of financial

assistance, the loan of funds evidenced by the Certificates and the Project for which the Certificates are issued, sold and delivered.

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

(m) 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.

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

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

(p) Tax Exempt Status. As set forth in PART 10 above, the Certificates are not tax-exempt obligations.

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

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

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

(t) Timely Expenditures. All proceeds of the Certificates will be timely and expeditiously used, as required by applicable federal statutes, including 40 CFR § 35.135(d) and the City shall adhere to the schedule for the Project.

(u) 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 the Federal Appropriations Act (31 TAC § 375.3, 33 U.S.C. § 1388) and related State Revolving Fund Policy Guidelines.

(v) Build America, Buy America Act. The City will abide by all applicable requirements related to the Build America, Buy America Act, Public Law 117-58.

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

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

(y) Pledge Conditions. The City will deposit the funds in accordance with PART 6 above.

PART 18. ESCROW AGREEMENT AND ESCROW FUND.

(a) The Escrow Agreement between the City and the escrow agent named therein (the “Escrow Agent”) substantially in the form and content presented at this meeting, specifying the duties and responsibilities of the City and the Escrow Agent, and creating the escrow fund (“the “Escrow Fund”), is hereby approved and the Mayor, City Manager or Chief Financial Officer is hereby authorized and directed to execute the Escrow Agreement on behalf of the City. The Escrow Agent named in the Escrow Agreement is hereby appointed as the Escrow Agent pursuant to such Escrow Agreement.

(b) On the closing date, the City shall cause the proceeds from the sale of the Certificates to be deposited into the Escrow Fund or, if agreed to by the TWDB, all or a portion of the proceeds of the Certificates may be deposited into the Construction Fund or as otherwise directed by the City and the TWDB.

(c) Funds shall not be released from the Escrow Fund without written approval by the executive administrator. Except as provided in PART 17(u), moneys disbursed from the Escrow Fund shall be credit to the Construction Fund created by PART 13 hereof and shall be applied only for the payment of costs of the Project.

(d) The security for, and the investment of, funds on deposit in the Escrow Fund shall be governed by the provisions of the Escrow Agreement.

PART 19. APPROPRIATION.

To pay the debt service coming due on the Certificates, if any, prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

PART 20. SEVERABILITY.

If any PART, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any persons or circumstances is held invalid or unconstitutional by a court of competent jurisdiction, such holding shall not affect the validity of the remaining portion of this Ordinance, despite such invalidity, which remaining portions shall remain in full force and effect.

PART 21. NO PERSONAL LIABILITY.

No recourse shall be had for payment of the principal of or interest on any Certificates or for any claim based thereon, or on this Ordinance, against any official or employee of the City or any person executing any Certificate.

PART 22. OPEN MEETING.

It is hereby officially found and determined that the meeting at which this Ordinance was adopted was open to the public, and that public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

PART 23. EFFECTIVE DATE.

In accordance with the provisions of Texas Government Code, Section 1201.028, this Ordinance shall be effective immediately upon its adoption by the City Council.

[Execution page follows]

PASSED, APPROVED AND EFFECTIVE this December 12, 2024.



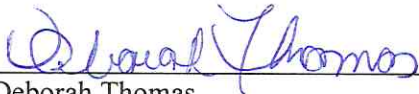
Kirk Watson,
Mayor, City of Austin, Texas

ATTEST:



Myrna Rios,
City Clerk, City of Austin, Texas

APPROVED:



Deborah Thomas,
City Attorney, City of Austin, Texas



EXHIBIT A

Form of Certificate

NO. R-____ UNITED STATES OF AMERICA \$_____
STATE OF TEXAS
CITY OF AUSTIN, TEXAS
COMBINATION TAX AND SURPLUS REVENUE CERTIFICATE OF OBLIGATION
TAXABLE SERIES 2025 (CWSRF)

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Delivery Date</u>	<u>CUSIP No.</u>
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ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF AUSTIN, TEXAS (the “City”), in the Counties of Travis, Williamson and Hays, hereby promises to pay to

or to the registered assignee hereof (either being hereinafter called the “registered owner”) the principal amount of:

_____ DOLLARS

and to pay interest thereon, from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on March 1, 2025, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar’s Authentication Certificate appearing on the face of this Certificate is dated later than March 1, 2025, such interest is payable semiannually on each September 1 and March 1 following such date.

THE PRINCIPAL OF AND INTEREST ON this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at the principal corporate trust office of UMB Bank, N.A., Austin, Texas, which is the “Paying Agent/Registrar” for this Certificate. The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the ordinance authorizing the issuance of this Certificate (the “Certificate Ordinance”) to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared at the close of business on the 15th day of the month preceding each such date (the “Record Date”) on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Texas Water Development Board, or such other Registered Owner, requested by, and at the risk and expense of, the Registered Owner; provided, however, that if this Certificate of Obligation is owned by the Texas Water Development Board, principal and interest will be paid by wire transfer or other method acceptable to the Texas Water Development Board, and there will be no charge. In the event of a non-payment of interest on a scheduled payment date, and for 30

days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. 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 owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

NOTWITHSTANDING ANY PROVISION, TERM, CONDITION OR REQUIREMENT OF THIS CERTIFICATE OR THE CERTIFICATE ORDINANCE TO THE CONTRARY, PAYMENTS TO THE INITIAL PURCHASER OF THE CERTIFICATES OF PRINCIPAL OF AND INTEREST ON THE CERTIFICATES SHALL BE MADE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS AT NO COST TO SUCH PURCHASER.

IN ADDITION, INTEREST MAY BE PAID by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner.

IN THE EVENT OF A NON-PAYMENT OF INTEREST on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date, and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the “Interest and Sinking Fund” created by the Certificate Ordinance, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

IF THE DATE for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, 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, then the date for such payment shall be the next succeeding day that is not such a Saturday, Sunday, legal holiday or day on which 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.

THIS CERTIFICATE is one of a series of Certificates dated January 22, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$12,160,000, for paying all or a portion of the City’s contractual obligations incurred for use in connection with: with (i) constructing, installing, acquiring and equipping additions, improvements and extensions to the City’s water and wastewater system, including the Buttermilk Creek Water Quality Improvement Project, and (ii) paying legal, fiscal, engineering and architectural fees in connection with such projects.

ON September 1, 2035, or on any date thereafter, the Certificates of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed

shall be redeemed in inverse order of maturity and the Issuer shall direct the Paying Agent/Registrar to call by lot or other customary method, portions thereof within such maturities and in such principal amounts, for redemption (provided that a portion of a Certificate may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

AT LEAST THIRTY (30) days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Registration Books at the close of business on the business day next preceding the date of mailing of such notice; provided, however, that the failure of the Registered Owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Certificate. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Certificates or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Certificates or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Certificate Ordinance.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE CERTIFICATES, unless certain prerequisites to such redemption required by this Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a notice of conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ALL CERTIFICATES OF THIS SERIES are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Ordinance, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Ordinance. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or

portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within forty-five (45) days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Certificates is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Certificate Ordinance that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

IT IS HEREBY certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that this Certificate is a general obligation of said Issuer, issued on the full faith and credit thereof; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a pledge of the surplus revenues of the Issuer's water and wastewater system (the "System") described below, to wit: the Surplus Revenues of the System, which are the revenues of the System that remain (i) after payment of all operation and maintenance expenses thereof and (ii) after payment of all debt service, reserve and other requirements in connection with all of the Issuer's revenue obligations (now or hereafter outstanding) that are payable from the Net Revenues, all as provided in the Certificate Ordinance.

THE ISSUER HAS RESERVED THE RIGHT to amend the Certificate Ordinance as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Certificates.

BY BECOMING the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Ordinance, agrees to be bound by such terms and provisions, acknowledges that the Certificate Ordinance is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Certificate and the Certificate Ordinance constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, this Certificate has been duly executed on behalf of the City, under its official seal, in accordance with law.

Myrna Rios,
City Clerk, City of Austin, Texas

Kirk Watson,
Mayor, City of Austin, Texas

(SEAL)

* * * * *

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE:

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Certificate is not accompanied by an executed Registration Certificate
of the Comptroller of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Ordinance described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates, or a portion of a certificate or certificates of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____.

UMB Bank, N.A.
Austin, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

FORM OF ASSIGNMENT:

ASSIGNMENT

(Please type or print clearly)

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

The within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____.

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

FORM OF COMPTROLLER'S CERTIFICATE
(ATTACHED TO THE INITIAL CERTIFICATE):

OFFICE OF COMPTROLLER :
STATE OF TEXAS : REGISTER NO. _____

I hereby certify that there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Certificate and that this Certificate has been registered this day by me.

WITNESS MY HAND and seal of office at Austin, Texas _____.

(SEAL)

Comptroller of Public Accounts of the
State of Texas

* * * * *

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

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

Registered Owner:

Principal Amount:

Dated Date: January 22, 2025

ON THE MATURITY DATE SPECIFIED ABOVE, THE CITY OF AUSTIN, TEXAS (the "City"), in the Counties of Travis, Williamson and Hays, promises to pay to the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on September 1 in each of the years and in principal installments in accordance with the following schedule:

<u>Maturity Date(9/1)</u>	<u>Principal Installments(\$)</u>	<u>Interest Rate(%)</u>
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		

and to pay interest thereon, from the Delivery Date specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the rate of interest per annum specified above, with said interest being payable on March 1, 2025, and semiannually on each September 1 and March 1 thereafter; except that if the Paying Agent/Registrar's Authentication Certificate appearing on the face of this Certificate is dated later than March 1, 2025, such interest is payable semiannually on each September 1 and March 1 following such date.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

January 22, 2025

City of Austin, Texas
301 West Second Street
Austin, Texas 78701

Texas Water Development Board
1700 N. Congress Avenue
Austin, Texas 78701

CITY OF AUSTIN, TEXAS
COMBINATION TAX AND SURPLUS REVENUE
CERTIFICATES OF OBLIGATION, TAXABLE SERIES 2025 (CWSRF)
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$12,160,000

AS BOND COUNSEL FOR THE CITY OF AUSTIN, TEXAS (the “Issuer”) in connection with the issuance of the certificates of obligation described above (the “Certificates”), we have examined into the legality and validity of the Certificates, which bear interest from the dates and mature on the dates, and are subject to redemption, in accordance with the terms and conditions stated in the text of the Certificates. Terms used herein and not otherwise defined shall have the meaning given in the ordinance of the Issuer authorizing the issuance and sale of the Certificates (the “Ordinance”).

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas, a transcript of certified proceedings of the Issuer, and other pertinent instruments authorizing and relating to the issuance of the Certificates, including one of the executed Certificates (Certificate Number T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the Certificates have been duly authorized, issued, and delivered in accordance with law; and that the Certificates, except as may be limited by laws applicable to the Issuer relating to bankruptcy, reorganization and other similar matters affecting creditors’ rights generally or by general principles of equity and governmental immunity of political subdivisions which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the Issuer; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates have been levied and pledged for such purpose, within the limit prescribed by law, and that the Certificates are additionally secured by and payable from the surplus revenues received by the Issuer from the operation of the Issuer’s water and wastewater system, remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with all of the Issuer’s revenue bonds or other obligations (now or hereafter outstanding), which are payable from all or any part of the net revenues of the Issuer’s water and wastewater system, as provided in the Ordinance.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Certificates.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Certificates, nor as to any such insurance policies issued in the future.



OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective.

OUR SOLE ENGAGEMENT in connection with the issuance of the Certificates is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering our opinions with respect to the legality and validity of the Certificates under the Constitution and laws of the State of Texas, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Certificates, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Certificates and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of and assessed valuation of taxable property within, and the sufficiency of the pledged revenues of, the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

Respectfully,

McCauley, Parkhurst + Heaton LLP.